



## Code of Ethics and Conduct

### Background

Apco, the Italian Professional Association of Management Consultants has since 1968 been bringing together and qualifying those who carry out management consultant activities, in a continuous and professional manner, whether individually as associates or as employees of consulting Companies. It is associated with the International Council of Management Consulting Institutes (ICMCI), with which it shares the same criteria of professional qualifications and ethical principles, also actively participating in its activities.

The Mission of Apco is:

- to represent and promote the profession of management consulting;
- to develop and encourage the community of management consulting professionals;
- to define, oversee and disseminate quality standards for the profession;
- to ensure representation of associates at public institutions, trade associations and employers' organizations.

Apco is present throughout the country with its own territorial sections

Apco adheres to Colap (Coordination of free Professional Associations), Accredia and Uni.

Apco has relationships of collaboration and exchange with several Professional Associations, Universities and Regulatory Bodies in Italy and abroad

### Introduction

The ethics of management consulting may have elements that are common and/or distinctive with respect to the ethics of other professions.

Ethics refers to a system of values, specific to each profession, which tends to produce identity and belonging and to guide the conduct of its members.

Professional ethics concerns the following issues:

- performance as a process as well as an output,
- the relationships between consultants,
- the relationship between the consultant and the client organization system,
- the relationships with stakeholders,
- the internal reports to Apco

This Code of Ethics and Conduct therefore contains information on the principles of professional ethics and acceptable behaviour to adopt.

According to the provisions of Art. 4 of the Apco Statute, enrolment in the Professional Association of Management Consultants, APCO, entails observance of this Code of Professional Ethics, as indicated below. The assessments of non-compliance concerning the Code of Ethics and Conduct and any associated penalties are the responsibility of the Board of Arbitration (Art. 11 of the Statute).

### Article 1. General Rules.

- a. By enrolling in the APCO, every Person agrees to comply with this Code of Ethics and Conduct and guarantees, with respect to both Apco and the other Members, that their behaviour is consistent with the Code's principles;
- b. each Apco Member is bound to act in accordance with the Associative Statute and subsequent implementing regulations, conforming his/her activities for the purposes set forth herein and adapting to every other initiative adopted by the Association for this purpose;
- c. the Apco Members commit to familiarize themselves and apply the national and international standards of reference and to conform their activities insofar as possible with the contents of this standard;
- d. all Apco Members are obliged to submit to the judgement of the competent Association Bodies for the assessment of their conduct whenever there is conflict between those behaviours and the principles set out in this Code of Ethics and Conduct;
- e. each Apco Member must follow the professional ethics standards issued by the Association and, in cases that are not specifically regulated, must always behave in a manner that protects the image and reputation of the Profession and the Association;
- f. in performing the tasks they have undertaken, each Apco Member shall live up to the requirements of dignity, independence and objectivity that are considered essential for professional consulting practice and also strive, to the extent possible, to ensure that all colleagues also uphold said requirements;
- g. each Apco Member commits to avoid all forms of discrimination with respect to age, race, sex, religion, nationality, opinion or beliefs, as well as any abuse of their professional role;
- h. each Apco Member must operate in compliance with the assignment accepted with the Client, in order to meet the reciprocally acknowledged and agreed expectations.



## **Article 2. Awareness of capabilities.**

- a. Each Apco Member shall accept the consulting assignments for which he/she feels suitable and competent, if necessary assigning work globally, and/or in parts to appropriate persons to provide the service expected and agreed with the customer, while retaining full ownership of the assignment.
- b. The Member must notify the Client of circumstances that do not permit the required performance, as such circumstances occur, and where possible, shall refer the Client to other consultancy services with specific expertise in the best interest of the Clients.

## **Article 3. Refresher courses and continuing education**

- a. Each Apco Member is required to be constantly mindful of his/her professional training, preserving and enriching his/her knowledge with particular reference to the sectors to which his/her consulting services are dedicated and to general management techniques;
- b. The Member is required to attend, at Apco or other Structures proposed for this purpose, refresher courses and/or training events, so as stay informed of developments in the approaches and methodologies, for both the specific skills related to their preferential consulting field, and general and systemic management consulting skills;
- c. Every three years, the Associate must be subject to the verification of professional development required by Apco, also pursuant to Law 4/2013, in order to maintain the Apco Qualified Member and Apco-CMC Qualified Member qualification,

## **Article 4. Professional Independence.**

- a. Each Apco Member, before taking on an assignment and during its implementation, must verify the existence of any economic/financial, political, cultural or professional conditions that may affect his/her independence and objectivity of judgement and/or create a conflict of interest. With a view to transparency and genuine reciprocity of partnership, these conditions must be shared with the Client;
- b. each Member must conduct his/her activities with honesty and fairness to the Client, Colleagues and third parties that are involved in any way;
- c. each Member, in carrying out his/her professional activities, must maintain his/her independence of judgement, both technical and intellectual, and defend it from external influences of any kind;
- d. each Member agrees to avoid providing professional services to Clients when these services are contrary to the regulations in force and/or this Code of Ethics and Conduct;
- e. each Member must uphold the dignity of the Management consulting profession, and commits to avoid even the least appearance of dishonesty, fraud, deceit or conduct not in line with this Code of Ethics and Conduct;
- f. open competition between the Apco Members must be carried out in the correct way and based exclusively on real elements such as professional competence, experience, the nature and consistency of services offered;
- g. the Member is free to express opinions, even those at odds with those of other Members, provided that his/her conduct, expressed in any form, does not harm, discredit or otherwise compromise the image of Apco, its Members and Consulting in general.

## **Article 5. Professional Secrecy.**

- a. All information regarding the activity of Clients, acquired in the course of operations, shall be considered confidential and covered by professional secrecy. Therefore, this information may be disclosed only with the specific authorization of the Client/Customer and must not in any case be used for one's own benefit or for that of third parties;
- b. it is not allowed to accept simultaneous consulting assignments of the same nature with multiple Clients that are in competition with each other, without first informing the parties concerned;
- c. the Members shall conduct themselves with the utmost discretion, including with those persons who are seeking their assistance even when the assignment has not yet been completed;
- d. the Members may not disclose confidential information, even if received fortuitously, by a Fellow consultant or other Professionals;
- e. the Members, during the consulting relationship, ensure the integrity and preservation of the data and documents provided to them on any media on which said data is contained;
- f. the Members are required to demand that those who have worked with them in providing consultancy services comply with their confidentiality obligations, and are required to create the conditions such that confidentiality is maintained by all those who work in any capacity in their studio/company or on behalf of the same;
- g. the Members undertake to keep confidential the information and news concerning personal information learned during the consulting activities they provide and must comply with this obligation even after the termination of the consulting relationship within the limits of the current legislation;



- h. the Members are committed to promoting the adoption, by the organization in which they operate, of guidelines, regulatory standards, and adequate measures to ensure that the processing of any personal data from clients is carried out in accordance with the principles and the rules established by the legislation in force.

#### **Article 6. Client protection.**

- a. Apco Members are required to submit a preliminary offer of collaboration covering all the technical and economic elements constituting the future assignment, which can then be codified in the contract;
- b. if the Apco Member has received an assignment that is only verbal, it is recommended that he/she give written confirmation to the Client to specify its content and limits, also clarifying the scope of his/her responsibilities and the rights of the Client, or rather the mutual rights and duties of both parties;
- c. the Member shall not, personally or on behalf of third parties, make direct offers of employment to employees of the Client. Any unsolicited applications (such as spontaneous responses to advertisements published) shall be evaluated on a case by case basis in relation to the specific circumstances in accordance with the general rules of fairness mentioned above;
- d. the Apco Member must not accept or allow his/her Collaborators to accept commissions or payments of any kind from the suppliers of goods or services which they themselves have recommended, or may recommend to the Client;
- e. the professional assignment, regardless of the form of contract governing it, is based on trust and must comply with the principle of specific professionalism;
- f. the Member must not knowingly advise his/her Client to adopt solutions that are unnecessarily burdensome, ineffective, illegal or fraudulent;
- g. the Member must refuse to accept the consulting assignment if it can validly be inferred from known elements that his/her activity is contributing to illegal or illegitimate operations;
- h. the Member must refrain from performing professional activity when he/she has an interest, whether on his/her own behalf or that of third parties, that is in conflict with that of the Client in terms that could affect the correct performance of the consulting assignment;
- i. a Member that receives a joint assignment must establish a collaborative working relationship in accordance with the collaborators' respective duties, agreeing on the conduct and performance to be carried out, avoiding establishing direct contacts with the Client without prior agreement with the Colleague, abstaining from behaviours intended to attract the Client into one's own professional sphere;
- j. a Member who is called to replace a consulting Colleague in the performance of an assignment must ensure with the Client that the replacement was promptly communicated to the consulting Colleague and make contact with the same in order to execute the takeover. The replaced Consultant must also ensure that the takeover takes place without prejudice to the continuation of the assignment.
- k. the Member is obligated to notify Apco of any improper professional conduct on the part of a consulting Colleague if he/she considers it to compromise the values that underlie and inform the Apco Code of Ethics and Conduct;
- l. the Member must notify the Client of any change in the conditions and limits that could change the original stipulations of the assignment in order to obtain explicit authorization for continuation, agreeing on procedures and compensation;
- m. the Member, if not able to continue the assignment with specific expertise due to sudden changes in the nature and difficulty of the assignment, has an obligation to inform the Client and ask to be replaced or assisted by other Professional.

#### **Article 7. Obtaining work.**

No Apco Member shall influence third parties or employees of the Client, actual or potential, with commissions or payments of any kind in an attempt to obtain the assignment of jobs.

#### **Article 8. Promotional Activities.**

Each Apco Member must keep promotional and public relations within the limits of loyalty and professional integrity, in terms of both form and content.

#### **Article 9. Relationship between the Members.**

- a. Each Member has the responsibility, if managing internal and external Collaborators, to ensure that they are familiar with and apply the Code of Ethics and Conduct in their dealings with Colleagues and Clients.
- b. In the case of rotation, the Member, before accepting his/her new assignment, may, with the consent of the Client, make contact with the previous Consultant, in order to obtain useful information for the



- best performance of the work, if necessary accessing the documentation relating to the work performed or being performed.
- c. Each Member may enter into commitments with Clients who already use the services of other Colleagues, taking care to inform them, subject to Client consent, if there are links between their respective jobs.
  - d. In the event that another Colleague is working with the same Client, he/she must act to create an atmosphere of constructive cooperation in the best interest of the said Client.

#### **Article 10. Penalties**

In cases where behaviours are reported that are in violation of this Code of Ethics and Conduct, or in cases of conflict between the Association and the Member or of the Member behaving in a manner that is contrary to the rules of law, the Board of Directors shall send the documents to the Board of Arbitration (Art. 12 of the Apco Statute).

Disciplinary liability arises from breach of duty, the breach must be voluntary even if by omission; the object of evaluation is the overall conduct of the Member under ethical evaluation.

When several offences have been challenged within the same proceeding, there must be one single penalty.

The Board of Arbitration, within 30 days following receipt of the information, shall collect all the necessary documentation, and, where appropriate, convene stakeholders for studies and comparisons.

Once the preparatory stage is completed, the Board of Arbitration shall provide for the payment of penalties and will report to the Board of Arbitration.

Depending on the severity of the conduct ascertained, recidivism proven, and duration of the behaviours in violation this Code of Ethics and Conduct, the anticipated penalties are:

- a. censure by the President of the Association, substantiated and in writing;
- b. suspension from his/her post and from all company activities, for a period not less than six months and not more than eighteen months;
- c. suspension by the active and passive electorate, for a period not less than six months and not more than thirty-six months;
- d. forfeiture of possible executive positions in the Association;
- e. forfeiture of any external representation assignments on behalf of the Association;
- f. withdrawal of the qualification of Qualified Apco Member and Qualified Apco-CMC Member where existing;
- g. expulsion from the Association.

The penalties referred to in points a, b, c may be adopted in all cases and also in combination.

These rules shall enter in force as of 21st May, 2013 and are published on the Apco website.