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Writing a code of conduct: A simple method

- » The code of conduct is one of the key components of a compliance program and, as such, should be carefully crafted.
- » Writing a code of conduct may seem like a daunting task, but it can be made easier with some method behind it.
- » Starting small and developing the content in iterative steps will make the process simpler.
- » Deciding early on whether you want a short or a long final document will help you know when to stop.
- » “No man is an island,” and no good code of conduct is written by one person.

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A compliance program can only be effective if supported by real tone and actions from top management and the organization as a whole. It is also common knowledge that a risk assessment needs to be conducted before any other activity or pillar is put in place, given that those need to be designed to mitigate the identified compliance risks.



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The next step is usually drafting policies and procedures, and the code of conduct is the first document that is created. A code of conduct allows the organiza-

tion to have a central overview or summary document that will serve to guide all other efforts in the design and operationalization of the compliance program. It doesn't require too much detailing of each relevant topic, allowing the organization to set out the most relevant principles to be followed by the employees before trying to detail every single policy and procedure that make up a compliance program.

You've probably heard, multiple times, that your organization's code of conduct should not be a copy of any other company's code, and that is absolutely correct! Your company's code of conduct should be drafted based on your organization's needs, culture, and current moment; it also should be unique to your company. Otherwise, the code of conduct will not serve its purpose of being a useful tool for your organization's employees to use as a guiding document.

Drafting an adequate code of conduct from scratch is not an easy task, but neither is it too complex, as long as you approach it as a multipart and finite task. If we follow a method, and if we accept that no code of conduct is perfect or fully comprehensive, then we have a workable task in front of us.

Initial steps

So, how can we do it? Let's start by separating the task into individual components.

What is the format and media we want to use?

There is no rule or legal requirement stating that a code of conduct needs to be in text or video format. No rules exist about having the code as a document hosted in a network folder

or as an interactive, three-dimensional shape that can be rotated, zoomed in and out, clicked on, and moved around. Therefore, feel free to decide which format and media will have the most impact, will be more useful, and will best engage your company’s employees. Of course there is always the matter of resources, which may limit your options.

You will want to work with your company’s creative department here, be it those in Marketing, Communications, HR, or any other department that will help you choose a good format, layout, media, color scheme, visual identity, etc.

How long should it be?

Again, there are no rules related to the length of a code of conduct. Think about what you want to achieve with the document. Do you want it to be a quick guide about your organization’s principles (short document) or do you want it to be comprehensive guidance on each relevant topic (long document).

I have a personal preference for shorter codes. They are easier to remember, cheaper to print, allow for more flexibility in terms of format and platform, and will probably be more useful to our colleagues.

What will its content be?

Even though you should not copy another organization’s code, reading various existing codes from different companies may help you envision the interesting and useful components you want to consider. A number of standard components are usually included in codes of conduct, and you may choose which

ones to include in your company’s code. A list of the most common/basic components are:

- ▶ **Letter from the company’s CEO (or top executive):** This should emphasize the company’s commitment to its compliance program, urge all employees to be active agents in the company’s journey to be compliant, include a call to action, and have a good example of what the company expects from its employees.
- ▶ **Company’s values:** Consider adding the company’s mission and vision statement here, including how they relate to the code of conduct.
- ▶ **An explanation of what this Code is, and what its purposes and objectives are:** This section will outline that the code of conduct serves as a reference document, where employees will get an overview of the company’s compliance program and how to approach relevant risks. It should not provide all the answers to every question employees might have, but it should tell them how to find answers.
- ▶ **Questions and answers and/or scenario-based examples of relevant situations:** Try to include tangible examples of good compliance practices or cases that may have occurred in the past, either from one of the founders or one of the employees of the company. These could be spread throughout the document or concentrated in a separate section of the code.
- ▶ **Details about your hotline:** Given the relevance of this pillar of compliance programs, one section in your Code is usually dedicated for this.

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- ▶ **Other resources:** Usually this section has links to several other resources — such as the policies repository or a directory of compliance personnel — to which colleagues may refer to when the information they are seeking can't be found in the Code.
- ▶ **The risk topics to be addressed:** This should include the requirements and guidance around each risk area.

From this point forward, we will be talking about how to develop the risk content of the code.

Developing your code of conduct risk content

The code of conduct is expected to introduce each and every relevant risk topic that was identified during the risk assessment phase of the compliance program implementation, including the company's requirements, guidance, and central approach in relation to those risk topics (i.e., how the company wants to mitigate or avoid those risks).

That means that the initial step of the development of your code of conduct's risk content is already completed, and all you need to do is get the list of risks, risk topics, or risk areas and use them as your starting point.

This list of risks should be in the form of very direct/short statements and put in a sequential order based on the risk rating identified during the risk assessment phase. A very simple example of what you would have follows.

Risks

- ▶ **Corruption**
- ▶ **OSHA infringements**
- ▶ **Sexual harassment**
- ▶ **Misuse of company assets**

The next step is to create one direct summary statement for each of the risks

listed—a statement that summarizes what your organization wants to achieve or believes is the correct way to approach the topic. Using the list of risks above, let me provide some examples of what you are looking to achieve:

Risks (with one-sentence statements)

- ▶ **Corruption — We don't bribe anyone.**
- ▶ **OSHA infringements — The safety of our employees comes first.**
- ▶ **Sexual harassment — Sexual harassment is unacceptable.**
- ▶ **Misuse of company assets — Using company assets for personal benefit is wrong and will not be tolerated.**

With the summary statement ready and agreed to by the group in charge of the code's creation, it is time to further develop the message. For each of the summary statements, you will create one paragraph detailing what your organization wants to ensure or achieve. We may call those paragraphs the "introduction" to the topic. Again some examples could be:

Risks (one-sentence statements and one paragraph)

- ▶ **Corruption — We don't bribe anyone.**
Bribery is offering, promising, giving, accepting, or soliciting an advantage as an inducement for an action from a public official that is illegal, unethical, or a breach of trust. Bribery hurts businesses and societies, and our company will not tolerate any form of bribery.
- ▶ **OSHA infringements — The safety of our employees comes first.**
A safe workplace is a basic human right, and as such, we will not accept any compromise when it comes to the safety of our employees.
- ▶ **Sexual harassment — Sexual harassment is unacceptable.**

Any form—expressions, signals, looks, words, or physical actions—of unwelcome sexual behavior is considered sexual harassment. Sexual harassment is humanely wrong and can't be tolerated by anyone. In our company, we are committed to an environment totally free of such behavior.

▶ **Misuse of company's assets — Using company assets for personal benefit is wrong and will not be tolerated.**

Company assets—such as telephones, office supplies, computers, brands, and trademarks—are to be used solely for the benefit of the company and its shareholders. When an employee uses such assets for personal gain, the employee is violating company policy and will be sanctioned accordingly.

The next step will be to develop each of those explanations and write three other paragraphs that will serve as a complement. Keep in mind that the additional paragraphs are not meant as a substitute for the initial one; they add additional information for your organization's employees to get a broader understanding of the topic.

The additional three paragraphs may serve, for example, to define some of the concepts you used initially, such as using one of the paragraphs under the corruption risk to detail what a public official is.

This is a critical moment

At this point you will have about a half page of content per risk topic, and if you chose to have

a short(er) code of conduct for your organization, this is probably where you want to stop adding content and take steps to finalize your document.

If you chose a long(er) format, then the work is not yet completed, and you will now want to create a full page of content for each risk topic that adds more detail and content before finalizing.

Another possible approach would be to separate the risk categories into two groups: (1) those for which you want to add more content and (2) those you deem sufficiently detailed for the code's level of documentation.

Any variation of the two approaches above are valid, and it's just a matter of you and the working group deciding where to draw the line on detail and adding more content. Remember, there is no right or wrong answer here.

The one thing you need to avoid while drafting your code of conduct is the impulse to turn it into a procedural document. You want to keep the code as your guiding principles—the 10,000-foot summary of your organization's approach to mitigating the compliance risks identified during the risk assessment.

Who does it?

You may feel like doing all the above by yourself, but fight that temptation and make sure you involve as many people from your organization as possible, from as many departments as possible, from as many locations as possible, and from as many cultural backgrounds as possible. You will still remain accountable for

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the final product, but you should not be the sole person responsible for its content.

Involving more people may sound like a daunting task, but it will help you to achieve a result that will be useful to all colleagues in your organization. It will also be seen as a group achievement and not just something that was created by those white-collar bureaucratic compliance folks.

Keep in mind that this is an iterative process. You should plan to review and discuss the drafts of the code, as frequently as possible, with the company's top management, even if it means iterating each of the steps above more than once. It will take time to be completed. Don't expect to have a code of conduct ready in a month. Plan to complete the code according to the size and complexity of your organization. The more complex the organization, the longer it will take to ensure that enough people/departments/locations are involved and that adjustments are discussed and agreed upon.

Remember that you can use several different approaches for the above. You can

host workshops, do online voting, run a competition, or use any other ideas you may have that will both engage your organization and ensure the final content is relevant.

Conclusion

Short or long, old fashioned, or technological wonder, a code of conduct will serve as a guiding document for your organization's employees—a document that is easy to read, easy to understand, and encapsulates the most relevant information about each risk area of your organization's compliance program. To create such a document without falling victim to a never-ending drafting process, follow a simple iterative process to lay out the most important information about each risk topic and build layers of information and detail on top of the previous layer—without losing control over its length and complexity. *

The opinions in this article are the author's and do not necessarily represent the position of any organization, nor do they represent best practices for specific organizations.