



## **CHAPTER 1. VISION AND APPLICABILITY**

### **1.1 Vision and Purpose**

As members of PFN, we are committed to doing what is right and honorable. We set high standards for ourselves and we aspire to meet these standards in all aspects of our lives, at work, at home, and in service to our profession.

This Code of Ethics and Professional Conduct describes the expectations that we have of ourselves and our fellow member in the global PFN community. It articulates the ideals to which we aspire as well as the behaviors that are mandatory in our professional and volunteer roles.

The purpose of this Code is to instill confidence in the project freight network, our industry and to help individuals become better specialists. We do this by establishing a network wide understanding of appropriate behavior. We believe that the credibility and reputation of the PFN network is shaped by the collective conduct of our individual members.

We believe that we can advance our network, both individually and collectively, by embracing this Code of Ethics and Professional Conduct. We also believe that this Code will assist us in making wise decisions, particularly when faced with difficult situations where we may be asked to compromise our integrity or our values.

Our hope is that this Code of Ethics and Professional Conduct will serve as a catalyst for others to study, deliberate, and write about ethics and values. Further, we hope that this Code will ultimately be used to build upon and evolve our network.

### **1.2 To Whom the Code Applies**

The Code of Ethics and Professional Conduct applies to:

1.2.1 All PFN members

1.2.2 Individuals and companies who are not members of PFN but meet one or more of the following criteria:

- .1 Non-members who are a PFN supplier or sponsor
- .2 Non-members who apply to commence a PFN qualification process
- .3 Non-members who serve PFN in a volunteer capacity.

### **1.3 Structure of the Code**

The Code of Ethics and Professional Conduct is divided into sections that contain standards of conduct which are aligned with the four values that were identified as most important to PFN. Some sections of this Code include comments. Comments are not mandatory parts of the Code, but provide examples and other clarification. Finally, a glossary can be found at the end of the standard. The glossary defines

words and phrases used in the Code. For convenience, those terms defined in the glossary are underlined in the text of the Code.

## 1.4 Values that Support this Code

The PFN organization has identified four values that form the basis of this Code of Ethics and Professional Conduct. The values that PFN network defined as most important were: responsibility, respect, fairness, and honesty. This Code affirms these four values as its foundation.

## 1.5 Aspirational and Mandatory Conduct

Each section of the Code of Ethics and Professional Conduct includes both aspirational standards and mandatory standards. The aspirational standards describe the conduct that we strive to uphold by our members. Although adherence to the aspirational standards is not easily measured, conducting them in accordance with these is an expectation that we should have of ourselves as professionals—it is not optional.

The mandatory standards establish firm requirements, and in some cases, limit or prohibit member' behavior. Members who do not conduct themselves in accordance with these standards will be subject to disciplinary procedures before PFN's Ethics Review Committee.

*Comment: The conduct covered under the aspirational standards and conduct covered under the mandatory standards are not mutually exclusive; that is, one specific act or omission could violate both aspirational and mandatory standards.*

## **CHAPTER 2. RESPONSIBILITY**

### **2.1 Description of Responsibility**

Responsibility is our duty to take ownership for the decisions we make or fail to make, the actions we take or fail to take, and the consequences that result.

2.2 Responsibility: Aspirational Standards As member in the global PFN community:

2.2.1 We make decisions and take actions based on the best interests of society, public safety, and the environment.

2.2.2 We accept only those assignments that are consistent with our background, experience, skills, and qualifications.

*Comment: Where developmental or stretch assignments are being considered, we ensure that key stakeholders receive timely and complete information regarding the gaps in our qualifications so that they may make informed decisions regarding our suitability for a particular assignment In the case of a contracting arrangement, we only bid on work that our organization is qualified to perform and we assign only qualified individuals to perform the work.*

2.2.3 We fulfill the commitments that we undertake – we do what we say we will do.

2.2.4 When we make errors or omissions, we take ownership and make corrections promptly. When we discover errors or omissions caused by others, we communicate them to the appropriate body as soon they are discovered. We accept accountability for any issues resulting from our errors or omissions and any resulting consequences.

2.2.5 We protect proprietary or confidential information that has been entrusted to us.

2.2.6 We uphold this Code and hold each other accountable to it.

### **2.3 Responsibility: Mandatory Standards**

As member in the PFN network, we require the following of ourselves and our fellow member:

#### **Regulations and Legal Requirements**

2.3.1 We inform ourselves and uphold the policies, rules, regulations and laws that govern our work, professional, and volunteer activities.

2.3.2 We report unethical or illegal conduct to appropriate management and, if necessary, to those affected by the conduct.

*Comment: These provisions have several implications. Specifically, we do not engage in any illegal behavior, including but not limited to: theft, fraud, corruption, embezzlement, or bribery. Further, we do not take or abuse the property of others, including intellectual property, nor do we engage in slander or libel. These types of illegal behaviors were found to being problematic.*

*As member and representatives of PFN, we do not condone or assist others in engaging in illegal behavior. We report any illegal or unethical conduct. Reporting is not easy and we recognize that it may have negative consequences. Since recent corporate scandals, many organizations have adopted policies to protect individuals who reveal the truth about illegal or unethical activities. Some governments have also adopted legislation to protect individuals who come forward with the truth.*

#### **Ethics Complaints**

2.3.3 We bring violations of this Code to the attention of the appropriate body for resolution.

2.3.4 We only file ethics complaints when they are substantiated by facts.

*Comment: These provisions have several implications. We will cooperate with local authorities concerning ethics violations and the collection of related information whether we are a complainant or a respondent. We also abstain from accusing others of ethical misconduct when we do not have all the facts. Further, we pursue disciplinary action against companies and individuals who knowingly make false allegations against others.*

2.3.5 We pursue disciplinary action against a company and or individual(s) who retaliates against a person raising ethics concerns.

## **CHAPTER 3. RESPECT**

### **3.1 Description of Respect**

Respect is our duty to show a high regard for ourselves, others, and the resources entrusted to us. Resources entrusted to us may include people, money, reputation, the safety of others, and natural or environmental resources.

An environment of respect engenders trust, confidence, and performance excellence by fostering mutual cooperation, an environment where diverse perspectives and views are encouraged and valued.

### **3.2 Respect: Aspirational Standards**

As member of PFN network:

3.2.1 We inform ourselves about the norms and customs of others and avoid engaging in behaviors they might consider disrespectful.

3.2.2 We listen to others' points of view, seeking to understand them.

3.2.3 We approach directly those persons with whom we have a conflict or disagreement.

3.2.4 We conduct ourselves in a professional manner, even when it is not reciprocated.

*Comment: An implication of these provisions is that we avoid engaging in gossip and avoid making negative remarks to undermine another person's reputation. We also have a duty under this Code to confront others who engage in these types of behaviors.*

### **3.3 Respect: Mandatory Standards**

As member of the global PFN network, we require the following of ourselves and our fellow members:

3.3.1 We negotiate in good faith.

3.3.2 We do not exercise the power of our expertise or position to influence the decisions or actions of others in order to benefit personally at their expense.

3.3.3 We do not act in an abusive manner toward others.

3.3.4 We respect the property rights of others.

## **CHAPTER 4. FAIRNESS**

### **4.1 Description of Fairness**

Fairness is our duty to make decisions and act impartially and objectively. Our conduct must be free from competing self-interest, prejudice, and favoritism.

4.2 Fairness: Aspirational Standards As member of the PFN network:

4.2.1 We demonstrate transparency in our decision-making process.

4.2.2 We constantly reexamine our impartiality and objectivity, taking corrective action as appropriate.

*Comment: Research has indicated that the subject of conflicts of interest is one of the most challenging faced in our industry. One of the biggest problems members report is not recognizing when we have conflicted loyalties and recognizing when we are inadvertently placing ourselves or others in a conflict-of-interest situation. We as member must proactively search for potential conflicts and help each other by highlighting each other's potential conflicts of interest and insisting that they be resolved.*

4.2.3 We provide equal access to information to those who are authorized to have that information.

4.2.4 We make opportunities equally available to qualified candidates.

*Comment: An implication of these provisions is, in the case of a contracting arrangement, we provide equal access to information during the bidding process.*

### **4.3 Fairness: Mandatory Standards**

As member of the PFN network, we require the following of ourselves and our fellow member:

#### ***Conflict of Interest Situations***

4.3.1 We proactively and fully disclose any real or potential conflicts of interest to the appropriate stakeholders.

4.3.2 When we realize that we have a real or potential conflict of interest, we refrain from engaging in the decision-making process or otherwise attempting to influence outcomes, unless or until:

- we have made full disclosure to the affected stakeholders;
- we have an approved mitigation plan; and we have obtained the consent of the stakeholders to proceed.

*Comment: A conflict of interest occurs when we are in a position to influence decisions or other outcomes on behalf of one party when such decisions or outcomes could affect one or more other parties with which we have competing loyalties. For example, when we are acting as a PFN member, we have a duty of loyalty to the PFN network. We must recognize these divergent interests and refrain from influencing decisions when we have a conflict of interest.*

*Further, even if we believe that we can set aside our divided loyalties and make decisions impartially, we treat the appearance of a conflict of interest as a conflict of interest and follow the provisions described in the Code.*

### **Favoritism and Discrimination**

4.3.3 We do not hire or fire, reward or punish, or award or deny contracts based on personal considerations, including but not limited to, favoritism, nepotism, or bribery.

4.3.4 We do not discriminate against others based on, but not limited to, gender, race, age, religion, disability, nationality, or sexual orientation.

4.3.5 We apply the rules of the organization (employer, PFN network, or other group) without favoritism or prejudice.

## **CHAPTER 5. HONESTY**

### **5.1 Description of Honesty**

Honesty is our duty to understand the truth and act in a truthful manner both in our communications and in our conduct.

### **5.2 Honesty: Aspirational Standards**

As member in the global PFN community:

5.2.1 We earnestly seek to understand the truth.

5.2.2 We are truthful in our communications and in our conduct.

5.2.3 We provide accurate information in a timely manner.

*Comment: An implication of these provisions is that we take appropriate steps to ensure that the information we are basing our decisions upon or providing to others is accurate, reliable, and timely.*

*This includes having the courage to share bad news even when it may be poorly received. Also, when outcomes are negative, we avoid burying information or shifting blame to others. When outcomes are positive, we avoid taking credit for the achievements of others. These provisions reinforce our commitment to be both honest and responsible.*

5.2.4 We make commitments and promises, implied or explicit, in good faith.

5.2.5 We strive to create an environment in which others feel safe to tell the truth.

### **5.3 Honesty: Mandatory Standards**

As member of the PFN network, we require the following of ourselves and our fellow members:

5.3.1 We do not engage in or condone behavior that is designed to deceive others, including but not limited to, making misleading or false statements, stating half-truths, providing information out of context or withholding information that, if known, would render our statements as misleading or incomplete.

5.3.2 We do not engage in dishonest behavior with the intention of personal gain or at the expense of another.

*Comment: The aspirational standards exhort us to be truthful. Half-truths and non-disclosures intended to mislead stakeholders are as unprofessional as affirmatively making misrepresentations. We develop credibility by providing complete and accurate information.*

## **APPENDIX B**

### B.1 Glossary

**Abusive Manner.** Conduct that results in physical harm or creates intense feelings of fear, humiliation, manipulation, or exploitation in another person.

**Conflict of Interest.** A situation that arises when a member of PFN is faced with making a decision or doing some act that will benefit the member or another person or organization to which the member owes a duty of loyalty and at the same time will harm another person or organization to which the member owes a similar duty of loyalty. The only way members can resolve conflicting duties is to disclose the conflict to those affected and allow them to make the decision about how the practitioner should proceed.

**Duty of Loyalty.** A person's responsibility, legal or moral, to promote the best interest of an organization or other person with whom they are affiliated.

**Project Freight Net (PFN).** The totality of the PFN network, including its committees, groups, and chartered components such as chapters, seminars, and specific interest groups.

**PFN Member.** A company or organization who has joined the PFN as a member.

**PFN-Sponsored Activities.** Activities that include, but are not limited to, participation on a PFN Member Advisory Board (PFN-MAB), PFN Standard Development Team (PFN-SDT), or another PFN working group or committee. This also includes activities engaged in under the auspices of a chartered PFN component organization whether it is in a leadership role in the component or another type of component, educational activity or event.

**Practitioner.** A person engaged in an activity that contributes to the management of a freight or logistics project, heavy lift shipment, or program, as part of the Project Freight and Heavy Lift profession/industry.

**PFN Volunteer.** A person, company or organization who participates in PFN-sponsored activities, whether a member of Project Freight Net or not.