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Building a Code of Conduct

The Foundation of an Effective Compliance Program

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01 Why the Code Matters

The document regulators read first, and the anchor for everything else

THE FOUNDATION OF THE PROGRAM

- It sets ethical expectations for the whole organization
- It anchors policies, training, and discipline
- It expresses tone from the top
- It is where a compliance program starts

WHAT REGULATORS EXPECT

- The DOJ asks whether it is accessible and applied
- It must be more than a document on a shelf
- Employees must understand and use it
- It must be enforced consistently

U.S. Dep't of Justice, Evaluation of Corporate Compliance Programs (rev. Sept. 2024).

02

What the Code Should Cover

A useful code addresses real risk and makes reporting clear

CORE RISK TOPICS

- Conflicts of interest; gifts and entertainment
- Anti-corruption, antitrust, and trade compliance
- Data privacy, confidentiality, and security
- Harassment, discrimination, and conduct

THE REPORTING BACKBONE

- How and where to raise a concern
- A clear commitment to non-retaliation
- What happens after a report is made
- The consequences for violations

03 Designing a Code People Use

It only works if employees can read it and see themselves in it

MAKE IT USABLE

- Write in plain language, not legalese
- Use scenarios, FAQs, and decision guides
- Translate it for a global workforce
- Make it easy to find and search

MAKE IT RISK-BASED

- Reflect the company's real risk profile
- Go deeper where exposure is highest
- Align with local law across jurisdictions
- Refresh as the business and law change

04 From Adoption to Enforcement

A code earns its value through rollout and follow-through

ROLLOUT AND TRAINING

- Launch with visible leadership support
- Require training and periodic attestation
- Reinforce through managers
- Track completion and comprehension

KEEPING IT ALIVE

- Review and update on a set cadence
- Enforce consistently across geographies
- Measure use of the reporting channels
- Report on effectiveness to the board

The Board’s Code Agenda

Five things directors should insist on

1. **Approve and Own** Adopt the code and set the tone from the top.
2. **Cover the Risks** Ensure it addresses the company’s real risk profile.
3. **Make It Usable** Insist on plain language, examples, and translations.
4. **Train and Attest** Confirm training, attestation, and reinforcement.
5. **Enforce and Refresh** Verify consistent enforcement and updates.