



Chapter: Privacy and Business Ethics

Activity Name: Dealing with Ethical Issues

The following are common situations faced by management and employees which can challenge ethical boundaries:

Situation No. 1 – The employee responsible for procurement of suppliers, is personally providing consulting services to one of the company's key suppliers, through a private consulting firm that the employee owns and operates. There is a conflict of interest clause in the Code of Business Conduct and Ethics that requires disclosure of all conflicts—actual or perceived—to the compliance department. There is no record of such disclosure in the employee's human resources' file.

Situation No. 2 – The procurement manager appears to have a particularly close relationship with several of the company's suppliers. Furthermore, the procurement manager's lifestyle appears to exceed his/her known income level, including rumours that he/she recently renovated their home.

REQUIRED: Working in your assigned group, discuss the following:

- a) What are potential ethical issue(s) relating to the situations described above?
- b) If confronted with these scenarios, what steps, if any, should be taken by the employee who discovers these situations and the company?