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THE 'TRANSATLANTIC DIVIDE': A SURVEY OF EUROPEAN VERSUS U.S. CORPORATE CODES OF CONDUCT

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ABSTRACT

The purpose of this survey is to review corporate codes of conduct published by selected U.S. and European companies, with a view to exploring similarities and differences in the contents and style of these codes. The definition of codes of conduct used in this survey includes documents that give details on company values and culture, and state company position on expected employee behaviour vis-à-vis the company and each other, as well as other key stakeholders and the environment. The results of the survey show that there are a number of similarities but also noticeable differences in the codes, both between companies from different European companies, but more particularly between U.S. and European companies. For instance, the European companies tend to have a broader stakeholder approach, whereas many U.S. companies prefer to focus mainly on the workplace and the responsibilities of employees in protecting corporate assets. This indicates that European and U.S. companies apparently have different concerns and face dissimilar stakeholder demands on their social and environmental responsibilities. It is suggested that the development of codes of conduct is an evolutionary process, and that most U.S. corporate codes of conduct are still in a 'first generation' phase, whereas many European codes have evolved to later generation phases, partly due to more significant stakeholder pressure.

INTRODUCTION

Clearly, there has been a remarkable rise in the media, political, academic, business, and public attention given to corporate governance issues in the past couple of decades. This interest concerns 'classical' corporate governance as it relates to the financial performance of companies, following *inter alia* the recent corporate failures in the U.S., but also a broader societal view of governance regarding the relevant aspects of performance, fuelled by a growing concern with corporate social and environmental responsibilities.

Companies faced with this increased concern with corporate governance and social responsibility issues choose to respond (or not) in different ways, partly depending of course on the immediacy of the threat of potentially losing organizational legitimacy and stakeholder trust. A fairly common response among large companies has been to implement 'moral support structures' (Brytting, 1997), such as ethical committees, task forces, audits, guidelines, and other management tools to deal with these issues. In some cases, these actions are the result of regulatory requirements, such as the Sarbanes-Oxley Act in the U.S. and other corporate governance initiatives taken by national governments (e.g. the recently published Corporate Governance Code to be adopted in Sweden in 2005). In other cases, corporate responses have been influenced directly or indirectly by public pressure, resulting in the more or less voluntary establishment of diverse 'moral support structures' such as ethical guidelines or codes of business conduct.

The focus in the present study is on the codes of conduct published by large European (especially Swedish) and U.S. companies, with a view to identifying similarities and differences in the contents and style of these codes. An underlying assumption is that a company's definition of its core responsibilities can be traced in the principles and rules stipulated in a code of conduct, in particular the approach taken to corporate social responsibility (CSR). A number of recent studies (e.g. Aaronson and Reeves, 2002) have indicated that there is a significant difference in the attitude to CSR among U.S. and European managers, and the intention of this study is to explore if this difference affects the 'ground rules' of the company as they are expressed in publicly available voluntary codes of conduct.

A code of conduct can potentially take many forms and be given different names, including for instance 'code of ethics', 'ethical guidelines', 'business principles', 'corporate policy' etc. The definition of codes of conduct used in this study is quite broad, but the intention has been to identify (usually stand-alone) documents that give details on company values and culture, and state company position on expected employee behaviour vis-à-vis the company (and its assets) and each other, as well as other key stakeholders (e.g. shareholders, customers and suppliers) and the environment. Some authors (e.g. Brytting, 1997; Murphy, 1995) differentiate between 'policies', 'values statements', 'credos', and 'codes', but no such distinction is made in this study. Rather, the aim has been to collect as many public corporate ethics documents as possible (c.f. Kaptein, 2004), regardless of what the surveyed companies have chosen to call them. For reasons of consistency, the term 'code of conduct' is used as a common label for all these documents throughout the paper.

In the next section, prior research on codes of conduct is reviewed. In the following section the method used in the present study is explained. Thereafter, the results of the exploratory survey of corporate codes of conduct are presented and discussed. Finally, some conclusions from the empirical study are drawn.

PRIOR RESEARCH

As mentioned above, codes of conduct come in many shapes and forms, but in general they are documents setting out the basic rules of business conduct for employees. According to Sethi (1999, p. 226), codes of conduct usually "…state the company's mission, values and goals, and describe its relationship to various stakeholders, both internal and external". Codes of conduct are a way of dealing with governance in large companies by giving direction to employees and making the company's position on different issues clear. Modern codes of conduct can be considered to be in the shear zone between traditional shareholder-oriented corporate governance, focussing on the relationship between management and owners, and a wider conception of stakeholder-oriented corporate social responsibility. In their paper, Mendes and Clark (1996) identify 'five generations' of codes of conduct, with first generation codes mainly focused on the company interest or 'conduct against the firm' (Wood, 2000), and the following generations increasingly addressing the public interest or 'conduct on behalf of the firm' (Wood, 2000).

Benson (1989) notes that it is uncertain how old the oldest codes of conduct are, but traces the history of U.S. codes to the 'credos' of some corporations in the 1950's and to the trade association codes of the 1920's. In most cases, the codes of conduct are of a comparatively recent date, and Brytting (1997, p. 665) suggests that they were "…invented by American parent companies as a typical product of the 1970's social responsibility debate, and later spread to European subsidiaries". In a survey of French, German, and U.K. codes of conduct, Langlois and Schlegelmilch (1990) found that the vast majority of codes were introduced after 1984.

Codes of business conduct are one of the most tangible 'moral support structures' put into place by companies, and are thus also easily studied by researchers. There have been numerous surveys of codes of conduct over the years, mainly in a U.S. setting (e.g. Cressey and Moore, 1983; Murphy, 1995; Weaver et al, 1999), but also studies of European (e.g. Guillén et al, 2002; Schlegelmilch and Houston, 1989) and Asian (e.g. Nakano, 1997) codes of conduct, as well as international comparisons (e.g. Langlois and Schlegelmilch, 1990; Wood, 2000), frequently focused on one or a few issues such as child labour (Kolk and Van Tulder, 2002) or bribery (Gordon and Miyake, 2001). Farrell et al (2002) provide a useful review of studies of codes of conduct from various countries. One of the most recent and thorough studies of codes of conduct is Kaptein (2004), who investigated the prevalence and contents of codes belonging to the 200 largest companies in the world.

Several of the empirical studies of codes of conduct have noted that there appear to be national differences regarding the occurrence and contents of the codes. For instance, Kaptein (2004) found that codes of conduct are most common in U.S. companies (68% of the studied companies had codes of conduct), which is perhaps not so surprising considering the longer tradition of such codes in the U.S. Kaptein (2004) also found that

U.S. codes place a considerably greater emphasis on rules and norms for employee behaviour as opposed to European codes that tend to deal more with general business principles and relations with stakeholders.

Langlois and Schlegelmilch (1990) also identified a number of differences between U.S. codes of conduct on the one hand and French, German, and U.K. codes on the other hand. For instance, Langlois and Schlegelmilch (1990) concluded that the European codes emphasised employee responsiveness to company activities, whereas U.S. codes underlined company responsiveness to employee requirements of fairness and equity. However, differences between the European countries were also discovered. The French companies tended to stress customer relations in their codes, while the German companies were very keen to address innovation and technology. The tone in the German codes seemed to be on the shared responsibility of management and employees, while the French and U.K. companies emphasised a sense of belonging to the same community and company.

It is clear from the above-mentioned studies of corporate codes of conduct that there are some differences between the codes developed by companies from different countries. This indicates that it is not only the organisational culture of the individual company that is reflected in the codes of conduct, but to some extent also the cultural traits of the countries and local communities in which the companies are based. There have been a multitude of empirical studies investigating the impact of national culture on ethical reasoning and managerial decision-making, and most of these rely to some extent on the seminal research conducted by Hofstede (1983). Given the differences in national culture identified by Hofstede (1983) it does not seem improbable that there may also be differences in the contents and style of corporate codes of conduct, differences which at least to some extent can be attributed to the nationality of the company and its senior managers.

Considering the potential impact of national culture on ethical codes, it is interesting to note that there has only been limited research on codes of conduct in a Swedish context. Brytting (1997) investigated the extent to which (small and large) private companies in Sweden had taken structural measures in the field of business ethics, including if they had codes of conduct in place. Using a survey instrument, Brytting (1997) finds that more than half (52%) of the large companies (defined as having more than 200 employees) claimed to have codes of conduct, but the contents of these codes was not studied. In a public sector environment, Svensson and Wood (2004) found that a third of the public sector units (including government entities, county councils, and municipalities) studied had some form of code of conduct, and used these codes to construct a content index for public sector ethical codes.

This paper focuses particularly on codes of conduct in large private companies in Sweden, and compares the contents and style of these codes with similar codes from large U.S. and European companies. The purpose is to identify and discuss similarities and differences of these corporate codes, considering the fact that the codes originate from companies based and operating in different cultural contexts.

RESEARCH METHOD

The codes of conduct analysed in this survey were collected from the websites of the 25 largest companies (in terms of revenues) in the U.S., Europe, and Sweden respectively, based on the Forbes 2000 global list of leading companies available at *Forbes.com*. The websites of the 75 companies listed in tables 1-3 were visited in search of codes of conduct or equivalent corporate codes of ethics, resulting in the collection of a total of 52 usable codes.

The code collection method used in this study is somewhat different than the approach employed in most prior studies of codes of conduct, which has tended to involve a contact with corporate headquarters to requisition a copy of the company's code of conduct. In some cases this has resulted in a relatively low response rate, and a limited number of codes being studied. With the method used in this paper, all codes published by the surveyed companies were collected without contacting more or less cooperative employees of the companies. There is of course a risk that the companies in the survey have internal codes of conduct that they for various reasons have not published on their websites, and have thus been excluded from the study.

In the process of exploring the companies' websites in search of codes of conduct, a number of other policy documents were identified, some of which dealt with 'code of conduct issues'. This included *inter alia* corporate governance policies (of which some were clearly intended to fulfil the requirements of the Sarbanes-Oxley Act), company mission statements, and environmental or social policies. An example of such a document is Volkswagen's "Declaration on Social Rights and Industrial Relationships", which deals explicitly and specifically with freedom of association and other labour rights, and is essentially a contract signed by Volkswagen's management and the International Metalworkers' Federation. These documents were not included in the survey as they were considered too general, as in the case of mission statements, or only addressed selected issues, such as environmental protection.

The codes that were collected for the survey were read through in order to get a general feeling for the types of issues addressed and the manner in which this was done. Besides noting the number of pages, a simple classification model (Table 4) was used to help characterize the style or 'generation' of the codes of conduct in accordance with the 'five generations' model suggested by Mendes and Clark (1996). This model, based on empirical observations made by Mendes and Clark (1996), assumes that codes of conduct have gradually evolved from basic documents mainly intended to protect corporate assets from employee misuse to more visionary statements addressing broader issues of corporate responsibility vis-à-vis the community and environment. While this evolutionary model suggests that codes of conduct will change over time as business is confronted with a broader array of social issues, this is not necessarily the case for individual companies who, for various reasons, may choose to maintain a code of an earlier generation.

[Insert Table 4 here]

Using the 'five generations' model, each code of conduct was assigned to one of the five generations based on an assessment of the code's 'fit' with the issues addressed in

typical codes of that generation. In a number of cases, this assessment process resulted in a decision to place the code in between generations due to the fact that only some of the issues of the following generation were adequately addressed. Therefore, while most of the codes were assigned to generation 1, 2, 3 etc., some of the codes were recorded as belonging to e.g. generation 3.5.

RESULTS AND DISCUSSION

Prevalence and placement

As mentioned above, the search for publicly available codes of conduct on the 75 surveyed companies' websites resulted in a total of 52 usable codes that were reviewed in this study. This means that on average 69% of the largest 25 companies in the U.S., Europe, and Sweden had a code of conduct that they had published on the Internet. However, as can be seen in Table 5, there were noticeable differences between the U.S., European and Swedish companies studied, with codes of conduct being most common among U.S. companies (88%), followed by European companies (64%), and Swedish companies (56%).

These results can be compared with Kaptein's (2004) findings that 52.5% of the top 200 global companies had codes of conduct, of which U.S. companies dominated with 68% possessing such codes. Of the European companies in Kaptein's (2004) survey, 55% had codes of conduct. Given that the companies studied in the present survey was limited to the top 25 companies in the U.S., Europe, and Sweden respectively, the comparatively lower proportion of companies with codes of conduct in the survey by Kaptein (2004) could potentially be explained by a size effect, i.e. larger companies tend to develop codes of conduct more frequently than relatively smaller companies (although all of the companies studied would be considered very large by any measure).

Such a size effect, albeit for comparatively much smaller companies, could also be observed in Brytting's (1997) survey of Swedish companies. Of the over 2,000 small and large companies studied, 19% claimed to have codes of conduct (or ethics) in place, but among the larger companies (more than 200 employees), this percentage was 52%. This can be compared with the results of the present study, which found that 56% of the 25 largest Swedish companies published codes of conduct. In a Spanish setting, Guillén et al (2002) also found that the prevalence of codes of conduct and similar ethics statements was associated with the size of the company.

The survey of codes of conduct does not provide any clear evidence of a relationship between industry membership and the prevalence of codes of conduct. However, it does seem that companies in industries dealing directly with consumers (e.g. food markets and retailing) are in majority among those companies that do not have codes of conduct. On the other hand, all of the U.S. and European oil and gas companies studied have well-developed codes of conduct in place.

The codes of conduct reviewed in this survey are mostly to be found either in the general "About Us" section of the companies' websites, in the "Corporate Governance" section, or under the "Social Responsibility" or similar heading. Whether this indicates a difference between those companies that perceive their code to be an integral part of their corporate identity, an extension of their corporate governance program, or an

expression of their social responsibility is open to speculation, and the contents of the codes have not been assessed with this in mind. However, the placement of the codes on the websites suggests that they may have different intended functions in the surveyed companies, and interestingly there are significant variations between the U.S., European, and Swedish companies in the survey. The vast majority (77%) of the U.S. companies choose to classify their codes of conduct as corporate governance documents, whereas most of the European (63%) and Swedish (64%) companies tend to place their codes in the CSR sections of their websites.

Contents and style

Looking in more detail at the collected codes of conduct, it becomes clear that there are noticeable national differences in the approaches adopted to regulate corporate and employee behaviour. Table 5 shows that on average U.S. codes are more than twice as long as European codes, and almost seven times as long as the brief codes of Swedish companies. At one extreme is the 127 page "Winning with Integrity – Our Values and Guidelines for Employee Conduct" document of General Motors. At the other extreme is the two-page document entitled, "Ethics Policy", published by the legal department of the Swedish bank, SEB.

[Insert Table 5 here]

Regarding the contents of the codes, as measured by an assessment of the generation to which they belong, the differences between the U.S., European, and Swedish companies are further accentuated. As can be seen in Table 5, the average generation of the U.S. codes (3.18) is deemed to be lower than the European (3.59) and Swedish (3.64) codes, which is remarkable considering the comparatively longer U.S. experience with codes of conduct. However, testing for difference of the means does not yield a statistically significant result.

In general, the U.S. codes are quite similar to each other and there is not much variance in the generation assigned to the codes. Most of the U.S. codes of conduct have a strong emphasis on generation 1 and 2 issues, i.e. they are focused on protecting corporate assets from employee misuse, but they usually also address generation 3 topics (mainly diversity and harassment in the workplace), and in some cases also generation 4 (mainly environmental issues). The company with the most evolved code of conduct in terms of addressing the broadest number of issues is Procter & Gamble (classified as generation 4.5). At the other extreme is Berkshire Hathaway (classified as generation 2), with a brief code focused entirely on conflicts of interest and commercial conduct.

The European codes of conduct are not as harmonised as the U.S. codes. Among the European companies there are both examples of 'U.S. type' codes with a focus on corporate self-interest (e.g. AXA Group and UBS) and codes that are more akin to corporate social responsibility policies with a focus on environmental and human rights issues (e.g. BP and Nestlé). In fact, Nestlé was the only company in the survey considered to have a fifth generation code, openly addressing sustainable development and pledging support for the United Nations Global Compact initiative (which asks multinational companies to promote human rights and protect the environment).

The variations within Europe with regard to different styles of writing codes of conduct are worthy of some discussion. For instance, codes of conduct in a more traditional sense (i.e. corporate rules and policies addressed to employees) do not seem to be so common among the German companies in the study (only two of eight have corporate codes of conduct), whereas all of the five Dutch and Dutch/U.K. companies studied have such codes (all of which are generation 3.5 or 4 codes). On the other hand, all of the German companies discuss CSR and sustainability issues openly and extensively on their websites, which is not the case e.g. for all U.S. companies. This indicates that while the German companies do not feel it is necessary to regulate employee behaviour, they do wish to make the corporate standpoint on CSR issues clear to the public, and presumably also to their employees.

Considering also the codes of conduct of the Swedish companies in the study, the lack of a single European approach to such codes becomes evident. All of the Swedish codes are very brief compared to the U.S. and other European codes, averaging 4.64 pages with a minimum of two (SEB, Skanska, and Volvo) and maximum of nineteen (Ericsson) pages. Nevertheless, most of the Swedish company codes have been classified as fourth generation codes, indicating that they address public interest issues to a large extent. In fact, five of the 14 Swedish codes have a major emphasis on protection of the environment and human rights, and only deal with first and second generation issues in a cursory manner. As such, they could be considered the antithesis of the typical U.S. approach to writing codes of conduct, which tend to be heavy on conflicts of interest and commercial conduct issues and only touch briefly upon environmental protection.

The potential influence of culture

One of the main results of this survey is the apparent difference in the length, contents, and style of the codes of conduct, particularly between U.S. and European companies, but also between companies from the various European countries. This result is consistent with the findings of Langlois and Schlegelmilch (1990), who discovered notable differences between the codes of conduct of U.S., U.K., French, and German companies. Kaptein (2004) also noted that the codes of U.S. companies had a different style than European companies, and Guillén et al (2002) discovered that Spanish subsidiaries of U.S. companies had a significantly different view of the purpose of codes of conduct than did Spanish companies or subsidiaries of European companies. Robertson and Schlegelmilch (1993) found that there were important differences in the perceptions of U.S. and U.K. managers regarding ethical issues, including the extent to which codes of conduct had been implemented, which were clearly more common in the U.S. than the U.K.

The results of Robertson and Schlegelmilch (1993) are particularly interesting considering for instance that Hofstede (1983) found substantial similarities between U.S. and U.K. cultural dimensions, and are almost always placed in the same ‘Anglo’ cluster of countries. However, in applying Hofstede’s (1983) classification scheme to the results of the present study, there do seem to be differences between the codes of conduct of the companies, which could potentially be understood in a national cultural context. For instance, the legalistic style and extreme level of detailed regulation of employee behaviour found in many of the lengthy U.S. codes of conduct does not seem

so surprising considering of course the legal environment in the U.S., but also the high level of individualism typical of U.S. society (Hofstede, 1983). According to Hofstede (1983, p. 85), "U.S. leadership theories are about leading individuals…who seek their ultimate self-interest", which suggests a greater need to design prescriptive codes of conduct intended to protect the company from its employees. In a relatively more collectivist culture, such as France, Germany, or Sweden, it may be that there is a stronger sense of employee loyalty to the company and its values, thus potentially dispensing with the need for a code of conduct at all.

The Swedish codes of conduct investigated in this study are all quite brief, and address public interest issues such as human rights and environmental protection. In fact, several of them are mainly targeted at the companies' suppliers, many of whom are in lesser developed nations with a limited respect for labour rights, indicating a concern on behalf of the Swedish companies with the working conditions in these countries. This approach is well in line with the values of the Swedish 'feminine' welfare society, characterised by a desire to achieve "interpersonal solidarity" (Hofstede, 1983, p. 88). To the extent that the age of the Swedish codes of conduct can be ascertained, they are all of a very recent date. Nine of the 14 codes were dated, and all of these were initially published during 2003 or 2004. This relative lateness of Swedish companies in developing codes of conduct can be considered symptomatic of societies with a low level of uncertainty avoidance, characterised by a tolerance of ambiguous situations and a preference for few and general behavioural rules.

CONCLUSIONS

This paper has presented a study of the prevalence and contents of corporate codes of conduct in the top 25 U.S., European, and Swedish companies. A survey of these companies' websites revealed that 88% of the U.S. companies, 64% of the European companies, and 56% of the Swedish companies had published some form of code of conduct. A content analysis of these codes using an evolutionary model of 'five generations' of codes of conduct resulted in the classification of U.S. codes as primarily third generation (average of 3.18), with a focus on protecting corporate assets and regulating employee conduct against the company. European and Swedish codes were mainly classified as fourth generation (average of 3.59 and 3.64), with an emphasis on corporate social responsibility and regulating employee conduct towards stakeholders on behalf of the company.

This 'transatlantic divide' suggests that the reasons for establishing codes of conduct in the U.S. and Europe are quite different. The U.S. companies have a longer history of working with codes of conduct, and in general these documents are considerably longer and more detailed than the European codes. On the other hand, the European and Swedish codes have a broader public interest focus, indicating that CSR and sustainability issues are given higher priority among European companies. This confirms the findings of Kaptein (2004), who also found that European codes are typically 'stakeholder statutes', describing corporate responsibilities towards stakeholders, whereas U.S. companies more often have prescriptive 'codes of conduct' setting down rules and norms for employee behaviour.

The results of the survey also indicate that there are differences between the European companies' approach to developing and publishing codes of conduct. For instance, such codes are comparatively rare in the German companies in the study, while all of the Dutch companies have published codes of conduct. Recently, the Swedish companies have also made significant progress, and a majority of the top 25 companies now have codes of conduct in place. It has been suggested in this paper that the 'transatlantic divide' and the variations between the European companies' codes of conduct can to some extent be explained by national cultural differences as identified by Hofstede (1983). This 'cultural analysis' of variations in the contents and style of corporate codes of conduct has only been done cursorily in this paper and warrants further investigation. However, the differences between U.S. and European codes of conduct observed in this study suggest that there are differing perceptions of the purpose of such codes, which are potentially due to the cultural relativity of ethical values in different societies. This indicates that it may be equally difficult to successfully implement a typically 'U.S. style' code of conduct in European subsidiaries and 'European style' codes in U.S. subsidiaries.

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TABLES

Table 1. List of European companies included in the survey.

Company	Country	Industry	Revenues [1)]
BP	United Kingdom	Oil & gas operations	232.57
DaimlerChrysler	Germany	Consumer durables	157.13
Royal Dutch/Shell Group	Netherlands/UK	Oil & gas operations	133.50
Total	France	Oil & gas operations	131.64
Carrefour Group	France	Food markets	96.94
Allianz Worldwide	Germany	Insurance	96.88
ING Group	Netherlands	Diversified financials	94.72
Volkswagen Group	Germany	Consumer durables	91.33
AXA Group	France	Insurance	90.10
Siemens Group	Germany	Conglomerates	86.62
Ahold	Netherlands	Food markets	70.57
Peugeot Group	France	Consumer durables	68.23
Nestlé	Switzerland	Food, drink & tobacco	64.56
Deutsche Bank Group	Germany	Diversified financials	58.85
Fiat Group	Italy	Consumer durables	58.22
France Telecom	France	Telecommunications services	57.99
Generali Group	Italy	Insurance	57.90
Deutsche Telekom	Germany	Telecommunications services	56.40
Metro AG	Germany	Food markets	54.12
ENI	Italy	Oil & gas operations	53.29
Fortis	Netherlands	Diversified financials	52.51
Aviva	United Kingdom	Insurance	52.46
BMW	Germany	Consumer durables	52.23
Unilever	Netherlands/UK	Food, drink & tobacco	50.70
UBS	Switzerland	Diversified financials	48.95

Notes:
[1)] Revenues are in billion US$ for the most recent financial year available.

Table 2. List of U.S. companies included in the survey.

Company	Industry	Revenues [1)]
Wal-Mart Stores	Retailing	256.33
ExxonMobil	Oil & gas operations	222.88
General Motors	Consumer durables	185.52
Ford Motor	Consumer durables	164.20
General Electric	Conglomerates	134.19
ChevronTexaco	Oil & gas operations	112.94
Citigroup	Banking	94.71
ConocoPhillips	Oil & gas operations	90.49
IBM	Technology hardware & equipment	89.13
American Intl Group	Insurance	76.66
Hewlett-Packard	Technology hardware & equipment	73.06
Verizon Communications	Telecommunications services	67.75
McKesson	Health care equipment & services	66.45
Home Depot	Retailing	62.90
Cardinal Health	Health care equipment & services	61.30
Altria Group	Food, drink & tobacco	60.70
Berkshire Hathaway	Insurance	56.22
Kroger	Food markets	53.23
Fannie Mae	Diversified financials	53.13
AmerisourceBergen	Health care equipment & services	50.58
Boeing	Aerospace & defence	50.49
Bank of America	Banking	49.01
Procter & Gamble	Household & personal products	46.99
Target	Retailing	46.65
Freddie Mac	Diversified financials	46.26

Notes:
[1)] Revenues are in billion US$ for the most recent financial year available.

Table 3. List of Swedish companies included in the survey.

Company	Industry	Revenues [1)]
Volvo Group	Capital goods	24.28
LM Ericsson	Technology hardware & equipment	16.79
Skanska	Construction	16.77
Electrolux Group	Consumer durables	15.34
Nordea	Banking	13.42
Skandia Insurance	Insurance	10.53
SCA	Materials	10.14
Securitas	Business services & supplies	7.57
SAS Group	Transportation	7.48
SEB	Banking	7.43
Svenska Handelsbanken	Banking	7.37
TeliaSonera Group	Telecommunications services	6.85
Hennes & Mauritz	Retailing	6.39
FöreningsSparbanken	Banking	6.24
Atlas Copco	Capital goods	6.20
SKF Group	Capital goods	5.75
Sandvik	Capital goods	5.61
Scania	Capital goods	5.45
NCC Group	Construction	5.20
Tele2	Telecommunications services	3.60
Gambro	Health care equipment & services	3.18
Assa Abloy	Capital goods	2.93
SSAB	Materials	2.75
Trelleborg	Capital goods	2.49
Holmen	Materials	2.20

Notes:
[1)] Revenues are in billion US$ for the most recent financial year available.

Table 4. Five generations model for evaluating codes of conduct (based on Mendes & Clark, 1996).

Generation	Main issues
First	*Conflict of interest* – complying with laws and acting exclusively in the interests of the company. Regulates e.g. outside employment, financial interests, and political activities.
Second	*Commercial conduct* – bribing foreign officials and arranging kickbacks. Regulates interaction with governments and gifts/entertainment vis-à-vis customers and suppliers.
Third	*Employee concerns* – respect for employee rights and others in direct relationship with company. Addresses e.g. diversity, health and safety, harassment, and employee privacy.
Fourth	*Community and environment* – protection of the environment and respect for local communities. Addresses e.g. community involvement, child labour, and forced labour.
Fifth	*Accountability and social justice* – corporate responsibility for promoting human rights and sustainable development, even in countries where such rights are not respected.

Table 5. Results of the survey of corporate codes of conduct.

	Number with code	Average pages	Average generation	Standard deviation
U.S. companies (n=25)	22	30.68	3.18	0.63
European companies (n=25)	16	14.44	3.59	0.88
Swedish companies (n=25)	14	4.64	3.64	0.72