



ETHOS STUDY: SUMMARY

Codes of Conduct

Best Practice of the largest listed companies in Switzerland

March 2009

EXECUTIVE SUMMARY

The study on codes of conduct is based on a sample comprising 65 of the 100 largest listed companies in Switzerland. It looks at the number of codes that exist, their content and how they are implemented.

NUMBER OF CODES OF CONDUCT

Of the sample of 100 companies considered, 69 communicate about the existence of a code of conduct.

Of the 65 codes analysed, 56 are accessible publicly on the company website. On request, nine codes were forwarded directly to Ethos by the companies concerned. Four companies preferred to keep the information confidential.

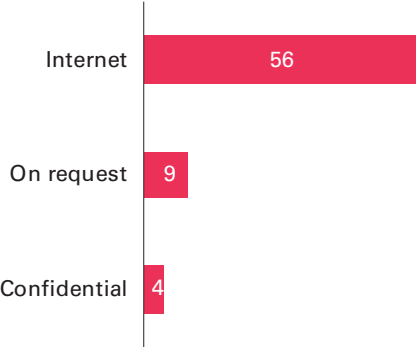
Of the 31 companies that do not yet have a code of conduct or do not communicate on the subject, most showed an interest in the subject. Eight announced that they would soon start drafting and implementing a code.

The trend is positive: since 2006 (the last time Ethos conducted such a review), 27 additional companies in the same sample have adopted and implemented their own code of conduct (against 42 that had a code of conduct in 2006). The content and implementation of some of the 42 codes that existed in 2006 have been improved.

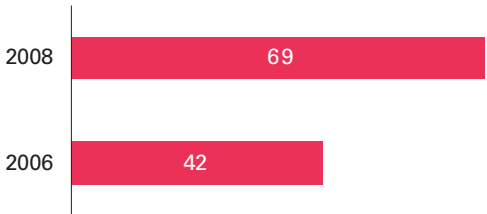
The topic of the survey caught the attention of all 100 companies approached and stirred their interest: in all, 85 answered the request for information on their practices in this area.

It is becoming the exception rather than the rule for large companies not to have a code of conduct, in Switzerland and around the world.

Access to the Codes of Conduct



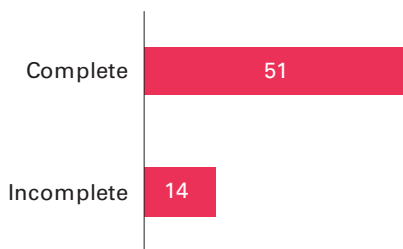
Number of Companies with a Code of Conduct (Universe of 100 largest companies)



CONTENT OF THE CODES OF CONDUCT

Of the 65 codes analysed, the content of 51 in terms of the main issues (business ethics, social and environmental responsibility) can be considered to be complete. The other 14 cover those issues only in part.

Content of the Code of Conduct: Are all issues covered?



Business ethics, staff members and the environment are the central themes of the codes of conduct and are also those most frequently tackled. Of the 65 codes analysed, 51 go thoroughly into questions relating to business ethics and staff. The environment is comprehensively covered by 47 codes of conduct.

Few companies undertake to ensure respect for their code of conduct by their business partners and suppliers. Only 23 of the 65 companies in the sample consider this point specifically.

IMPLEMENTATION OF THE CODES OF CONDUCT

The manner in which the 65 codes of conduct are implemented leaves room for improvement.

Too few companies provide for tangible means of ensuring effective implementation of the code of conduct by their suppliers. Thirteen of the 65 companies arrange to have the code distributed to suppliers.

When it comes to whistleblowing, 42 of the 65 companies have a system corresponding to best practice.

Few companies mention, in their annual reports or on their websites, any violations of the code, their nature and the outcome of the inquiries conducted.

Several controversies have recently arisen concerning companies with a code of conduct. Codes of conduct will be credible only once they have become an effective management tool. They constitute a concrete and binding pledge on the part of the Board of Directors and senior management.



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