

# EMN Code of Conduct

## EMN and its members

All members of EMN are expected to subscribe to the *Client Protection and Organisational Principles*

- *Avoidance of Over-Indebtedness.* EMN members will take reasonable steps to ensure that credit will be extended only if borrowers have demonstrated an adequate ability to repay and loans will not put borrowers at significant risk of over-indebtedness. Similarly, providers will take adequate care that non-credit, financial products (such as insurances) extended to low-income clients are appropriate.
- *Transparency and Responsible Pricing.* All actions of the EMN members will be transparent. The pricing, terms, and conditions of financial products (including interest charges, insurance premiums, all fees, etc.) will be transparent, adequately disclosed in a form understandable to clients, affordable to clients and allow the EMN members to reach sustainability.
- *Appropriate Collections Practices.* Debt collection practices of EMN members will not be abusive or coercive. Collection practices should balance the responsibility to recover non-performing loans, with the right care to beneficiaries who may be having trouble meeting their obligations.
- *Ethical Staff Behaviour.* Staff of EMN members will comply with high ethical standards in their interaction with microfinance clients and such providers will ensure that adequate safeguards are in place to detect and correct corruption or mistreatment of clients.
- *Mechanisms for Redress of Grievances.* EMN members will have in place timely and responsive mechanisms for complaints and problem resolution for their clients.
- *Protection of assets entrusted.* EMN members will protect any assets of clients entrusted to them (savings, collaterals, guarantees, funds to be remitted)
- *Privacy of Client Data.* The privacy of individual client data will be respected, and such data cannot be used for other purposes without the express permission of the client (while recognizing that providers of financial services can play an important role in helping clients achieve the benefits of establishing credit histories).
- *Gender equality and non-discrimination.* EMN members will promote and respect the policy of gender equality and non-discrimination in relation with their staff and clients.
- *Sustainable development and environmental protection and improvement.* EMN members will respect the framework of sustainable development and the promotion of the goal of protection and improvement of the environment.

The EMN will pursue actions that members will make every endeavour to adhere to the aforementioned principle. If EMN members cannot comply with one or more principles they must explain so explicitly.

## EMN and its activities

EMN will not assist, cooperate neither render services to organisations or individuals who

- ✚ either through their businesses or individually are engaged in activities that are not in line with or a breach of international treaties and conventions dealing with labour conditions or human rights (whereby abuses in relation to decent pay , child labour , exploitation of women or sexual exploitation will be looked into especially) ;
- ✚ either through their businesses or individually are engaged in activities that are disrupting to or damaging the environment, such as unlawful exploitation of natural resources, overexploitation of such resources, unnecessary or excessive polluting the environment
- ✚ either through their businesses or individually are engaged in activities that are illegal or a breach of prevailing social-cultural condition and disruptive to a fair and equal society
- ✚ either through their businesses or individually are engaged in activities which can be assumed with certainty that those are against the individual and human rights
- ✚ do not adhere to local social, fiscal and labour legislation, rules and regulations
- ✚ do not ensure that its co-workers, employees or labourers carry out decent work under decent conditions

EMN will not in any way partake in transactions that could be construed as unethical or uncontrollable, and adhere to generally accepted procurement procedures, observe ethical standards and strive at full transparency.

## EMN secretariat

EMN will hold itself responsible to those that seek and receive services and to those from whom its receives, procures or accepts services.

- ✚ EMN will employ its staff, employees, and co-workers in accordance with local norms, values, rules and legislation and regardless of race, gender, creed or nationality and remunerates them to locally accepted standards;
- ✚ In its promotion activities EMN will in no way discredit those that seek and receive services and those from whom EMN receives, procures or accepts services;
- ✚ In its promotion activities EMN will refer to its activities and /or results without bias or exaggeration;
- ✚ The EMN administration will be set up and operate in accordance with international standards and strives at full transparency.
- ✚ EMN Secretariat will establish a clear, transparent and public procedure to allocate the budgets for different projects, giving to all members the same opportunity to participate. The secretariat will define clearly the eligibility criteria and will publish the results
- ✚ EMN's co-workers (either formally employed, volunteer or freelance in any kind) underwrite this code of conduct and abide to it;
- ✚ Against co-workers (either formally employed, volunteer or freelance in any kind) who breach this code of conduct corrective measures can be taken in accordance with the prevailing labour laws and contract conditions;
- ✚ Relatives, friends or special acquaintances of co-workers of EMN (either formally employed, volunteer or freelance in any kind) can only be employed and or contracted by EMN (be it as employees, volunteers or paid co-workers) if such has been authorised by the Board of Directors of EMN and after full transparency about terms of contracting and the terms of references have been secured.

## The Board of EMN

- ✚ Member organisations being member of the Board will not be remunerated for being Member of the Board. Direct costs incurred by representatives of member organisations while carrying out tasks for EMN as member of the Board or in representation of EMN will be reimbursed by EMN, (such as travel costs, communication, boarding, lodging , reproduction of documents, representation, and other costs)
- ✚ Member organisations being member of the Board cannot be contracted directly by EMN for services to be rendered to the EMN
- ✚ Member organisations being member of the Board are free to participate in any consortium composed of members of EMN or formed by members of EMN and lead, coordinated, administered by the EMN.
- ✚ The representatives of the Member Organisations serving on the Board of EMN cannot personally directly oversee, manage, or administer consortia composed of members of EMN that undertake projects and programmes lead, managed, coordinated or administered by the EMN

## Other issues

- ✚ EMN will define a complaint procedure which offers an opportunity to anybody to submit queries, complaints or accusations of breaches of this Code of Conduct.
- ✚ EMN will take all necessary steps to inform its stakeholders about this Code of Conduct.