



Code of Conduct



Introduction

At Johnston Carmichael we are trusted advisers not just to our clients, but to each other. We all have a responsibility to ensure that our behaviours and actions protect the professional reputation and credibility of the firm, recognising the impact that our personal brand has on the firm's legacy.



Our Code of Conduct is a statement of expectations we set for our employees and Partners in terms of the behaviours and professional practices of our people. This Code is also an affirmation for our clients, regulatory and supervisory authorities, and our suppliers, of the values and behaviours to which we hold ourselves.

Our Code sets out our standards of integrity, objectivity, confidentiality, professional behaviour, and professional competence.

A handwritten signature in black ink that reads "L. Walker". The signature is written in a cursive, professional style.

Lynne Walker
Chief Executive

It is not simply a list of policies and rules, but speaks to who we are and how we work together and with others. This guide should be read and consulted regularly by all of our people - from new starts to experienced Partners - to help guide you when you have a concern, or to use alongside your professional judgement, every day.

We are all trusted advisers, and we all have a responsibility to uphold that trust.

Who we are

Our purpose is to ‘create enduring impact’ for our people, our clients, and the wider communities in which we live and work. This means leaving a legacy of quality and continuous improvement in everything we do.

From our beginnings in rural Moray, we’ve grown into one of the country’s leading professional services businesses with a network of offices across the UK.

We are clear that in order to sustain this longevity, growth, and success, our day-to-day work must be driven by the objective of leaving the firm in a better place for whoever works here after us. This is what we mean by legacy. And to create this ecosystem of quality and continuous improvement, we encourage a ‘leader to leader’ culture where everyone is enabled to be a leader of their work and their learning, regardless of their role in the firm.

This is about distributed leadership, encouraging ownership and responsibility within a support network, and creating psychologically safe places for people to raise concerns, challenge the status quo, and suggest ideas for change.

Our vision is to ‘build success stories that change lives’ for our people and our clients. In seeking to do so we must ensure we behave ethically. Our values underpin everything we do and speak to our vision.

We will at all times live the values by:



Doing the right thing.

We are tenacious and persevere to make the right decisions for our clients and ourselves.



Standing in other people's shoes.

We get under the skin of our clients' business by listening more, talking less and understanding their situation in its entirety.



Remaining relevant.

Driving our clients, ourselves and our profession forward through constant innovation, creative thinking and positive change.



Leading our future.

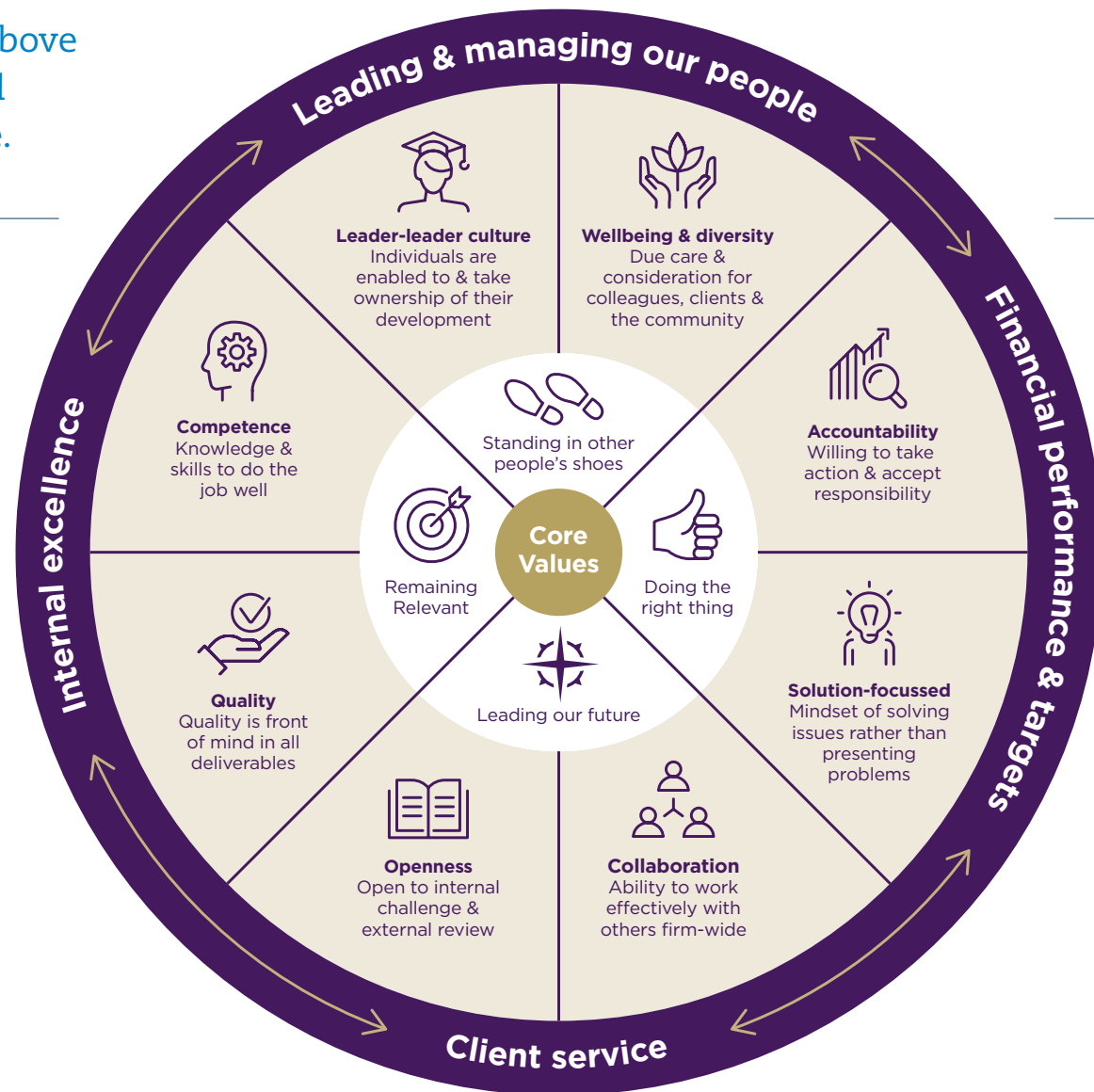
We are a progressive and dynamic business that inspires leaders and future leaders to drive their ideas forward.

Who we are

Our culture framework brings all of the above together. It illustrates the behaviours and competencies we expect from our people.

At its heart are our values, and around the outer ring of the wheel are the four quadrants of our balanced scorecard, against which we measure successful performance in our firm – leading and managing people, internal excellence, financial performance, and client service.

When considering this Code of Conduct and what it means to behave ethically, we must at all times ensure our decisions and behaviours meet the expectations outlined by the framework.



How we behave with professional integrity

Public interest

In conducting our business we are mindful of the role we play in serving the public interest. We are bound by the [ICAS Code of Ethics](#) which emphasises the requirement to act in the public interest and reminds us that as accountants we accept that responsibility. The ICAS Code is reinforced within our firm through our own standalone Ethics Policy, applicable to all our people.

This public interest role also sits at the heart of our obligations under the Audit Firm Governance Code, and our Transparency Report explains our compliance with this Code and further explains who we are, the ownership and governance of the firm, and the policies and procedures we have in place to maintain our independence and ensure that we comply with all applicable audit and ethical standards.

As an audit firm we are also required to follow the [FRC's Ethical Standard](#) in relation to the

provision of audits of financial statements and other public interest assurance engagements. This Standard, and our Ethics Policy Statement for the Provision of All Services to Audit Clients made under this Standard, set out how we must interact with our audit clients, not just in the provision of audit services but in all other actual or potential services to such clients.

Our ethical behaviour and adherence to relevant ethical and professional codes directly benefits the public interest and society at large.

Our Code of Conduct and our ethics policies are based on the core principles of:



How we behave with professional integrity

Integrity

The principle of integrity is anchored in having the moral courage to do the right thing, and this sits at the heart of our culture as one of our core values.

We are tenacious and persevere to make the right decisions for our clients and our firm. We are honest and straightforward in our dealings with our clients and stakeholders, building and maintaining a relationship of trust.

We prioritise working with people and organisations whose values and practices align with ours.

We are transparent about the services we provide, and the knowledge, skills and experience we bring.

We do not avoid or ignore issues. We aim to always get things right first time, but if this should ever not be the case, we own our mistakes.

Objectivity

We are objective in forming our professional judgements and opinions, and in the advice we provide. We apply appropriate professional scepticism and do not allow our professional



judgement to be compromised by bias, conflict of interest, or inappropriate influence of others.

Our employees and Partners are expected to always remain alert for personal and professional conflicts of interest and take immediate and appropriate action to resolve or manage any that may arise.

Our employees and Partners are all required to comply with the firm's and the Moore Global Network's independence rules and to confirm adherence to these and respond to

conflict checks when requested to do so. We do not offer, accept, or solicit any benefits, gifts, entertainment, or hospitality to or from clients, suppliers, or subcontractors that we have reason to believe may be intended to improperly influence business decisions or impair objectivity, or could be perceived to do so. Gifts and hospitality received or given are required to be recorded within our Gifts and Hospitality Register.

How we behave with professional integrity

Professional competence and due care

We ensure that our clients' needs are met by assigning suitably qualified employees with relevant skills, competence, and capability to our engagements. We ensure that professional judgements are made, and opinions given, by people with the appropriate level of experience.

We are building a culture where everyone is a leader of their work, learning, and career. Our core value of remaining relevant means that we are each responsible for keeping our professional knowledge up to date and for complying with relevant Continuing Professional Development (CPD) requirements.

This enables us to drive our clients, ourselves, and our profession forward through constant innovation, creative thinking, and positive change.

We support our people in this by providing learning, methodologies, and guidance materials, ensuring they are equipped to deliver high quality work.

We promote a culture of consultation, in which leveraging the expertise of others is acknowledged as a strength.

We embed appropriate review processes into our assignments, recognising the value of 'a second pair of eyes'.

Confidentiality

We respect the confidentiality of our clients, employees, and other people we work with. We do not disclose confidential and/or personal information entrusted to us without express permission, or unless there is

a legal or professional right or obligation for us to do so. We take appropriate measures to safeguard the confidential and personal information that we obtain in the course of our business. Our internal data management and retention policies and practices set out the responsibilities of all employees and Partners to ensure that we hold, collect, and handle all information in compliance with applicable laws and our professional obligations.



How we behave with professional integrity

Professional behaviour

We comply with applicable professional standards, laws, and regulations, and seek to avoid actions that may bring ourselves or our profession into disrepute.

Our 'leader to leader' culture fosters personal accountability which supports our clients and drives quality in the services we provide.

We are mindful of the broader impact that our work has on society, our people, and our clients, and we conduct business with those interests in mind.

We strive to earn and maintain public trust and confidence in the profession and the work we perform.

Monitoring and breach reporting

With our emphasis on personal accountability our Partners and employees are expected to self-report any breaches where firm policies require this. We have robust monitoring processes to meet the requirements of the International Standard on Quality Management (ISQM) 1.

Whistleblowing

We are committed to conducting our business with honesty and integrity, and we expect all employees and Partners to maintain high standards and to do the right thing at all times, even when no-one is looking. However, all organisations face the risk of things going wrong from time to time, or of unknowingly harbouring illegal or unethical conduct.

A culture of openness and accountability is essential in order to prevent such situations occurring and to address them when they do occur.

We encourage employees and Partners to report any suspected wrongdoing as soon as possible. This can be done anonymously through both our Whistleblowing reporting mechanism and our Complaints and Allegations form, and in the knowledge that their concerns will be taken seriously, investigated appropriately, and that their confidentiality will be respected at all times.



How we work together

In our firm we have a culture where everyone is enabled to be a leader of their work and their learning.

In order to achieve this, we want to build an environment of psychological safety, where people feel able to speak up, regardless of the topic or issue, and share ideas for change without fear of recrimination. We are clear on this in all of our HR policies where we actively encourage feedback and whistleblowing where appropriate. In this latter respect we have a whistleblowing policy (see previous page).

Our values underpin this culture of openness and transparency. We talk about doing the right thing, even when no-one is looking, standing in other people's shoes, leading our future and remaining relevant.

Through our Anti-harassment and Bullying Policy and Equality, Diversity and Inclusion Policy we formally encode a culture of respect.

Our recruitment process puts tackling unconscious bias at its heart, and we work at all times to encourage diversity and inclusion.

Our culture of personal growth expects each of our people to be a leader of their own learning and seek out opportunities for development.

Bringing the Code to life

We have a People and Culture Forum which is an employee-led voice for change in our firm. It has subgroups addressing areas such as LGBTQIA+ inclusivity, Gender equality, Diversity, and Wellbeing amongst others. The Forum is active in raising awareness of diversity and inclusion issues and ensuring a culture of openness and respect at all times.

We are members of the [Mindful Business Charter](#) and Neurodiversity in Business. Statistics show that our early careers recruitment results in appointments from across the school and university network in Scotland. We are also active members of the [ICAS Foundation](#) which supports people from disadvantaged backgrounds into the accountancy profession.

Bringing the Code to life

We make learning and development a priority for all of our people, and we believe that reflection is the rocket fuel of leadership. In order to achieve the culture we want for our people it is imperative they are given the opportunity to learn and develop the tools to support this cultural growth. We offer a range of learning opportunities internally, and externally through the Moore Global Network. Coaching is available for our people, and we have an in-house Leadership Programme which is accredited at Masters level by the University of Strathclyde.

How we work with others

We aim to create enduring impact for our people, our clients, and the communities in which we work and live.

Working with our clients

We are trusted advisers who build strong relationships with our clients to deliver a proactive service to help drive their business forward. Our core value of standing in other people's shoes is integral to the way we work with our clients. We get under the skin of their businesses by listening more, talking less, and understanding their situation in its entirety. We bring our specialist knowledge to support our clients, devising creative, effective solutions to meet their business needs.

We have the courage to have honest conversations and will not shy away from delivering a difficult message where that is the right thing to do.

We consider not only whether we have the competence and capacity to perform an engagement, but also whether we should perform it. We do not work with people or organisations whose values and practices conflict with our own. We have rigorous acceptance and continuance procedures in compliance with ISQM 1 to ensure that robust decisions are taken in respect of engaging or disengaging with clients.

We are transparent about the services we provide, and the knowledge, skills and experience we bring. We only provide services that we are professionally competent to deliver.

We negotiate and secure contracts lawfully and properly and we are open and transparent in respect of the basis on which we charge for our services.

We ensure that we know the identity of our clients and the nature of their business activities – ensuring strict compliance with anti-money laundering requirements. We take appropriate action where suspicious or criminal behaviour

is noted and report where required. We do not undertake any business activities that would put us in breach of applicable economic sanctions regulations.

Working with regulators

Above all we seek to be constructive in our engagement with our regulators and supervisory authorities, recognising their role in improving quality across the profession and how their challenge brings a different and useful perspective to our own quality strategy and initiatives.



How we work with others

Working with regulators (cont.)

We cooperate fully with external quality monitoring reviews and expect our senior professionals to make themselves available to our regulators for this purpose, with appropriate support from the firm's quality leadership. Information requested by the regulators should be provided as soon as practicable and in line with any deadlines specified. Findings raised should be given proper consideration, and sufficient and appropriate responses drafted to enable reviews to be concluded in a timely manner.

As a Tier 2 audit firm we seek to maintain a productive relationship and constructive dialogue in our dealings with the FRC's supervision team. We are open and transparent in our communications with them and seek to ensure that we comply with their risk reporting protocols.

We participate in outreach activities such as roundtables, sandboxes, and consultations where we consider the subject matter to be relevant to our business and that we have something to bring to the discussions.

Working with our communities

Our commitment to doing the right thing extends to being an environmentally and socially responsible firm which acts with trust, honesty, and transparency – in everything we do.

Bringing the Code to life

Our Corporate Social Responsibility committee coordinates extensive charitable and other initiatives to add value to local communities.

We are Gold sponsors of the Kiltwalk, and we are partners with Netball Scotland and England Netball, working to encourage more young girls and women into the sport.

We are conscious of our environmental, social, and governance (ESG) impact and work to address and highlight ESG issues both internally, and for our clients.

We are a legacy firm. Our vision is to protect and grow our business for the benefit of others in the future.



How we protect our reputation and our business

Our reputation is hard-earned, and we each share responsibility for protecting it vigorously. We create a workplace where our people feel safe and ensure that our assets (both intellectual and physical) are kept secure.

Our Governance, Risk and Compliance team plays a key role in protecting our business and maintains the firm's Policy Library. It is also responsible for managing:

- Data protection
- Anti-money laundering, including take-on and client due diligence, and adherence to relevant sanctions regulations
- Terms of engagement
- Risk management and reporting
- Breaches monitoring and whistleblowing
- Professional indemnity insurance, claims and allegations
- Regulatory compliance and reports

We respect and protect confidential data and information obtained from, or relating to, clients or other parties, including personal data and information about employees. We only share information when there is a business purpose

and we only process client data where there is a legitimate basis for doing so, and then do so in accordance with firm policies, applicable laws, and professional standards, having obtained relevant consents to do so.

Our IT team secures and protects our information systems and associated data from unauthorised access, theft, and data corruption. All Partners and employees adhere to the firm's data protection and information security policies and are required to complete regular data protection, money laundering, and cyber security training when requested.

We promptly report any loss, theft, or inappropriate disclosure of personal or confidential information in accordance with applicable laws and firm policies.

We stand against corruption and never engage in bribery or corrupt practices, whether directly or through third parties. We uphold efforts

to eradicate corruption and financial crime and comply with our responsibilities under anti-money laundering and proceeds of crime legislation.

We do not engage in any business activities in breach of applicable economic sanctions, nor do we undertake services that could facilitate clients in breaching applicable sanctions.

We only work with suppliers who have gone through our supplier due diligence process to ensure they meet our requirements in regard to lawful and ethical behaviour.

We use social media and technology responsibly, always mindful that our online presence may impact the firm's reputation by association.

We obtain, develop, use, and protect intellectual property appropriately, and respect copyright restrictions.

How we protect our reputation and our business

Conduct Policy

By keeping this Code of Conduct front of mind in all our activities as employees and Partners of the firm we will ensure that we meet expected standards of behaviour.

Our Conduct Policy sets out clearly how we will deal with matters in those rare instances when someone's conduct or behaviour is not what we expect.

Final word

While this Code sets the course for the way we act, think, and behave at Johnston Carmichael, it does not replace our personal duty to use good judgement, seek advice when dealing with tough decisions, or indeed, in reporting a concern.

If you need guidance on quality, ethics, or compliance, or if you wish to voice a concern, assistance is readily available from:

- Your line manager
- Your head of business line
 - Keith Hamilton, Head of Governance, Risk and Compliance
 - Sally Hewish, Head of Audit Quality, Risk and Technical
 - David McBain, Ethics Partner
 - Martin Osler, Chief People Officer

And remember, two heads are always better than one. It's always the best decision to ask and consult, rather than risk the consequences of a wrong decision.

Thank you for the role you all play in maintaining the trust our clients, our people, and our communities have in us in our role as professional advisers.



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