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Ethics and Compliance in Northern Europe

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Code of Conduct

What is a Code of Conduct?

A code of conduct is a document that outlines a company's values, ethical principles, and expected behavior of employees. It serves as a guide for employees to make ethical decisions in the workplace.

What does a Code of Conduct helps with?

Reducing legal risks

A well-defined code of conduct can help prevent employees from engaging in illegal or unethical behavior that could result in fines, penalties, or lawsuits.

Building trust with stakeholders

A strong code of conduct demonstrates a company's commitment to ethical business practices, which can help build trust with customers, investors, and other stakeholders.

Promote a positive work environment
A clear code of conduct can help create a more positive and productive work environment by setting expectations for employee behavior.

A 2023 survey by the Nordic & Ethics Compliance found that:

90.2% of all surveyed companies have a department or function dedicated to ethics and compliance.

While **98% of companies use e-learning to implement their Code of Conduct**, only 10% provide Ethics and Compliance training to their entire workforce.

Source: The Nordic Ethics and Compliance Survey 2023 by KPMG Norway, Sweden, Finland and Denmark
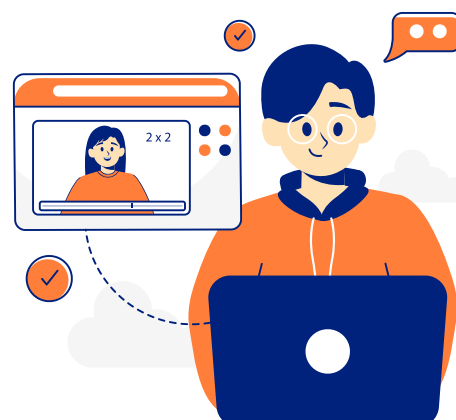
Antitrust/Competition Compliance

Antitrust laws are designed to promote fair competition in the marketplace. Companies must comply with these laws to avoid engaging in anti-competitive practices such as price fixing, bid rigging, and market allocation.

Understanding Antitrust Laws

In Northern Europe, companies must comply with competition regulations enforced by the European Commission, which aim to prevent anti-competitive practices across the European Union. Additionally, each country within the region may have its own national competition laws (e.g., Konkurrencerådet in Denmark). These laws often mirror EU regulations but may have specific nuances.

Identifying Anti-Competitive Practices:

Companies should be aware of common anti-competitive behaviors that can lead to hefty fines and damage their reputation. These include:

- Price fixing
- Market allocation
- Bid rigging
- Exclusionary practice

Antitrust/Competition Compliance

Compliance Strategies:

To ensure antitrust compliance, companies can take proactive steps:

1. Implement a competition compliance program with clear guidelines for employees.
2. Conduct regular training for employees on identifying and avoiding anti-competitive practices.
3. Establish clear procedures for dealing with competitors, such as avoiding discussions about pricing strategies.
4. Regularly review contracts with distributors and other third parties to ensure they don't contain anti-competitive clauses.

Benefits of Compliance

- Avoid hefty fines and potential criminal charges.
- Protect brand reputation and maintain a positive image in the market.
- Foster a fair and competitive market environment that benefits both companies and consumers.

Datafisher offers e-learning modules that can help companies train employees on identifying and avoiding anti-competitive practices.

Anti-Corruption/Anti-Bribery

Understanding Anti-Corruption Laws:

Northern European countries have strict anti-corruption laws. Companies in the region, including US-based companies with subsidiaries there, need to be aware of the Foreign Corrupt Practices Act (FCPA) which prohibits offering bribes to foreign government officials to obtain business advantages.

Red Flags for Bribery
- Requests for unusual or unexplained payments or fees.
- Offers of lavish gifts or entertainment from potential business partners.
- Requests to channel payments through third parties.
- Close or unexplained relationships with government officials.
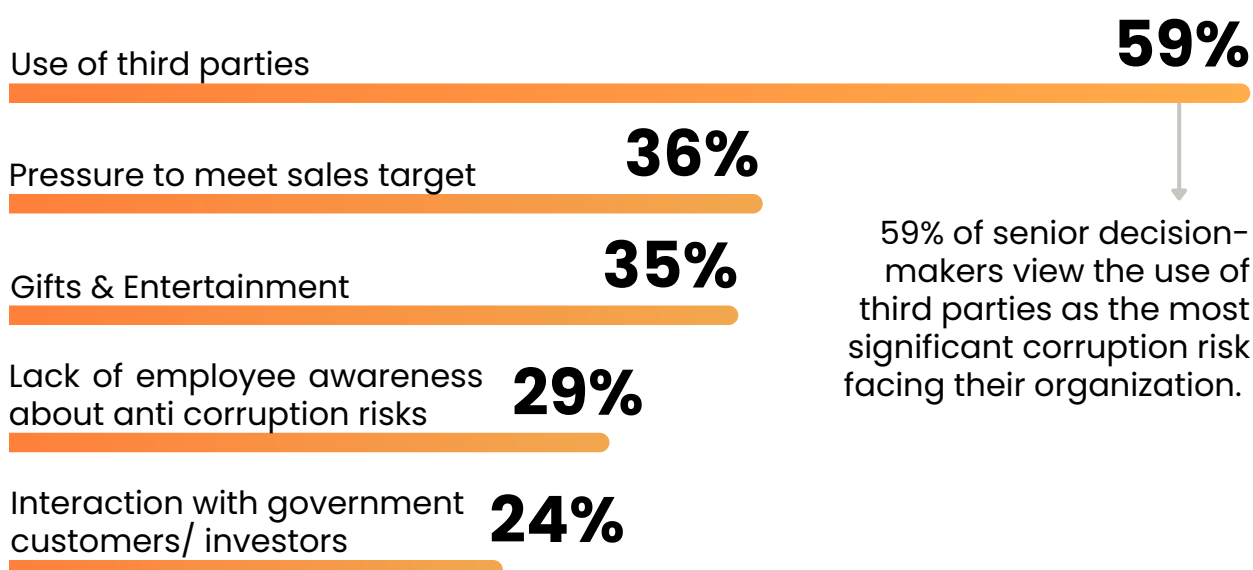
Developing an Anti-Corruption Program

To effectively combat bribery, companies can implement a four-pronged approach: establishing a clear anti-bribery policy with outlined consequences, providing regular anti-corruption training for all employees, conducting due diligence on third-party partners, and creating a confidential reporting mechanism for employees to report suspected bribery.

Benefits of a Strong Program

- Mitigate legal risks and avoid hefty fines and potential criminal charges.
- Protect brand reputation and build trust with stakeholders.
- Foster a culture of ethical business practices within the organization.

Top 5 Corruption Risks for Organizations According to Senior Decision-Makers

Use of third parties
59%

Pressure to meet sales target
36%

Gifts & Entertainment
35%

Lack of employee awareness about anti corruption risks
29%

Interaction with government customers/ investors
24%

59% of senior decision-makers view the use of third parties as the most significant corruption risk facing their organization.

Source: Global compliance risk benchmarking survey: ABC risk assessments by White&Case & KPMG

Supplier Code of Conduct

What is a Supplier Code of Conduct

A supplier code of conduct is a document that outlines a company's expectations for the ethical behavior of its suppliers.

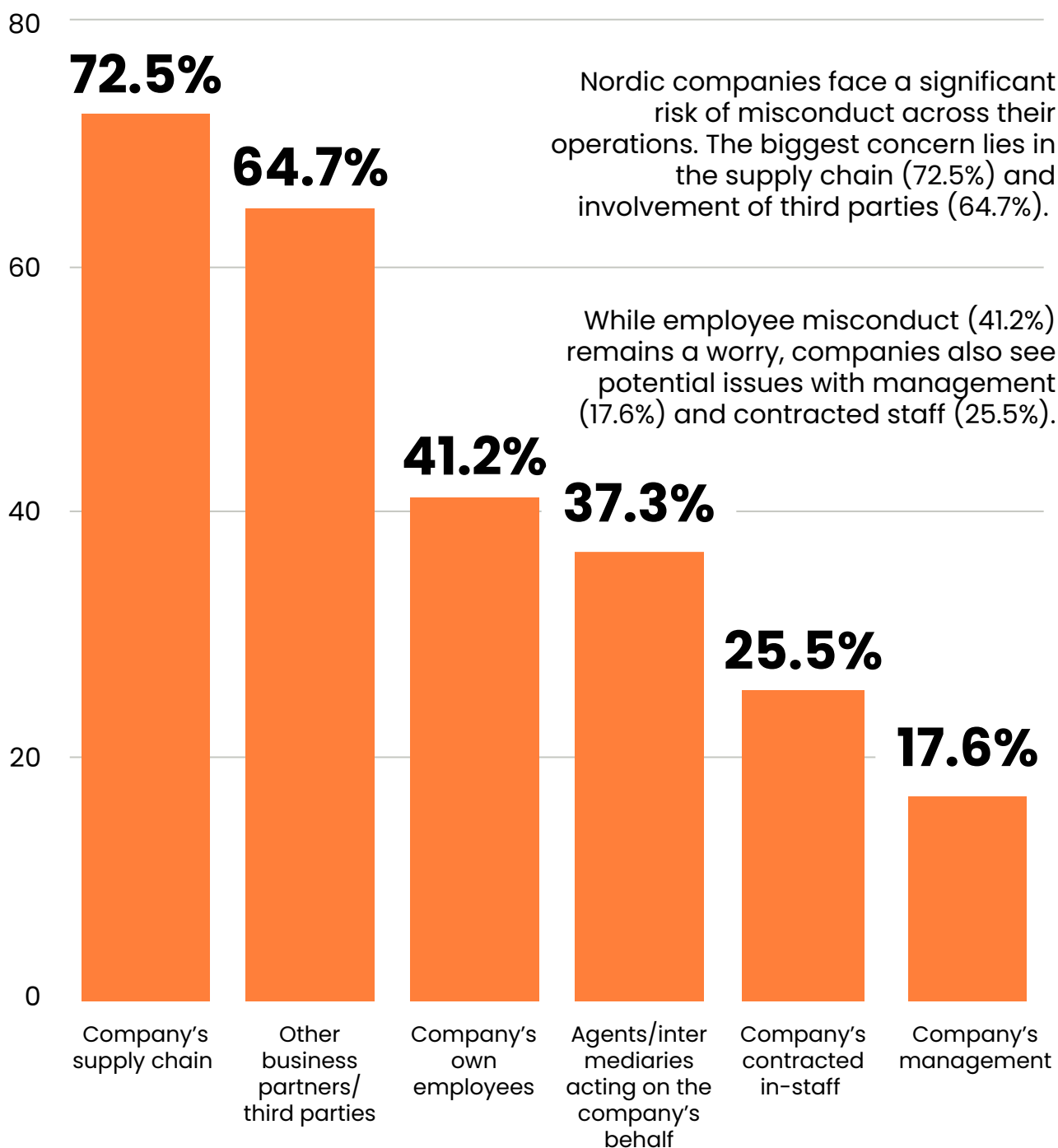## What is helps with:

Reduce supply chain risks

A supplier code of conduct can help companies identify and mitigate risks associated with unethical behavior by their suppliers, such as labor violations or environmental damage.

Promote sustainability

A supplier code of conduct can help companies promote sustainability practices throughout their supply chain.

The biggest Nordic companies believe that the top risks likely to occur are related to these types of misconduct:

Nordic companies face a significant risk of misconduct across their operations. The biggest concern lies in the supply chain (72.5%) and involvement of third parties (64.7%).

While employee misconduct (41.2%) remains a worry, companies also see potential issues with management (17.6%) and contracted staff (25.5%).

Category	Percentage
Company's supply chain	72.5%
Other business partners/third parties	64.7%
Company's own employees	41.2%
Agents/intermediaries acting on the company's behalf	37.3%
Company's contracted in-staff	25.5%
Company's management	17.6%

Source: The Nordic Ethics and Compliance Survey 2023 by KPMG Norway, Sweden, Finland and Denmark

Data Protection/Privacy

Understanding Data Protection Laws:

The General Data Protection Regulation (GDPR) is the cornerstone of data protection law in Northern Europe. It governs how companies collect, use, and store personal data of EU citizens.

Key principles include

- Data minimization
- Purpose limitation
- Right to erasure
- Right to access
- Right to rectification

Compliance Strategies

- Understand what data is collected, stored, and processed.
- Protect personal data from unauthorized access, disclosure, or loss.
- Establish efficient procedures for handling access, rectification, and erasure requests.
- Regularly train employees on data protection practices and handling data subject requests.

Cybersecurity

Cybersecurity is the practice of protecting systems, networks, and data from unauthorized access, use, disclosure, disruption, modification, or destruction.

Building a Cybersecurity Program

To fortify your defenses, create a cybersecurity program. This involves pinpointing vulnerabilities, implementing security measures like firewalls, educating employees on cyber hygiene, and having a plan for responding to incidents to minimize disruption.
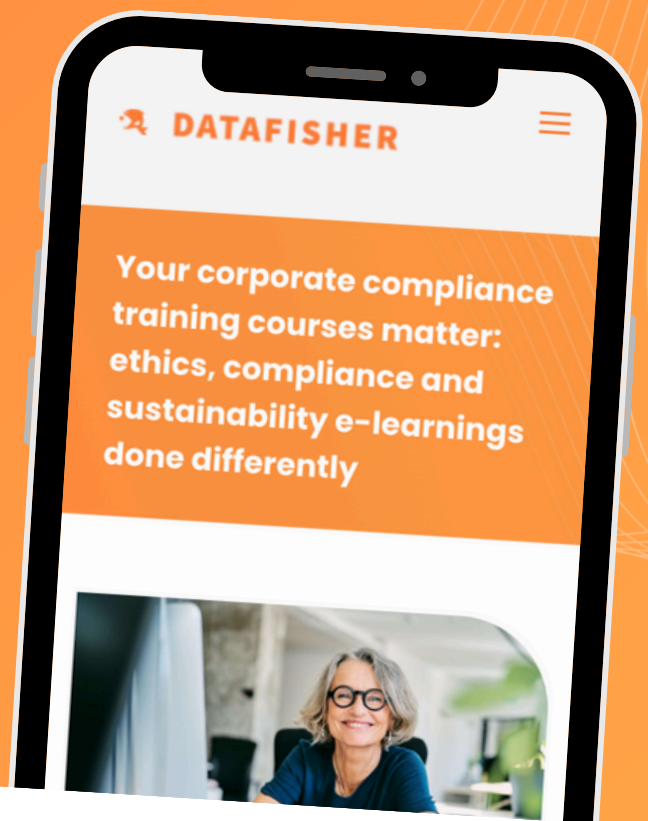
Benefits of a Strong Program

A strong cybersecurity program pays off. It can prevent costly data breaches, safeguard your reputation, and ensure business continuity even during cyberattacks.

Datafisher offers e-learning modules that can train employees on cybersecurity best practices and how to recognize and avoid cyber threats.

Minimize legal risks, build trust, and foster a culture of ethics.

Contact Datafisher for a free consultation on your compliance and ethics training programs.

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What is corporate

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