

What is a Code of Conduct and why do you need one?

A Code of Conduct is a set of rules around behaviour for your employees to follow within an organisation. The code acts as a standard that staff need to meet so they know what is expected of them, and helps them understand the values, principles and ethics of their employer. The code of conduct sits either as a standalone document or is included in your employee handbook. It often points to the more detailed policies you have in place such as DEI, Anti-Harassment and Discrimination, Anti-Bribery and Corruption e.t.c

Unlike listed companies, private companies are not legally required to have a code of conduct. However, we strongly advise every organisation to adopt one. As you approach further fundraising rounds, investors may ask to review your Code of Conduct as part of legal due diligence.

Benefits of a code of conduct include:

- **Outlining a company's values, principles, ethics and standards:**
A Code of Conduct can help demonstrate the uniqueness of the organisation and help shape the company's culture. It informs employees, suppliers, external stakeholders and potential investors of your ethics and standards and also plays a significant role in improving employee recruitment and retention as it has a direct connection to employee trust, performance and satisfaction.
- **Providing a guideline for behaviour and expectations within the workplace:**
Having this explicitly stated within a Code of Conduct or handbook provides a central reference point, ensuring all employees are made aware of what is expected of them and what isn't tolerated. Building awareness around expected behaviours opens up avenues for dialogue and engagement.
- **Setting clear benchmarks as to how employee behaviour and performance are measured:**
Having clear benchmarks ensures a level field for all employees and gives them the tools to recognize when actions don't align with the organisation's goals or values.

Example Template

Commitment / statement:

Define your company's values, principles and ethics.

Purpose / Scope of policy:

Describe the objective of the policy and whom and what it affects.

Code of Conduct

Under each topic, define your company's values and ethics in consideration of the topic and set out your commitment to upholding them and what you are striving to achieve. Then state how you

expect employees to conduct themselves on the topic and (where relevant) point to the more detailed policy where they can find further information.

Codes of Conduct usually include - but are not limited to - the following topics:

- Company culture
- Diversity, equality and inclusion
- Harassment and discrimination
- Conduct in the workplace
- Ensuring cost efficiency
- Working with customers and suppliers
- Substance use
- Health and safety
- Misuse of position
- Conflicts of interest
- Bribery, corruption and anti-money laundering
- Human rights and labour rights including slavery, human trafficking and child labour
- Intellectual property and company asset protection
- Data protection and privacy
- Fair competition
- Reporting and regulatory compliance

Policy adherence:

All employees should be required to read the Code of Conduct and meet its standards.

Policy enforcement:

The policy should set out any disciplinary action for employees that fail to comply and the process that will be followed. It should also give clear guidance on how employees should report a breach of the code, both formally and informally and also anonymously if preferable.

Policy approval:

Who is responsible for enforcing the policy? How is it monitored and how are records kept? How often is it reviewed?