



TRANSPARENCY
INTERNATIONAL
ITALIA

SME BUSINESS INTEGRITY KIT

FOREWORD

The **SME Business Integrity Kit** has been created by the **Business Integrity Forum** of **Transparency International Italia**, that works with some of the most important Italian companies dealing with legality and responsibility.

The Kit has been designed to help **spread the values of transparency, integrity and anti-corruption** and is available **free of charge** to companies that have commercial or collaborative relationships with other companies who are part of the Business Integrity Forum. The SME Business Integrity Kit consists of **three tools** which are only truly effective if the company genuinely commits to applying them and sharing them. For this reason, an **annual review** regarding the content and methods of use is considered necessary, particularly with regards to **personnel information/training**.

“In a world increasingly more attentive to the values of ethics and transparency, integrity is becoming the competitive edge that bolsters trust in, and the reputation of, Italian companies”

[INSTRUCTIONS >>](#)

The *SME Business Integrity KIT* is published under the Creative Commons Attribution-NonCommercial-NoDerivs 3.0 Italy License.



INSTRUCTIONS

WEBSITE SECTION: CORPORATE ETHICS

For better communication effectiveness, the three objects that comprise the Kit should be put in a new part of the corporate website, called **Corporate Ethics**. This section will have three sub-sections: **Charter of General Ethical Principles**, **Reporting Systems and Policies**, and the **Integrity Pact**, which could be individual areas or pages, depending on the organization and the characteristics of the corporate website.



CHARTER OF ETHICAL PRINCIPLES

The **Charter of General Ethical Principles** should be published on the web page, in full, in its original form or as a PDF attachment, preceded by the following text:

The Charter of General Ethical Principles is a voluntary declaration by companies applying these principles in their business activities. It contributes to creating a climate of transparency, integrity and trust in those activities which are performed both within the company's own organisation and outside of it.

The Charter of General Ethical Principles is analogous to that part of the Code of Ethics that governs behaviour regarding anti-corruption and conflicts of interest. If a company already has a Code of Ethics, integrating the two is recommended. If, however, a company doesn't yet have a Code of Ethics, the Charter can represent a good basis from which to develop a comprehensive one.



REPORTING SYSTEMS AND POLICIES

The supplied document contains the main information, in the form of questions and answers, that is useful in creating a simple **Reporting System**, and a **Reporting Template**.

From these guidelines, each company can select their own way to create policies and awareness on the subject, based on their size and structure. If an online method is selected, ideally this would be under the Corporate Ethics section of the corporate website.



INTEGRITY PACT

The supplied **Integrity Pact** should be published on the website, as a PDF attachment, preceded by the following text:

The Integrity Pact is signed by companies working as Business Partners in a customer/supplier relationship. The company proposes this Pact to his suppliers of goods and services to increase the level of collaboration, responsibility, transparency and trust.



CHARTER OF GENERAL ETHICAL PRINCIPLES

PRELIMINARY CONSIDERATIONS

The General Ethical Principles listed below are part of the **cultural baggage** – taken to mean the corporate culture – that needs to inspire every employee in his or her work activities.

In addition to **internally fostering** these principles, the company should also work to encourage their adoption outside the company becoming a **promoter**, together with the other participating companies, of an initiative that takes its momentum from the values of Transparency International Italia and that is fully **endorsed** and promoted by means of the Business Integrity Forum.

1. COMMITMENT

Respect for the law and the principles of integrity, transparency and anti-corruption represent the first pillar on which to found a **responsible company**. Publicly encouraging these ethical principles reinforces their value and their ability to influence beyond just compliance. Subscribing to this **Charter of General Ethical Principles** will have no value, nor inspire other business partners to emulate your position, if it is not fully internalised, shared and applied. That is why we acknowledge the importance of organising specific times and events to inform people and raise awareness, and of inducting new employees in the Charter at the moment they are hired.

[READ MORE >>](#)

>> READ MORE

2. INTEGRITY

Moral integrity, honesty and rectitude are the principles that inspire us **in our daily work activities** and act as a guiding light.

3. TRANSPARENCY

Transparency, or opening up the organisation, and the communication of data and **information relevant to the community**, is a fundamental principle. Since opacity and lack of clarity can be fertile ground for improper practices and behaviour, they should not, in any way, be considered appropriate.

4. ZERO TOLERANCE FOR CORRUPTION

We acknowledge that corruption – in any form it might take – is wrong and can have grave consequences and negative social, reputational, economic and civil effects: corruption can **impoverish a nation and severely damage those companies** operating within it. We therefore reject, in addition to all illegal behaviour, any act which, in any way, is counter to the principles of correctness and honesty, even if it involves negligible economic gains, such as small payments, gifts, or advantages awarded illegally with the aim of accelerating normal practice or obtaining favours.

5. CONFLICT OF INTEREST

We strictly and rigorously avoid creating a conflict of interest but, should one be created, we will manage it with a sense of **responsibility** and **transparency**.

6. FAIRNESS

Fairness towards colleagues, such as business partners, competitors and institutions, is reflected in proper behaviour that respects the principles of **fair competition**.

7. RESPONSIBILITY

We promote the utmost responsibility when performing any activity that might have an impact on our community and on civil society in general. Everything, it goes without saying, is to be done with the greatest respect for **human rights, safety** and the **environment**.

8. CULTURE OF LEGALITY

A work environment that respects the ethical principles applied, **reinforces in employees** the appreciation of, and support for, the company's values.



REPORTING SYSTEMS AND POLICIES

PRELIMINARY CONSIDERATIONS

Whistleblowing is a legal tool that protects anyone who wishes to report possible **illegal activity** that they might have witnessed **inside their place of work**.

Any entity can establish a **specific procedure** for reporting illegal activity, guiding employees, who wish to do so, in how to report anomalies with complete **peace of mind** and in guaranteed **confidence**.

Within the context of legislation that is increasingly aimed at providing legal protection for employees who report on their employers, it is appropriate for the company to equip itself – based on international best practice – with tools of this type, given that employees are in the best position to become aware of any **irregularity**, that could have been **prevented** or **countered** if timely notice had been provided to the control bodies.

In order to deal with any reservations employees may have of using whistleblowing systems, there must be mechanisms that guarantee complete **confidentiality** as well as protection of the employee's **personal data**.

[FREQUENTLY ASKED QUESTIONS >>](#)

WHO CAN REPORT AN ANOMALY?

The choice is left to the entity/company. Usually, in addition to **employees**, the company may invite **collaborators**, **business partners** and **suppliers** to report any irregularity.

WHAT IS THE POINT OF THE PROCEDURE? WHAT CAN YOU REPORT?

Also in this case, the choice is left to the entity. Usually, it covers any **behaviour** that constitutes - or could constitute - potential **breaches of law, regulations** or **internal corporate procedures**, including breaches of the Code of Ethics. To better explain the management procedure for reporting irregularities, it is often useful to supply some practical examples, indicating non-compliant behaviour, which might be the subject of a report.

WHAT TYPE OF INFORMATION NEEDS TO BE INCLUDED IN THE REPORT?

The procedure must specify that a report, even if done anonymously, is not a charge or an accusation and must be adequately **described**, based on **directly acquired elements or information**, in order to allow an appropriate response.

WHO SHOULD RECEIVE THESE REPORTS?

Based on the company's organisation, responsibility could be assigned to an **individual person** or to a **specific department** (e.g. Internal Audit, compliance manager, security manager, a member of the Supervisory Body, etc.). In any event, responsibility must be **independent** both at a budgetary level and a managerial one, with regards to the employer.

WHAT CHANNELS CAN BE USED TO REPORT ACTIVITY?

You can choose a **mailbox**, a dedicated **email address**, a **telephone number** or, where possible, an **IT platform** that can transmit the report and allowing dialogue with the person making the report in a confidential, secure way.

WHAT DOES THE PERSON WHO RECEIVES THE REPORT HAVE TO DO?

The person who receives the report does what is called a first screening in terms of **admissibility**, and, if admissible, will launch an **internal investigation**, potentially consulting with other corporate organisations whilst keeping the identity of the person who made the report strictly confidential. A **report** must then be completed and sent to the employer for any internal measures to be taken. During this procedure, it's a good idea to provide **periodic feedback to the person who made the report** and, also periodically, it can be useful to communicate the results of the procedure and its operation.

IS IT POSSIBLE TO MAKE AN ANONYMOUS REPORT?

It is possible to the extent that people must be aware that any report must be as **detailed** as possible and that reports without precise information cannot be taken into consideration.

>> READ MORE

WHAT PROTECTIONS ARE THERE FOR THE PERSON MAKING THE REPORT?

First of all, this person's **identity must be kept strictly confidential** from any person who might be the subject of the report but also from any third party. To this end, the necessary actions and initiatives must be taken against anyone who retaliates (or who threatens to retaliate) against a person making a report. It would be appropriate to **emphasize** the importance of the **principle of protecting the person who made the report** within the context of the company's Code of Ethics, where it exists.

WHAT PROTECTIONS ARE THERE FOR THE PERSON WHO IS THE SUBJECT OF A REPORT?

No disciplinary action whatsoever must be taken against any person just because a report has been made about them. Action only becomes pertinent when the report has been definitively verified internally.

COULD THE PROCEDURE INVOLVE SANCTIONS?

Not only could it but the procedure **should involve sanctions** against anyone who abuses the procedure with deliberately defamatory information; against anyone who receives a report and then does not proceed to adequately investigate it; against any potential other subject who refuses to collaborate with the person charged with verifying such reports; and against anyone who retaliates (or who threatens to retaliate) against a person making a report.

REPORTING TEMPLATE

The PMI Integrity Kit also provides a questionnaire template that helps you to report and that can be downloaded and filled in.



SME BUSINESS INTEGRITY KIT



REPORTING TEMPLATE

PRELIMINARY INFORMATION

Which company does your report refer to?

What is your relationship with this company?

- Employee
- Ex-employee
- Collaborator
- Supplier
- Business partner
- Other. *Please specify:* _____

Have you already reported this internally to the company?

- YES
- NO

Have you already reported this to an external authority?

(for example, the police / the Carabinieri / the finance police / ANAC, the Italian national anti-corruption authority)

- YES
- NO

What was the outcome of any previous report?

What type of irregular activity do you want to report?

- A law or a regulation has been broken
- The company's Code of Ethics has been broken
- An act of corruption
- Fraud
- Other. *Please specify:* _____

[READ MORE >>](#)

DESCRIPTION OF THE FACTS

Describe, briefly, what happened

Now describe, as fully as you can, what happened

TIME FRAME

Time frame: when did this irregular activity take place?

Could this activity happen again or repeat itself in the future: what might prevent that?

BENEFIT AND DAMAGE

Who has benefited from this irregular activity?

Who has been damaged by this irregular activity?

[READ MORE >>](#)

OTHER INFORMATION

How did you become aware of this irregular activity?

- I saw it happen
- It was reported to me by a colleague
- It was reported to me by a person from outside the company
- I discovered it by chance from documents/files
- Other. *Please specify:* _____

What is your level of involvement in what happened?

- I'm not involved
- I'm a victim
- I'm a witness
- Other. *Please specify:* _____

Have you already spoken to someone about this?

- Friends
- Relatives
- Colleagues
- Someone higher up in the company's organisation
- Trade union representative
- Other. *Please specify:* _____

INFORMATION NEEDED TO VERIFY THE REPORT

Can you provide any other information that might be useful in verifying the veracity of your report?

[READ MORE >>](#)

WILL YOU TELL US A LITTLE ABOUT WHO YOU ARE?

THESE FIELDS ARE NOT MANDATORY. WE ACCEPT ANONYMOUS REPORTS MADE IN A RESPONSIBLE WAY

FIRST NAME:
LAST NAME:
GENDER:
AGE:
POSITION AT WORK:
ADDRESS:
TELEPHONE NUMBER:
EMAIL:

FOR FUTURE CONTACTS

INDICATE WHAT CHANNEL YOU'D LIKE US TO USE FOR FUTURE COMMUNICATION

IMPORTANT:

BEFORE MAKING A REPORT, WE RECOMMEND READING THE RELEVANT COMPANY POLICIES, IN PARTICULAR:

- WHO WILL RECEIVE THE REPORT AND HOW IT WILL BE MANAGED
- WHAT SAFEGUARDS THE COMPANY HAS PUT IN PLACE TO PROTECT ANYONE WHO WISHES TO MAKE A REPORT
- AND FINALLY, WE REMIND YOU THAT ANY REPORT CAN ONLY BE ACTED ON IF IT HAS BEEN WELL DOCUMENTED AND DESCRIBED IN DETAIL



INTEGRITY PACT

PRELIMINARY CONSIDERATIONS

An **Integrity Pact** is a tool aimed at encouraging better relationships between business partners. It substitutes onerous, bureaucratic measures with a “pact” signed by the parties to **share values** such as correctness, fairness and transparency.

The Pact helps improve **mutual trust**, reinforce the **certainty of the relationship** and business exchanges, in order to operate faster, with **fewer costs** and greater confidence in the relationship, thereby fostering **competitiveness in the production chain**.

The **reputational value** of an Integrity Pact and the importance of giving **visibility** to it and to other best practices in order to encourage a **greater adoption** of it, are other important aspects.

[INTEGRITY PACT BETWEEN CUSTOMER AND SUPPLIER >>](#)

INTEGRITY PACT

BETWEEN CUSTOMER AND SUPPLIER

WHAT WE SHARE

HOW WE WORK

WHAT WE COMMIT TO

WHAT WE SHARE

- » The **mutual commitment** to respect the law and codes of conduct based on the principles of **correctness**, **fairness** and **transparency** in the various phases of **scheduling**, **negotiating** and **carrying out** contractual relationships;
- » the knowledge that business relationships founded on behaviour based on mutual integrity, responsibility and transparency help reinforce the **culture of legality** and the **competitiveness** of our companies;
- » the drive to contribute, with our choices, to the **prevention** of corrupt practices and activity, to **fighting** corruption and illegality not only in relationships between companies but also generally in civil society.

HOW WE WORK

- » we will commit our companies to **sharing responsibility** and **increasing awareness of a culture of legality**, two cornerstones to achieving the objectives of fighting and preventing corruption and illegality;
- » we will educate/train employees and collaborators on **the rules and limits** that can help define proper behaviour in relationships between companies and with the public administration;
- » we will pursue in our relationships the principles of **corporate social responsibility**, taken to mean attention to social and environmental issues;
- » we will foster the values of **correctness of information** and **certainty in the respect for the commitments assumed** with regards to customers and suppliers.

WHAT WE COMMIT TO

- » Putting the *Integrity Pact* into practice the moment it is accepted;
- » **refusing:**
 - **offers of money** and **other benefits** directed at encouraging unfair, illegal or improper behaviour in our business practices;
 - to be **involved** in operations encouraging **money laundering** and **proceeds from criminal activity**;
 - **relationships** with companies that are involved with criminal organisations or that are involved in crimes connected to terrorist activity, exploitation of child labour, serious **breaches of obligations** regarding payment of duties, taxes and **social welfare contributions**;
- » **favouring** in our business relationships, those companies who:
 - are committed to adopting **corruption prevention** measures and measures **promoting integrity** in their organisations, including the implementation of a Code of Ethics and a Management and Organisational Model;
 - urge **respect for contractual commitments**;
 - are mindful of the **completeness, veracity** and **transparency of the information** provided to business partners and to civil society;
- » **mutually reporting improper behaviour** in business practices with the aim of speeding up restorative and normative actions;
- » **reporting** in our relationships and to the network of customers, suppliers and collaborators, the **adoption of the Integrity Pact** and the tools that the Pact provides to encourage fair, transparent and responsible behaviour.

FOR ACCEPTANCE

PLACE

DATE

FOR ACCEPTANCE

PLACE

DATE
