

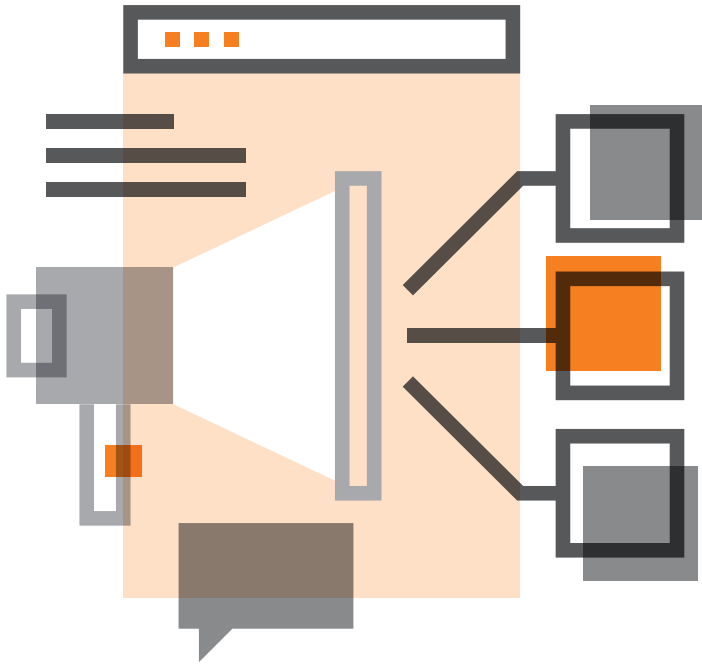


DEFINITIVE GUIDE TO

YOUR CODE OF CONDUCT

How to engage your workforce with your organization's values and goals

Why Is a Code of Conduct Important?



In response to regulations and guidelines over the last decade, codes of conduct have become the most visible elements of ethics and compliance programs. However, the idea of a code of conduct has been around for much longer. Over their history, codes have transformed dramatically from hundred-page legal documents to thirty-page interactive guides – but one thing that hasn't changed is their goal.

A code of conduct is written to share expectations.

Today, your code is a powerful resource. It has the potential to help mitigate organizational risk, and align employees and third parties to common best practices and regulatory expectations. Plus, it's an easy way to publicly share your organization's goals and values.

While many codes are still under-utilized or rarely updated, this way of operating is becoming too risky for many organizations. Your code needs to meet regulations. It also needs to withstand the scrutiny of

job hunters looking for the right fit, and match external requirements of bidding or procurement processes. These are just a few of the risks that are highlighting the reality that old, outdated codes are no longer cutting it in today's market.

Simply put:

Your code is an opportunity to:

- » Revitalize and reposition your ethics and compliance program
- » Inform, align and engage employees and third parties with regulatory expectations and organizational values
- » Protect your people, reputation and bottom line

Training & Your Code of Conduct



An excellent code of conduct that applies to all members of the organization is the **single most important tool** for creating an ethical culture, followed closely by training³. It therefore stands to reason that training your workforce on your code of conduct is essential. This transforms your code of conduct from a document into a resource that employees can use to engage with your organizations goals and values.

These efforts however must be intentional. You can't take a 50-page, edge-to-edge text document, train your employees on it and expect it to become something it wasn't built to be. To capture the full potential of your organization's code of conduct, you will need a code that was built, intentionally, to be a resource. And for that you need a plan.

Is your code of conduct fulfilling its potential to educate and protect your organization? This handy checklist will help you find out.

Below is a short poll to help you consider the strength of your organization's current code. If you cannot readily answer "yes" to all these questions, your code of conduct could be working harder for your organization.

- Do your employees use your code of conduct as a reference guide?
- Are examples timely and relatable?
- Are key risk areas covered and up to date with regulations and industry best practices?
- Is your code broadly accessible and easy to read for all your employees
- Does the design and presentation of your code convey the importance you place on ethics?
- Has your code been updated in the last three years?

¹CGMA's Managing Responsible Business: A Global Survey on Business Ethics, 2012

²NAVEX Global's Training Benchmark Report, 2017

³AMA / HRI Business Ethics Survey, 2005

PLAN

“Failing to Plan is Planning to Fail.”

– Alan Lakein

The six following questions are a great place to start the plan for your new code of conduct.

1. **Who:**

Carefully consider who needs to build, review and approve your new code. One author can provide a consistent voice, while several reviewers and editors can help integrate priorities from across your organization. Your goal is find a balance that fits your organization, provides the buy-in needed and has the bandwidth to get the work done.

2. **What:**

Explore what topics your peers and competitors are covering in their codes. Review that list. Then make sure your code addresses the key risk areas your employees and third parties need to understand and be aware of in your industry and organization.

3. **When:**

Discuss timing with colleagues across your organization. Are you in the middle of a brand redesign? Now might be the best time to revamp and realign your code of conduct to your new look. If you're in the middle of a merger or acquisition, it might be better to wait until that process is complete.

4. **Where:**

Think of the places your code will need to live so that employees across your organization will all have easy access to it. Build your code with these places in mind; the needs of publishing a paper code and, posting to your intranet and public-facing website should all be considered.

5. **Why:**

Starting with a why statement that encompasses your end goals for your new code can help answer and guide the questions and concerns that come along the way.

6. **How:**

Research codes that are winning awards. Codes that employees and employers are talking about could be great models for yours. Plan the design and writing style that you want to use in your code, and stick to it throughout the entire document. Make it easy to read, navigate and understand for the best results.



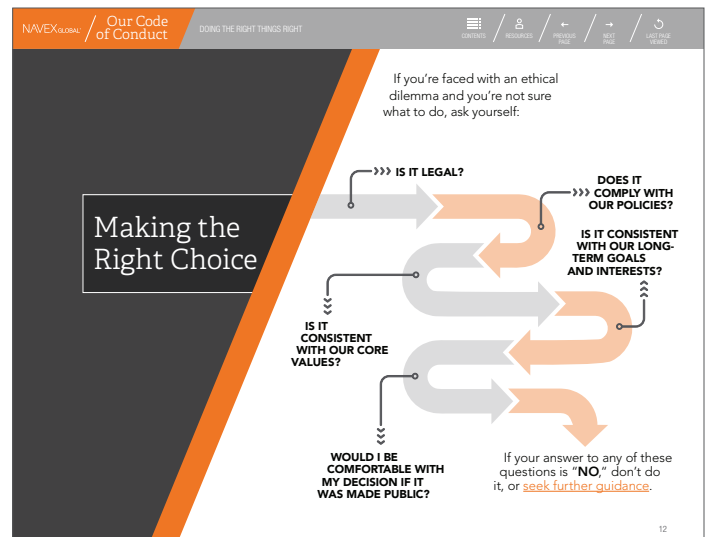
BUILD

Take Your Code from Document to Resource

With your teams selected for writing, reviewing and approving, your end goal in mind, and a well-formulated plan in place, you're ready to start building your code. Building a modern code that your employees will revisit when they have a question or concern will need to be more than just a written document. It will need to be designed as an interactive, visually-appealing, easy-to-use resource.

Design and interactivity is important, but you can't forget about writing. Writing clearly with a consistent style throughout your code is still essential to providing the information your employees need to know and understand. So, they can begin to make decisions that align and reinforce your organization's goals and values.

Graphics such as NAVEX Global's "Making the Right Choice" can provide straightforward advice that employees can directly apply to any decision they come up against. It's one resource that can point them in the right direction. Plus, it highlights key areas our code covers, and includes a link to a list of resources, including our whistleblower hotline, if they are still unsure.



Things You **Should** Include in Your Code

- Letter from your CEO (set your tone from the top)
- Interactive table of contents (helps your code be a resource, not a book)
- Introduction to your code (for employees and third parties)
- Hotline reporting information (telephone number and link to web-based report form)
- Q&A and everyday examples (help make your code relevant and practical)
- Hotline and other helpful contact information

Things You **Shouldn't** Include in Your Code

- Legalese (easier to read means easier to use)
- Long lists of dos and don'ts (you can't and shouldn't try to cover everything)
- Margin-to-margin text (add pictures, graphics and charts)
- Detailed policies and procedures (link to them instead)

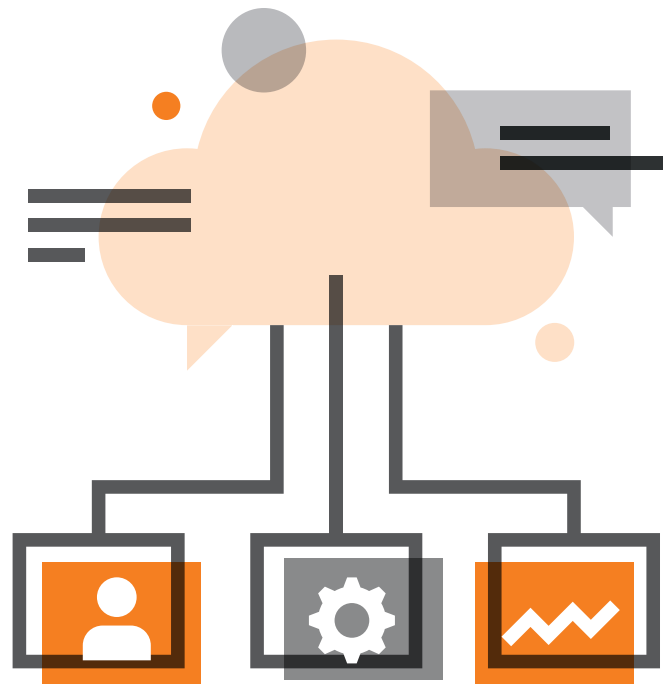
SHARE

Distribute Your Exciting New Code

Sharing your new code of conduct should be part of your plan because how you distribute your code, will dictate the way it is built and designed.

Once your code is written, designed and approved – it's time for launch. Getting the code out of their bottom drawer and making it a top-of-mind resource for your employees, starts with the first time they interact with your new code.

Celebrate the release of your code of conduct. Share how it reflects who you are as an organization, and what you aspire to be and do. Make a splash. Put it on your intranet so all your employees around the world can see the same digital copy. Showcase how your code is dynamic, interactive and an easy-to-use resource for your employees.



3 Suggestions for a Successful Code Launch

1. Get Management Involved from the Beginning

Employees hear your message best when it comes from their direct manager. If you are distributing paper copies, have each employee's manager personally hand them their new code. If you are doing live training, train the management team first. Then at the full staff training, invite managers to speak directly to the value they see in the new code and to site specific pages when possible.

2. Include Your Third Parties

Sharing your new code with your third parties communicates the expectations you hold for their interactions with your employees and customers. This can help mitigate third-party risk and bring awareness across your organization that all parties share a responsibility for protecting your organization's reputation.

3. Have a Long-Term Communication Plan

Roll out of a new code of conduct is not a one-day event. NAVEX Global suggests building a two-year plan with regular intervals of trainings and communications that remind employees of the value of your new code of conduct. These could include:

- » references and links in your training curriculum
- » posters in the break rooms
- » manger booklets
- » supplemental summary brochures for new employees
- » check-in one-on-one meetings with managers

UPDATE

A Code Project Is Not “One and Done”

The true value of a new, interactive code of conduct goes beyond providing your employees with a resource for making better business decisions. The reason you would commit time and resources to this project is to engage and connect your workforce to your organizational values and expectations.

The Society for Human Resources Management (SHRM) suggests that the first step in engaging employees is to “supply the right tools.” Your code of conduct must be one of those tools. And for it to be a “right tool”, it must be accurate, timely and accessible. This means keeping its content, and look and feel up to date.

Your organization’s code of conduct should be reviewed and re-approved by the board every year. Keep in mind this doesn’t mean major changes each year; it’s likely that only a few small things will need to be updated. However, NAVEX Global recommends a deep-dive review and overhaul of your code of conduct every three years. In a few special cases, highlighted below, deep-dive reviews may need to happen more frequently.



Events That Could Necessitate a Code Update



Acquisitions and Mergers



Globalization



New CEO



Regulatory Changes



New Risk Areas to Cover



Employee Feedback

⁴SHRM, [7 Tips to Increase Employee Engagement Without Spending a Dime, 2016](#)



Conclusion

An accessible, comprehensible and interactive code of conduct is the first step in the process of engaging your workforce. Engaged employees are more enthusiastic, collaborative, productive and profitable, and they miss work and change jobs less often. To begin to capture its full potential, your code of conduct needs to consistently and accurately communicate your values, goals and purpose to all your employees. This provides them with a point of connection and a set of common goals to drive towards.

Protecting your people, reputation and bottom line starts with a plan and builds towards a workforce making decisions with your code of conduct top-of-mind.

ABOUT NAVEX GLOBAL

NAVEX Global's comprehensive suite of ethics and compliance software, content and services helps organizations protect their people, reputation and bottom line. Trusted by 95 of the FORTUNE 100 and more than 13,000 customers, our solutions are informed by the largest ethics and compliance community in the world.