

APPENDIX D **SAMPLE DECLARATION OF INTEGRITY IN BUSINESS CONDUCT**

This appendix reproduces the text of the Declaration of Integrity in Business Conduct in St. Petersburg, Russia. The Declaration was developed by the Center for Business Ethics and Corporate Governance with financial support from the U.S. Agency for International Development through the Eurasia Foundation. For more information about the declaration, see www.ethicsrussia.org/declaration.html.

Declaration of Integrity in Business Conduct in St. Petersburg, Russia

PRINCIPLES

The undersigned representative of the St. Petersburg business community (“Party to the Declaration”) recognizes the following international principles of business conduct as the basis of this Declaration of Integrity in Business Conduct (“Declaration”):

Transparency. The functioning of a market economy presumes that each market participant conducts business with transparency, exchanging accurate information with other market participants on an efficient basis while respecting norms of confidentiality.

Sanctity of Contract. Respect for the sanctity of contract and the honoring of oral commitments lead to commercial ties built on goodwill, trust, and reputation for honesty.

Competition. A competitive economy provides transparent rules and opportunities for market participants, rewards quality of performance, and deters reproachable methods of obtaining advantages over other market participants.

Repudiation of Corrupt Practices. Corruption inflicts damage on market relations and on economy as a whole. Repudiation of corruption as a method of business facilitates the process of stabilizing the market.

Legal Settlement of Disputes. A civil market presumes the rejection of illegal and dangerous methods to defend economic interests. Any use of violence against a person in a business dispute, including the use of physical or psychological coercion, is impermissible.

DECLARATION

NOW, THEREFORE, in order to integrate the Declaration's principles fully into the business culture of St. Petersburg, by applying the principles consistently in concert with other members of the business community, each Party to the Declaration declares that:

ARTICLE I. CODE OF BUSINESS CONDUCT

- A. The Party to the Declaration has adopted or shall adopt a Code of Business Conduct based upon the principles set forth in this Declaration ("Code").
- B. The Party to the Declaration, which has adopted a Code, shall present the Secretary of the Governor of St. Petersburg's Council on Investment ("Depository") with a copy of the Code at the time of signing this Declaration.
- C. The Party to the Declaration, which shall adopt a Code, shall present the Depository with a copy of the Code as soon as practicable but no later than ninety (90) days after signing this Declaration. In order to ensure that the Code conforms with the principles set forth in this Declaration, each Party to this Declaration which shall adopt a Code can utilize the Model Code of Ethics in Business Conduct attached to this Declaration.
- D. The Party to the Declaration shall ensure that the Party's employees are familiar with the provisions of the Party's Code and systems of control that prevent actions by employees that are contrary to the provisions of the Party's Code.
- E. The Party to the Declaration shall present the Depository a letter affirming that the Party has faithfully conducted business in accordance with the Party's Code on an annual basis.

ARTICLE II. PUBLICATION

- A. By signing the Declaration, the Party to this Declaration hereby agrees to be included on a Register of Parties to the Declaration ("Register"), which shall be maintained and publicized by the Depository. The Register shall include the name of the Party to the Declaration and the dates the Party's representatives signed this Declaration.
- B. The Depository shall update the Register regularly to include each new Party to the new Declaration.

ARTICLE III. MISCELLANEOUS

- A. The Party to the Declaration is signing and executing the Declaration voluntarily.
- B. Two duly authorized representatives of the Party to the Declaration shall sign and seal two (2) copies of this Declaration. One (1) copy shall remain with the Party to this Declaration and the second shall be submitted to the Depository.