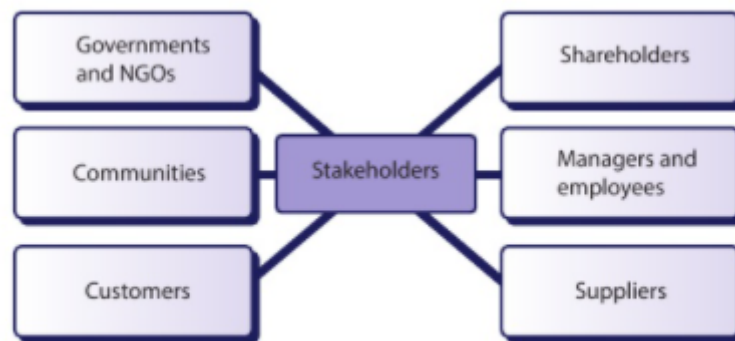


## CHAPTER 36 : International Business Ethics

### 1. Ethics

: Refers to the principles and acceptable norms that govern behaviour .  
However, ethics may or may not be expressed in a country's laws and regulation.

### 2. Stakeholders conflicts



▲ Figure 1 Types of stakeholders in an international firm

#### 2.1. Consumers

: Misleading advertising

#### 2.2. Employees

: Employee redundancies

: Safety of employee

#### 2.3. Shareholders

: Conflict between management and shareholders

#### 2.4. Countries communities

: Environment concerns, where activities of the business pollute or damage the environment .

: Resource deplete, where company 's extraction objective are not good for the future.

### 3. Environment Considerations

: Companies are becoming increasingly concerned about the impact their activities have on environment. They are under pressure from many stakeholders to stop or minimize any damage that their activities might inflict on the environment.

: Emission / Waste disposal

: Sustainability : Have resources for next future generation

⇒ Avoid the use of large quantities of non-renewable resources

⇒ Makes more use of recycles material

### 4. Supply chain considerations

: Global business have global supply chains. There are many ethic issues involved in global sourcing and logistics as it becomes more complex.

⇒ **Pay and working conditions** : A major problem for business ethics involves the complexity of global supply chain and the working conditions of employees in other countries.

However, there are number of initiatives and organization that are working to ensure fair working practices for all. Some concerned with employment practices of multinationals and may address the following issues

- Employment is freely chosen
- Freedom of associate and corrective bargaining is freely chosen
- Working conditions and safe

⇒ **Exploitation of labour**

: “Modern Slave” often begins when an individual seeking work contract recruiter.