# Code of Conduct Faces Its Toughest Test in the Digital Age

A Code of Conduct (Code) should set the tone for ethical behavior, define what's acceptable, and guide daily decisions. It's the backbone of your compliance program and a clear benchmark for how people should act at work.

But is it truly shaping behavior? For most organizations, the answer is mixed.

It's not just what the Code says that's important, but also how and when it's communicated. Too many organizations still treat the Code as a one-time project, like a PDF policy document that checks the compliance box.

To remain relevant and practical, the Code must be reimagined. That means designing, delivering, and maintaining it in a way that's dynamic, aligned to your business, and embedded into daily workflows.

## The Future of Work Has Changed. Has Your Code Kept Up?

A Code's practical shelf life is just three to five years.<sup>1</sup> As risk profiles, consumer expectations, and business models evolve, gaps in policies and guidance begin to emerge:

- **1. Flexibility now defines the modern workplace:** Teams are dispersed, 80% of the workforce is deskless,<sup>2</sup> and digital channels dominate. The Code must address remote communication, security, and privacy, and set clear expectations for field workers.
- **2. Teams have become more global and diverse:** Different languages and local regulations must be considered. The Code must also account for cultural variance in dress code, feedback, and communication styles.



 $<sup>2. \, \</sup>underline{https://www.sai360.com/resources/ethics-compliance-learning/compliance-on-the-go-how-press-play-reactions and the same and the$ 





- **3. Companies are adopting "nontraditional" workforce models:** Contractors, gig workers, and third parties must be explicitly covered to avoid accountability gaps. If your code isn't clear about who it covers and how, it can't serve as a universal benchmark for behavior.
- **4. Companies are becoming technology-first:** Al-driven decisions can be opaque and difficult to trace to a single person or team. At the same time, Al heightens the risk of exposing sensitive data, intentionally or inadvertently. The Code must set clear boundaries for proper use, define roles and responsibilities, and establish what is and isn't acceptable in different Al environments.
- **5. The bar for usability is rising:** Some organizations still require employees to read and sign a physical Code. Physical Codes are hard to search and rarely consulted. Digital-first Codes offer clear advantages, being searchable, interactive, and available on any device. While some employees may still prefer a printed copy, the smart approach is to make digital the default and offer print on request.
- **6. Regulatory expectations have intensified:** New laws continually shape what a Code of Conduct must include and how it should be maintained.<sup>3</sup> Many Codes are slow to reflect these changes, putting compliance and reputation at risk.

# Raising the Bar: What Makes a Code of Conduct Effective

Across industries, companies adopt a wide range of approaches, some subtle. Yet, others are celebrated for being bold or innovative.

Here are a few notable examples:

• <u>Starbucks</u> positions its Code as a tool for personal responsibility, supporting informed decision-making that aligns with the company's mission. Recent dress code changes aim to sharpen the brand's image, with solid black tops putting the spotlight back on the well-known green apron. By linking professional appearance to brand consistency and customer trust, the Code reinforces that presentation is part of the Starbucks experience.

- Ford's Code is tailored to its global supply chain operations. It is available
  in multiple languages and reflects a strong commitment to a speak-up
  culture, promoting integrity and ethical supply chain practices. It "strictly
  prohibits retaliation," pledging never to discriminate against, discipline, or
  penalize anyone for reporting suspected violations of the Code, company
  policies, or the law.
- Meta's Code makes a clear stance against insider trading, framing it as both
  illegal and damaging to trust with investors, regulators, and the public.
  It reinforces this principle by linking to detailed resources (including the
  Insider Trading Policy and Trading Window Calendar) so employees can
  access specific rules, definitions, and procedures before making any trades.

These offer a valuable benchmark for evaluating whether your Code is fit for purpose. Start by asking:

• Is your Code grounded in organizational values? Reflect the company's mission, core values and desired culture. This serves as the foundation for the document's tone and ensures continued relevance as the company scales.

**Tip:** Involve stakeholders early in the process to ensure the Code reflects the fundamental values and challenges faced by your organization.

Drafting a code requires input from across the business. Involving employees, board members, investors, suppliers, and other stakeholders not only surfaces diverse perspectives but also promotes buy-in and shared ownership.

• Does your Code align with current regulatory requirements? An effective Code should reflect local, national, and international laws, and be regularly updated as rules evolve.

**Tip:** Leverage compliance platforms that auto-track regulatory updates, integrate with your policy management system. And trigger Code reviews for impacted sections, minimizing manual effort and reducing the risk of outdated guidance.

<sup>3.</sup> In the U.S., the Department of Justice expects Codes to be "accessible and applicable to all company employees" as a baseline for effective compliance. Across Europe and the UK, directives such as the EU Whistleblower Protection Directive and emerging ESG requirements set higher standards for corporate ethics and transparency.

- **Does your Code offer practical support?** Demonstrate how different guidelines are to be applied, provide decision-making frameworks and real-world scenarios.
- Does your code empower people to speak up? Clearly articulate what employees should do when faced with an ethical dilemma, suspicious activity, or misconduct. A well-designed Code should make it clear:
  - What behavior is unacceptable
  - When to escalate a concern
  - How to do so safely and confidentially

**Tip:** Treat whistleblower awareness as a continuous campaign. Include it in onboarding, training, annual Code refreshers, and team meetings.

Organizations often discover, sometimes years into running a whistleblower program, that employees were unaware of where or how to report misconduct. If you are blind to risk, you can't act on it, and you can't improve. Here are some of our tips:

- **1. Make reporting channels visible and easy to find**, e.g., put the hotline link or number on the intranet homepage, ensure it appears in search results and add it to onboarding materials.
- **2. Use ongoing, multi-channel reminders:** email signatures, periodic HR or compliance emails, banners on the intranet, mentions in team meetings.
- **3. Clarify what to report:** offer relatable examples of misconduct or ethical concerns that warrant escalation.
- **4. Measure awareness:** use surveys to check whether employees know how and where to report, and act on findings. If "it's too hard to find," fix the placement and test it again.
- Is your Code accessible? Your Code should be easy for anyone in your company to read and use. Keep sentences short. Use everyday words. If it fits your company's culture, don't be afraid to be a bit conversational.
- Is your Code digital, visual, and interactive? Present the Code in a digital format that's easy to navigate and search. Break up text with visuals and interactive elements and ensure the Code is searchable to enhance engagement.

Google's conflicts of interest guidance covers seven common risk areas, including personal investments, outside employment, and relationships with friends or relatives.

The takeaway is simple and memorable:

"If you're considering a business situation that creates a conflict of interest, don't."

That's clarity.

#### The Problem with Most Code of Conduct Platforms

#### **Stale Content, Minimal Customization**

While most platforms provide pre-vetted content to help accelerate Code creation, the breadth, depth, and relevance of these libraries vary. Many tools offer only a narrow set of pre-packaged modules, refreshed infrequently.

Basic customization, such as logo placement or minor wording edits, is standard. Still, deeper tailoring often proves to be rigid or costly, making it difficult for organizations to embed their values, emerging risks, or tone of voice.

#### **Antiquated Delivery Models**

Vendors offer PDF-based Codes buried in policy portals or learning systems. Some interactive features can be added, but the Code is not presented as a standalone microsite with search, media, and analytics. Mobile optimization is rarely provided as a standard feature.

#### **Surface-Level Analytics**

Without embedded analytics, most platforms capture only basic metrics like page views or completion rates. This leaves organizations blind to which sections employees read, what they search for, or where confusion exists.

#### Missing the Link to Whistleblowing

Many Code of Conduct solutions position themselves as modern or interactive, but when it comes to supporting whistleblower programs, the connection is often superficial or entirely missing.

Crucially, most platforms lack integration with whistleblowing systems, meaning reports aren't tracked, escalations aren't streamlined, and employees aren't guided from awareness to action. These gaps undermine trust and reduce the effectiveness of the overall compliance program.

#### **Missing Integrations**

Solutions are frequently delivered as standalone modules, with acknowledgments, training completions, and policy attestations living separately from case management and escalation workflows. In many organizations, the Code is hosted on an intranet as a static PDF, acknowledgments are collected in a separate HR portal, training completions are tracked in an LMS, and potential violations are logged in a completely different case management tool.

Poor design and disconnected systems send the message that compliance is just a checkbox exercise.<sup>4</sup>

<sup>4.</sup> https://hbr.org/2020/03/your-code-of-conduct-may-be-sending-the-wrong-message

### How SAI360 Helps You Build a Living Code of Conduct

SAI360 reimagines the Code of Conduct as a living, dynamic experience. Delivered through a responsive microsite, the platform combines ethics, learning, policy, and risk content in a single, searchable, multilingual, and fully integrated environment. It helps organizations modernize how the Code is designed, delivered, and maintained.

Here's how SAI360 elevates your Code of Conduct program:



#### Mobile-first, multilingual experience

Accessible across devices with support for 70+ languages, ensuring global reach and contextual understanding for every employee.



#### Modular, customizable content

150+ pre-vetted Code modules can be tailored by region, role, or risk profile, embedding organization-specific values, scenarios, and emerging risks without costly workarounds.



#### **Built-in workflow automation**

Code acknowledgments, attestations, and related actions (e.g., disclosures or training) are automated, tracked, and tied to policy updates.



## Seamless integration with the compliance ecosystem

Connects directly with policy management, learning, whistleblowing, disclosures, and incident reporting tools.



#### Continuous regulatory alignment

Supports agile updates through embedded change management tools, enabling teams to keep Code content aligned with evolving legal and ethical standards.



# Behavioral analytics that go beyond completion

Tracks which Code sections employees view, search, or spend time on, generating actionable insight into engagement, risk awareness, and culture in real time.

Learn how SAI360 simplifies the process with expert content, easy customization, and integrated delivery.

Find out more.

# Our unified approach to risk sets us apart

Today's complex risk landscape demands more. SAI360 leads the way with an integrated GRC platform that spans the entire risk and compliance spectrum.

- · Whistleblower and Case Management
- Ethics & Compliance Training
- Policy Management
- · Conflicts of Interest
- Incident Management
- Regulatory Compliance
- · Regulatory Obligations
- Horizon Scanning
- Enterprise & Operational Risk Management
- Third-Party Risk
- Internal Audit
- Internal Controls
- IT Risk
- Business Continuity
- · Vendor Risk Management

