Extract from a lecture about ethical business principles

Lecturer: Today I'm going to talk about business and ethics. First I'll look at what is meant by business ethics. Then I'll examine the kind of ethical considerations companies need to address, how they can go about doing business in a more ethical way, and look at some examples of ethical business practices.

So what are business ethics and why are they seen as important in today's business climate? Business ethics relate to how a company conducts its business in order to make a profit. Although the primary goal of the company may be to make money, it also recognises that it has a responsibility towards the society in which it operates. The term Corporate Social Responsibility is often used, and nowadays many companies have strong corporate social responsibility programmes designed to help create a prosperous, inclusive society.

Now I'll look at some basic ethical considerations that a company needs to address. The first area is how the company treats its employees. All employees should be treated fairly, and with respect. A company that cares for its workers' welfare will tend to have a happier workforce and a lower turnover of staff. It is also important that workers are recruited on a basis of equal opportunity.

The second area is how a company conducts its day-to-day business. In a manufacturing business, this includes how suppliers of raw materials are chosen and treated. A good example of this is the Fair Trade movement. This initiative ensures that small-scale farmers are paid directly and at a fair price for their crops. A company should also look at its policy on paying suppliers, and ensure that payments are made on time.

Another ethical consideration is the impact the business has on the environment. Manufacturing companies should strive to ensure that production is clean and careful, and look for ways to minimise energy consumption and waste products.

Finally, a company can also decide to give something back to the community it operates in. This can be in the form of 'corporate giving' programmes, where donations are given to community projects, or by initiating schemes to improve the local community and encouraging employees to work on these schemes.