**Assignment(1)**

**Class:MBA-II(Sem-III)**

**Subject: Business Ethics and Corporate Governance**

**Topics:**Business ethics and advantages of business ethics,corporate codes of ethics

**Submitted To:**

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**Ques1:What is the concept of business ethics and advantages of business ethics?**

**Ans.**Business Ethics is defined as the ethical principles that guide the decisions and conduct of individuals and organizations. It is a set of standards for businesses to follow when dealing with their customers, employees, partners, and other stakeholders. Business ethics are based on the belief that businesses should act responsibly and respect the rights and interests of those affected by their decisions. Business ethics can be divided into two categories: ***Corporate Ethics and Individual Ethics***. Corporate ethics refers to the values and principles that guide business operations. This can include a company's commitment to honesty and integrity, as well as its commitment to environmental protection and social responsibility. Corporate ethics also involve establishing policies and procedures to ensure that employees and other stakeholders maintain appropriate behavior in the workplace. These policies and procedures should be based on ethical principles, such as fairness, respect, and responsibility.

Individual ethics refers to the personal values and choices individuals make in their professional and personal lives. This includes decisions about how to handle situations, how to treat others, and how to act when faced with ethical dilemmas. Individuals must also consider how their decisions affect their colleagues, partners, customers, and other stakeholders. Business ethics is important because it helps maintain a good reputation for businesses and encourages ethical decision-making throughout the organization. Good business ethics can also help businesses gain a competitive advantage by improving customer relationships and creating a positive work environment.

Furthermore, businesses that practice ethical business practices will often experience increased profitability and efficiency. Business ethics is important not only for businesses but also for society as a whole. Ethical businesses contribute to the overall health and welfare of the communities in which they operate. Ethical businesses are more likely to pay taxes and provide quality goods and services. Additionally, ethical businesses are more likely to respect the rights of employees and adhere to labor laws.

In conclusion, business ethics is an important part of any organization. It ensures that businesses are acting responsibly and with respect for their customers, employees, partners, and other stakeholders. It is also important for society as a whole, as ethical businesses contribute to the overall health and welfare of the communities in which they operate.

**Advantages of Business Ethics:**

As we know, Business ethics refers to the principles and standards that guide the decisions and actions of businesses and their employees. Business ethics are essential for the successful functioning of an organization. They promote fairness and honesty in the business environment, ensure that all stakeholders have an equal opportunity to benefit from the company's activities, and foster a positive image of the company in the public eye.

**1. Creates a Sense of Trust and Loyalty**

The primary advantage of business ethics is that it creates a sense of trust and loyalty among customers, suppliers, and other stakeholders. Customers will be more likely to trust a business if they know it operates ethically and that its interests are taken into consideration. Suppliers will be more likely to do business with a company that is considered ethical. This trust can lead to better relationships with customers and suppliers and more profitable business relationships.

**2. Respect Within the Organization**

Business ethics also help foster a culture of fairness and respect within the organization. Employees are more likely to be motivated and productive when they know their employer is committed to ethical practices. The ethical environment created by business ethics can also help prevent unethical behavior such as bribery, embezzlement, and fraud.

**3. Promote Social Responsibility**

Business ethics can also help to protect the environment and promote social responsibility. Companies that adhere to ethical business practices are more likely to consider the environmental impact of their actions and take steps to ensure that their activities are sustainable. Additionally, by promoting ethical business practices, companies can help to reduce their carbon footprint and contribute to a healthier environment.

**4. Improve the Public Image of a Company**

Furthermore, business ethics can help improve a company's public image. Customers are more likely to purchase products or services from a company that is considered ethical and responsible. Additionally, ethical practices can help attract and retain talented employees, who will be more likely to stay with a company they know to be ethical.

**5. Increase Employee Morale**

Business ethics help to ensure that employees respect each other and the rules in the workplace. This creates a better working environment and increases employee morale.

**6. Improve the Financial Performance of a Company**

Finally, business ethics can help improve a company's financial performance. Companies that adhere to ethical business practices are more likely to be financially successful, as customers and suppliers will be more likely to do business with them. Additionally, ethical practices can help attract investors, as they will be more likely to invest in a company that is considered responsible and trustworthy.

**7. Improve Bottom Line**

Business ethics help to ensure that customers are treated fairly and that employees adhere to the company's core values. This helps to increase customer loyalty and, in turn, improves the company's bottom line.

In conclusion, business ethics are essential for the successful functioning of an organization. They create a sense of trust and loyalty among customers and suppliers, foster a culture of fairness and respect within the organization, protect the environment and promote social responsibility, improve the company's public image, and improve its financial performance. By implementing ethical business practices, companies can ensure their long-term success and contribute to a healthier and more sustainable society.

**Ques2:Explain corporate code of ethics?**

## Ans. Goal of Code of Corporate Ethics

The Company's Code of Corporate Ethics (hereinafter - the "Code") is based on the Code of Corporate Ethics adopted by RUSAL in 2005 and is intended to be used by the Company:

* to give each employee an idea of the Company's mission, values and principles;
* to set standards of ethical behaviour that define relationships within the Company's team, with customers, business partners, government bodies, the public and competitors;
* to serve as a tool to prevent possible violations and conflict situations, and to develop a corporate culture based on high ethical standards.

By accepting the Code, the Company confirms its intention to follow high ethical standards of business practice.

We view the provisions and requirements of the Code as one for all and commit ourselves to respecting, implementing and considering them in our daily activities.

## Implementation of the Code

The Code conditions are applicable to RUSAL and to all companies controlled by RUSAL. The terms RUSAL and "Company" used in this Code refer to RUSAL and each member of the RUSAL Group; and the term "Board of Directors" refers to the RUSAL Board of Directors.

The Code provisions also apply to agents, consultants and other business partners when they represent or act on behalf of the Company or the RUSAL Group of Companies.

## Contents of the Code

The Code is based on the principles of the Corporate Ethics Code adopted by RUSAL on 7 February 2005. Since then, the Code has been supplemented with several new sections. It provides more detailed explanations of certain provisions and requirements than previous versions of the document. The text has been updated to reflect internal and external changes that have occurred in the Company within two years since the first adoption of the Code. These changes are in line with the new requirements to RUSAL and its employees from business partners, government authorities and the public. In addition, the Code was amended to reflect RUSAL's new status following the acquisition of SUAL and Glencore's assets in March 2007.

### The Code contains the following paragraphs and sections:

### 1. Mission of RUSAL

Our mission is to become the most efficient aluminum company in the world, which we and our children can be proud of.

Through RUSAL's success - to the prosperity of each of us and our society.

### 2. Values of RUSAL

In our Company, we particularly value:

* Respect for the personal rights and interests of our employees, the demands of our clients, the terms and conditions of cooperation put forward by business partners and society.
* Fairness, which implies remuneration in accordance with the results achieved and equal conditions for professional growth.
* Integrity in relations and provision of information necessary for our work.
* Efficiency as the stable achievement of maximum results in everything we do.
* The courage to confront what we do not accept, and to take personal responsibility for the consequences of our own decisions.
* The care we take to protect people from any harm to their lives and health and to preserve our environment.
* Confidence in our employees that allows us to delegate authority and responsibility for making and implementing decisions.

Following our values, we will be able to maintain the kind of corporate culture that is necessary to achieve the highest level of all our business aspirations.

Our values are reflected in our success, binding on us and offered to all who work with us. We do not retreat from our values to make a profit. We see them as a link in all our activities and expect the same in our relationships with our business partners.

### RUSAL's Ethical Principles and Standards

**- "Internal relations" (relations with employees)**

**- "External relations" (relations with investors, clients, business partners, competitors, government agencies and society; gifts and hospitality)**

**- “Resource usage”**

**- "Health, Safety and Environment"**

**- "Efficiency and profitability"**

**- "Conflict of interest"**

### 4. Enforcement of the Code

The terms of the Code of Corporate Ethics apply to all employees of each company within RUSAL who undertake to be guided in their work regardless of their position or status. When applying to the Company, employees should be familiarised with the Code and trained in its application in their daily work. To this end, and in order to effectively and universally implement the Code, the Company has developed a corporate ethics training course that:

* clarifies the provisions of the Code, taking into account existing practices in its application;
* is updated from time to time according to the requirements;
* is made for all employees regardless of their term of employment with the Company.

If you're not sure:

* in the ethics of their actions or decisions,
* in the ethics of the actions or decisions of their colleagues and managers,

in accordance of your actions or decisions to the values and principles of the Company, you should seek assistance from your line manager or the Corporate Ethics Officer who operates in each enterprise of the Company.

If your colleague is behaving unethically, you should warn him or her about this by indicating which principle of the Code he or she is violating. Any issues in dispute should be resolved with your supervisor or the Corporate Ethics Officer. Your concerns about ethical issues may be referred to the Human Resources Committee or the Corporate Governance Committee if:

* the question cannot be resolved locally by your line manager or the Corporate Ethics Officer,
* the question concerns the actions or decisions of the Corporate Ethics Commissioner.

We guarantee that the information you provide will under no circumstances be used against you, and your treatment will remain confidential. You will be informed in a timely manner of the decision on your application by the Corporate Ethics Officer or a representative of the Human Resources or Corporate Governance Committee.

You may contact the Audit Committee of the Board of Directors or the Corporate Governance and Nominations Committee of the Board of Directors if an ethical issue is related to actions or decisions of the Human Resources Committee or Corporate Governance Committee.

All Company officials and employees must cooperate fully with the investigation of ethical situations and provide materials and documents necessary to verify the circumstances of an ethical violation. Ethical issues should be regularly covered by the corporate media.

Any prosecution of an employee who voluntarily alleges a violation of the Code's principles will be considered a separate violation of the Code's principles.

In addition to the above statements on disclosure of cases of violation of the Code of Corporate Ethics, employees may also use a separate Reporting Policy on Violations, which provides protection to employees who report unethical behavior within the Company.