

# **CROATIAN CHAMBER OF ECONOMY**

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## **CODE OF ETHICS IN BUSINESS**

*On the grounds of Article 3, item 1, sub-item 13 of the Croatian Chamber of Commerce Act ("Official Gazette" no. 66/91, 73/91) and Article 21 of the Articles of Association of the Croatian Chamber of Commerce ("Official Gazette" no. 11/94 final draft, 108/95, 19/96 and 64/01) the Croatian Chamber of Commerce (hereinafter referred to as: Chamber)*

- acknowledging the importance of responsible and ethical behavior of economic subjects as essential assumptions for efficient market functioning and integration of Croatian economy into international developments,*
- encouraging the development of high quality relations and loyal competition between business partners and the environment in which the economic subjects operate,*
- considering the specific aspect of particular economic subjects and activities,*
- emphasizing the need of open public dialogue which will define the basic ethical guidelines that encourage businessmen to make decisions for the benefit of their economic subjects and the community in general,*
- promoting adequate care for the environment,*

*hereby recommends to its members to accept the following Code rules:*

### **I INTRODUCTION**

#### *Article 1*

*This Code establishes the general guidelines for ethical behavior of economic subjects within Croatian economy.*

*The defining of ethical criteria contributes to transparent and efficient business and high quality relations between economic subjects in the Republic of Croatia and the business environment in which they operate.*

*It is recommended to professional associations, groups, communities and individual economic subjects within the Chamber to develop their own ethical principles or codes, in accordance with their own needs.*

*Stock companies are advised to adopt and implement the principles of modern corporate management.*

## Article 2

*Each signatory is responsible for observing the Code rules.*

*Managers are responsible for compliance with Code provisions in organizational units which they are in charge of.*

*Ethical rules should be accepted by all employees and have to be integrated in work and business operations.*

*Encouraging ethical behavior in the organization is achieved by defining and publicizing the rules of ethical behavior, setting positive examples by managers, revealing and solving potential ethical problems in an early phase and punishing unethical behavior.*

## Article 3

*Any form of political influence, influence on judicial bodies or pressure in business relations that would be directed for gaining economic interest for particular subjects or groups of persons is strictly forbidden.*

*Support of economic subjects or their associations for the interests of the business sector in bringing or amending laws or any other regulations should be substantiated, transparent and carried out through institutional channels.*

## **II GENERAL PRINCIPLES**

### Article 4

*The code signatory accepts the liability to act in compliance with the principles of accountability, truthfulness, transparency, quality, acting in good faith and respecting good business practice towards business partners, the business, the social environment and own employees.*

*Each economic subject shall respect the principles of ethics in business relations by abiding to current laws.*

*Goods and services should be produced and offered to customers in a socially and ecologically acceptable manner. The development, distribution and consumption of products and services should not have any prohibited impact on the social and natural environment.*

### Article 5

*The Code signatories shall comply with the good business practice in local and international context, created in good faith, correct relations, loyalty and accuracy.*

#### Article 6

*Failure of an economic subject to comply with the rules of ethics in business does not release other economic subjects of their liability to comply with these principles towards the same subject.*

### **III INTERNATIONAL RELATIONS OF ECONOMIC SUBJECTS**

#### Article 7

*The principles of business ethics require each economic subject to strictly abide to the taken over liabilities within the law and agreed business terms and not to disturb other economic subjects in performing their liabilities.*

*A Code signatory shall not take over liabilities he is aware he cannot fulfill.*

#### Article 8

*Economic subjects are obliged to provide information about their business activities to economic subjects, state authorities and the public when such obligation is in compliance with the law, contract, good business practice or justified public interest.*

*Deliberate furnishing of false information in order to deceive the business partner or the public is not allowed.*

#### Article 9

*Business cannot abuse the trust of consumers, business partners or other participants in a business relation or take advantage of their inexperience, lack of knowledge or good faith.*

*When concluding contracts, economic subjects shall formulate clear and precise provisions so they cannot be interpreted contrary to the true will of parties.*

#### Article 10

*Products and services have to bear a declaration of quality and cannot be a safety or health hazard in their intended use.*

*It is forbidden to hide from the consumer negative consequences of using particular products and any other form of deceiving the user in terms of any material product characteristic.*

#### *Article 11*

*It is considered to be inappropriate to offer business agreements without providing sufficient information for bringing decisions for the user.*

#### *Article 12*

*It is not allowed to offer free listing in business directories on internet pages and afterwards consider the signature on the application for listing in the database as signature on an advertising contract and to additionally issue an invoice, which is treated as a paid service.*

#### *Article 13*

*If the sales of products or services is organized through the internet, economic subjects are obliged to provide transaction safety.*

*Internet sales require clear and unambiguous price indication and each collection of payment is performed only with the consent and knowledge of the customer. Adding fees or charges to the price accepted by the customer of which he has not been previously informed of, is not allowed.*

*Customers who have made a purchase through internet sales enjoy equal rights to product and service quality, post-sales services and guarantees as customers who have directly purchased the same product or service.*

#### *Article 14*

*In mutual business operations, economic subjects shall be guided by the principle of common interest which assumes the right to mutually established benefit from the performed activities.*

#### *Article 15*

*Ethics in business requires observing the principles of free and fair competition and equal treatment for all participants in business.*

*Economic subjects shall not apply any fictive price reduction of goods and services.*

*Any retaining from sales of goods and services which face immediate price increase is also considered to be improper.*

## Article 16

*Improper forms of competition, for example dumping, unethical gaining of information about competition and spreading any, especially false, information is not allowed.*

*Improper forms of cooperation with competition, for example activities related to price arrangements, market division, customer or supplier boycott, sales restrictions or any other form of secret associations for gaining privileged market positions are also not allowed.*

## Article 17

*Economic subjects are obliged to respond to all inquiries, remarks and complaints of users in reasonable time.*

*The economic subject's policy related to guarantees, complaints, replacement of purchased products and money refund, have to be clearly communicated to the customer at the moment of purchase.*

*If remarks related to the product or service are justified, the economic subject is obliged to offer the customer an adequate replacement product or service, or make a cash refund in the same value.*

## Article 18

*Business partners may mutually exchange gifts of minor value however, accepting such gifts cannot be conditioned with business arrangements or related to providing the giver a privileged position in comparison to competition.*

*The form and value of gifts has to be in compliance with the law, internal decisions of the economic subject and acceptable business practice.*

## Article 19

*Code signatories are obliged to solve any contingent disputes, or employee related disputes by negotiation and voluntary agreement or voluntary fulfillment of liabilities and if the dispute cannot be settled, one of the following options for dispute settlement within the Chamber can be applied:*

- *disputes caused by violation of good business practice and ethical rules in business operations shall be settled before a Court of Honour of the Croatian Chamber of Commerce,*
- *in a reconciliation procedure using the services of the Reconciliation Centre of the Croatian Chamber of Commerce,*

- *or in the form of overall dispute settlement by arbitration at the permanent arbitration court of the Croatian Chamber of Commerce.*

#### **IV INTERNAL RELATIONS OF THE ECONOMIC SUBJECT**

##### *Article 20*

*The economic subjects independently organize their organization and rules of procedure. They are obliged to observe current regulations, collective and individual agreements and protect human and citizen rights, the dignity and reputation of each and every employee.*

##### *Article 21*

*Employees, Management members, Supervisory Board members and other associates are obliged to professionally perform jobs allocated to them and promote interests of the economic subject who has employed or engaged them.*

*The above stated includes the protection and care of material and immaterial assets of the economic subject, including all forms of ownership, keeping the secrecy of business information, and caring about the reputation and relations with business partners, state authorities, nongovernmental organizations and the public, in general.*

##### *Article 22*

*No form of conflict of interest or competition with the economic subject with whom the person is employed is allowed.*

##### *Article 23*

*Business decisions related to employment, education, job allocation, salary, performance assessment and remuneration by work performed, employee promotion and especially cancellation of contract of employment have to be correct and fair.*

*No discrimination or harassment of employees due to gender, race, religion, nationality or politics, physical disability, age, family status or any other personal feature or beliefs is allowed.*

#### Article 24

*Economic subjects are obliged to provide safe working conditions which assume that no employee shall be exposed to health or other risks and they will be provided with adequate information, training and insurance against such risk.*

*In accordance with its capacity, the economic subject shall invest in the development of its employees and create a motivating environment for innovative and creative work.*

#### Article 25

*Economic subjects within their available capacity shall provide for its employees an appropriate salary related to performance, qualifications, work experience, conditions and working hours.*

*Working hours shall be adjusted to current regulations.*

*Salaries and compensation shall be paid on time and in compliance with current regulations, the collective agreement (if applicable) and contract of employment.*

#### Article 26

*In case of legal or contractual rights violation, the employee or associate of the economic subject has the right and obligation to seek a solution of a problem within the economic subject.*

*In case the dispute cannot be settled amiably, in accordance with item 1 of this article, the employee is entitled to seek protection before a court.*

*In extremely difficult cases of violation of rights, presentation of case to the media is allowed but the risk of such procedure shall be borne by the person undertaking such action.*

#### Article 27

*The employee is obliged to protect personal information of employees or job candidates in compliance with current regulations.*

*Employees are entitled to be informed about the process of collecting and manner of using information about them and their activities during the work process.*

*No sales, exchange or surrender of personal information about employees to third parties is allowed.*

*Surrender of information to courts shall be performed on the grounds of court orders.*

## Article 28

*All disabled persons or persons with permanent or temporary special needs have to be treated when being employed, performing work duties and other activities as any other citizens in their rights and liabilities, but respecting and taking into consideration their special needs, accordingly.*

## **V CODE VIOLATION SETTLEMENT**

### Article 29

*The right of each employee, or authorized labor representative (employee council or union representative) or associate of the economic subject binding by this Code is to inform the immediate superior about any contingent or committed violation of Code or legal regulations.*

*The economic subjects can regulate by internal act the manner of reporting Code violation.*

*The obligation of the management of the economic subject is to undertake action to prevent or punish the violation of code provisions, and establish if the report against contingent or committed violation of Code provisions, as well as current regulations of the Republic of Croatia, is founded.*

*The employee or associate who files a founded report against Code or law violation cannot be punished or discriminated in future work.*

*If the report against Code or law violation proves to be unfounded, and if proven that the informer had been aware of this, he shall bear sanctions in compliance with internal acts of the economic subject.*

*Economic subjects are advised to pronounce as measures for code violation, depending on the severity of violation, the following: guidance, reprimand, education, request for correcting the violation, fine, notice for changing contract of employment and cancellation of contract of employment.*

### Article 30

*If the responsible persons within the economic subject are solving the report against the contingent or committed violation of Code inappropriately long, and further delay could cause a violation of law, represent a life, health or environmental hazard, severe material damage or any other violation of public interest, each person who becomes aware of such circumstance should appeal to a higher instance within the economic subject.*



*If this is not possible, or the higher instance has not provided a solution, the report can be submitted to a body within the Chamber, competent for settling disputes as stated in Article 19 hereof.*

## **VI CODE ACCEPTANCE**

### *Article 31*

*The provisions of this Code are binding for all economic subjects on the territory of the Republic of Croatia who have signed Code acceptance.*

*The statement of Code acceptance shall be submitted to the Croatian Chamber of Commerce – Public Relations Department, on a form which is an integral part of this Code.*

### *Article 32*

*The signature of Code signatories is kept and updated in the Public Relations Department of the Croatian Chamber of Commerce.*

### *Article 33*

*The Code wording and the list of signatories shall be disclosed on the web site of the Croatian Chamber of Commerce [www.hgk.hr](http://www.hgk.hr).*

### *Article 34*

*The Code shall be put in force on the date the Decision on confirming the Code of Ethics in Business has been adopted by the Assembly of the Croatian Chamber of Commerce.*

### *Article 35*

*Economic subjects shall apply the Code from the date of signing a Code acceptance statement.*