Asia-Pacific Economic Cooperation

Business Ethics for APEC SMEs Initiative

Embodying the APEC Principles to Address Everyday Questions and Fostering an Ethical Culture
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- **Definition of Compliance:**
  Adherence to standards, regulations, and other requirements

- **Ethical Culture:**
  Is the extent to which an organization regards its values. Strong ethical cultures make doing what is right a priority.

- **What Ethical principles looks like:**
  - Encourage to act on values
  - Values are clear, positive and understandable
  - Take ownership of the values
  - Trust feel free to communicate, respond to situations
  - Act according to values even when no one is looking
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- **Business benefits of ethical principles:**
  - Reputation/public image
  - More stable and consistent reaction to ever changing rules/laws
  - Recruitment
  - Less disruptive workplace
  - Find problems more quickly and solve them
  - Employee commitment because of management character/integrity
  - In less ethical culture, employees will not make extra efforts
  - More likely to make good decision in new situations
  - Group intolerance of bad actors
  - See value in following policies and procedures
  - Feel responsibility to report
  - Protect stakeholder investment
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• **Specific Rules for Specific Issues:**
  - Company Policies & Procedures and Guidelines

• **General Rules for Analysis:**
  - Totality of the Circumstances
  - Type of Organization
  - Fair Market Value
  - Unfair Competition
  - Documentation and Recordkeeping
  - Substance Prevails Over Form
  - Transparency

• **Corporate Values and Cultural Standards:**
  - There is no “one size fits all” for Compliance; must be a living & sustainable process in your organization
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- Decision Making Process in Ethics and Compliance:

  - Corporate Values and Society Standards
  - General Rules for Analysis
  - Specific Rules for Specific Issues