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## The main mechanisms for the implementation of codes of corporate ethics in the activities of multinational corporations

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**Abstract.** The corporate code of ethics of a transnational corporation establishes a global standard for business ethics, serving as a corporation’s “calling card” and a self-regulatory mechanism that enhances the corporate identity. The reputational aspect of corporate codes of ethics aims to demonstrate the transparency of the corporation in the relevant industry market, thereby fostering a certain level of trust from external stakeholders. This article addresses fundamental issues concerning the legal nature of corporate codes ethics. It analyses the main mechanisms and methods of implementing these codes in the daily business activities of corporations. Specifically, the following issues are examined: the position and role of codes within the framework of local regulatory acts, employees’ adherence to codes within the scope of labor discipline, incentivizing counterparties to adhere not only to contract terms but also to the code norms and incorporation of corporate codes of ethic into the compliance system. Throughout the exploration of these topics, the authors address the key challenges and trends in the adoption, application and adherence to corporate codes of ethics by corporations. The paper provides critical analysis of the role of corporate codes of ethics in regulating labor and contractual relations involving corporations, as well as within the compliance system. The research methodology is based on formal logic, comparative legal, dialectical, and system-structural methods.

**Key words:** corporate codes of ethics, norms of morality, business practices, multinational corporations, labor relations, contractual relations, compliance system

**Conflict of interest.** The authors declare no conflict of interest.

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## Основные механизмы имплементации кодексов корпоративной этики в деятельность транснациональных корпораций

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**Аннотация.** Наличие у той или иной транснациональной корпорации кодексов корпоративной этики говорит о сформировавшемся общемировом стандарте этики ведения бизнеса, который является «визитной карточкой» конкретной корпорации, неким способом саморегуляции, ведущим к усилению корпоративной идентичности компании. «Репутационная составляющая» кодексов корпоративной этики заключается в демонстрации прозрачности той или иной корпорации на рынке соответствующей индустрии, что в свою очередь, способствует формированию определенного уровня доверия к компании со стороны внешних участников. Авторами рассматриваются фундаментальные вопросы, связанные с определением правовой природы кодексов корпоративной этики, через призму основных механизмов и способов имплементации кодексов в повседневную бизнес-деятельность корпораций, в частности, рассматриваются следующие вопросы: место и роль кодексов в системе локально-нормативных актов; соблюдение кодексов сотрудниками в рамках трудовой дисциплины; понуждение контрагентов при исполнении договорных обязательств следовать не только условиям контракта, но и нормам кодекса; а также кодексы корпоративной этики в качестве элемента комплаенс-системы. Последовательно решая поставленные задачи, авторы делают акцент на ключевых проблемах и тенденциях в области принятия, применения и соблюдения кодексов корпоративной этики корпорациями. В работе критически проанализирована роль кодексов корпоративной этики в регулировании трудовых и договорных правоотношений с участием корпораций, а также в рамках функционирования комплаенс-системы. Методологию исследования составили методы формальной логики, сравнительно-правовой, диалектический и системно-структурный методы.

**Ключевые слова:** кодексы корпоративной этики, нормы морали, деловые практики, транснациональные корпорации, трудовые правоотношения, договорные правоотношения, комплаенс-система

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## Introduction

The turn of the twenty-first century ushered in a new era for the business landscape, marked by the integration of ethics into companies' daily operations. While ethics is not a recent discovery and has been a part of society for centuries<sup>1</sup>, its modern presence in business processes reflects a novel approach aligned with contemporary societal. Despite the historical understanding of ethics within legal, philosophical and sociological realms, its current form exhibits radical changes and assimilates certain legal attributes (Bulygin, 2009; Novgorodtsev, 1995; Smirnova & Kononov, 2021; Bix, 2009; Haidt & Bjorklund, 2008). Notably, ethics has concretized into codes of corporate ethics, which have evolved from mere symbolic ideals to obligatory standards central to a corporation's operation. In other words, companies have adopted codes of ethics as an additional regulatory framework, supplementing existing statutes. These codes serve as a synthesis of law and ethics, reflecting characteristics of both institutions.

This shift has posed legal challenges for companies, especially multinational corporations, in implementing and using codes of ethics in their day-to-day operations<sup>2</sup>. Key trends in the implementation of codes of ethics by multinational corporations include their place and role within local regulations, compliance with codes of ethics

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<sup>1</sup> A distinction should be made between the concepts of “codes of corporate ethics” and “codes of professional ethics” with industries such as healthcare, advertising and marketing, automotive industry, and retail trade witnessing significant discussion on professional ethics. This has led to the adoption of regulations containing ethical standards that govern the professional activities of these industries. These normative acts are referred to “code of professional ethics” “code of ethics”, “code of honor”, “declaration of ethical standards”, “charter of professional principles” and other similar terms. For further details refer to: (Berezhkova, 2012:62–64; Burkova, 2009:43–46; Glaz & Shamaeva, 2022:14–25; Malinovsky, 2008:39–44; Morozova, 2003:4–8; Finogenova, Polozkov, 2013:15–21; Yarkov, 2000:14–17).

Historically, examples of universal moral codes include sets of religious rules, particularly, the Ten Commandments of the Old Testament. The Hippocratic Oath serves as one of the earliest “professional codes of ethics” and is specifically dedicated to physicians. The widespread adoption of “professional codes of ethics” in Europe is often associated with the emergence of craft guilds in the 11<sup>th</sup>–12<sup>th</sup> centuries. For further details refer to (Kirillova, 1969; Levitsky, 1960; Polyansky, 1952; Stoklitskaya-Tereshkovich, 1960; Stoklitskaya-Tereshkovich, 1936; Stoklitskaya-Tereshkovich, 1951).

<sup>2</sup> In particular, there is a practice of creating Codes of Ethics and Principles to which contractors and partners of transnational corporations must comply. The activities of Adidas and Siemens can serve as an example of the implementation of such tools. The texts of the Codes of Ethics and Principles to be complied with by contractors and partners of multinational corporations are available on the official websites of the companies: Siemens Group Code of Conduct for Suppliers and Third Party Intermediaries. Режим доступа: [https://cportal.siemens.com/documents/4362010/5038001/CoC\\_Brochure\\_en.pdf/18042728-abc9-033d-c373-ca74fe3e4002](https://cportal.siemens.com/documents/4362010/5038001/CoC_Brochure_en.pdf/18042728-abc9-033d-c373-ca74fe3e4002). (accessed 01.02.2023); Adidas Code of Conduct for Suppliers. Access mode: <https://respect.international/adidas-code-of-conduct-for-suppliers-workplace-standards/>. (access date: 01.02.2023).

by employees as part of labor discipline, enforcement of counterparties' compliance with not only contractual terms, but also ethical norms and integration of codes of ethics into the compliance system. As the study of codes of ethics encompasses interdisciplinary research, it necessitates a comprehensive approach that transcends single fields of science. However, this paper specifically focuses on investigating codes of ethics within the legal research domain.

### **The relationship between ethics and law**

Since inception of law and formation of state structures, the quest for equilibrium between legal regulation and justice has been a longstanding endeavor. This pursuit has prompted an examination of the correlation between ethics and law, shedding light on the interplay between law and other social regulators, particularly, morality. Contemporary scenarios often present instances where the law fails to align with established moral and ethical norms of society triggering a rich discourse among philosophers and legal scholars on the interrelation between law and morality. P.I. Novgorodtsev highlights their interdependent nature and complementary roles. He states that: “where the law refuses to give any prescriptions, morality acts with its dictates; where morality is unable to restrain manifestations of selfishness by its internal authority alone, the law comes to its aid with its external coercion” (Novgorodtsev, 1995:103). V.S. Soloviev reflects on law as a coercive requirement aimed at realizing a minimum standard of good or order, preventing the manifestation of evil (Soloviev, 1988:450–452). O. Smirnova and A. Kononov caution against overly emphasizing the form of legal and moral regulation at the expense of their content; they urge for a more balanced understanding of these phenomena (Smirnova & Kononov, 2021:65).

Indeed, while law and morality possess distinct natures and origins and cannot be conflated, it is imperative to recognize their interconnectedness. The regulatory framework of law and order transcends normative legal acts and judicial practices, encompassing established customs in business practices<sup>3</sup>. Therefore, it is essential to consider both systems of rules for study: those derived from legal analysis<sup>4</sup> and those stemming from ethical analysis<sup>5</sup>.

Based on the insights provided, it becomes evident that for a society to strive and ensure a secure environment, it must concurrently lean on both ethics and law, recognizing their interconnected nature. While these systems employ distinct mechanisms for upholding order, they share numerous qualities. However, each system possesses its unique strengths and weaknesses. Through a comprehensive analysis of

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<sup>3</sup> For further details on the correlation of law and morality, law and ethics, refer to: (Bogdanova, 2016:3–5; Lang, 2021:172–180; Lukyanova, 2004; Kamm, 2006:48–78; Singer, 2005:346–349).

<sup>4</sup> These rules have their roots in a variety of tiered regulations.

<sup>5</sup> This system refers to attitudes that are generally accepted and can be found in people's cultural and religious views. For example, such moral standards are honesty, reasonableness, integrity and justice.

the aforementioned points, it is apparent that legal and ethical systems share common roots at the foundational level of the original concepts<sup>6</sup>.

### Legal nature of a code of ethics

To date, the issue of the legal nature of corporate ethics codes remains open and subject to debate in Russian legal and business practice with the full potential of this regulatory instrument yet to be completely realized. The broad scope of application of these codes extends to regulating a wide range of social relations, including labor and contractual relations, human rights protection, compliance with local legislation, quality standards for goods and services, environmental protection and compliance issues among others.

In current times, the objects of regulation covered by ethical codes encompass diverse aspects of the operations of transnational corporations. In a pivotal study by M. Kapteyn in 2004, which analyzed over 200 of the world's largest companies, it was found that more than half of the corporations had codes of corporate ethics that included standards for the quality of goods and services (67%), requirements for compliance with local laws (57%), and measures for environmental protection (56%). Additionally, many codes included transparency (55%), honesty (50%), fairness (45%), and provisions for core corporate values such as teamwork (43%), ethical behavior among employees (44%) (prohibition of discrimination), and prevention of mental violence (43%). Conflict of interest (52%), corruption (46%), and fraud (45%) were also addressed in a number of codes. Moreover, 52% of the codes included procedural provisions for monitoring compliance with legal and ethical standards (Kapteyn, 2004:16).

Typically, codes of ethics encompass values, principles, moral standards, and rules of behavior that guide decision-making, negotiations and other forms of corporate activity based on respect for the rights of all participants. Various classifications and approaches have been developed in the scientific community to distinguish different groups of ethical codes (Davoine & Nakhle, 2012:417). For the purposes of this study, we will consider the following approach to the classification of corporate ethical codes:

1. Corporate codes of ethics responsible for business management within a country and codes of ethics responsible for relationships in multinational corporations<sup>7</sup>;
2. Professional codes of ethics.

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<sup>6</sup> For further details on the theoretical approaches of the correlation between law and morality, refer to: (Vinogradov, Larichev, 2022:8–11). As the authors rightly point out, law and morality possess distinct natures and origins and cannot be equated as a singular entity. However, isolating these social phenomena without acknowledging their common basis and shared objectives to which they are both subordinated would be unconstructive.

<sup>7</sup> It is interesting to note that some researchers distinguish between codes of ethics and codes of conduct, stating that codes of conduct are intended to regulate internal relations of a corporation, while codes of ethics are meant to regulate the external relations of a company. However, practical analysis suggests that corporations do not always adhere to this approach when describing the scope of relationships to be regulated in the code. For further details refer to: (Zakaria, Garanca & Sobeih, 2012:230).

This differentiation helps in understanding the specific guidelines and standards that govern business conduct and professional behavior within different contexts<sup>8</sup>.

In recent years, there has been significant discussion surrounding professional ethics in the healthcare, advertising, and automotive industries, leading to the development of regulations concerning ethical standards that govern professional activities. R. Lewis (Lewis, 1999) observed the increasing influence of consumer opinion on a company's competitiveness, highlighting the need for corporations to balance their interdependent relationship with consumers. As a response, corporations have begun adopting codes of ethics to communicate their alignment with moral principles. This development has facilitated the integration of ethical features into the law, leading to the creation a systematized code of ethics<sup>9</sup>.

Structurally, corporate codes of ethics can be categorized into "general" and "special" sections. Corporations like Uralsib Life<sup>10</sup>, GlaxoSmithKline<sup>11</sup> and others adhere to this structuring approach<sup>12</sup>. Typically, the "general" section of the codes includes fundamental corporate principles and subsequently outline standards of employee behavior. Corporation with a multinational presence typically draft their corporate codes of ethics according to a systematized structure, resulting in a standardized format. While the prescribed values may vary depending on the corporation's activities, the system and structure of the codes remain consistent.

When examining the Russian implementation of corporate codes of ethics in day-to-day business activities, it is pertinent to start with labor law, given its focus on relationships among company employees. Unfortunately, the current Labor Code of the Russian Federation (hereinafter referred to as LC RF)<sup>13</sup> and other local regulations do not define such terms as "code of ethics" and "code of business behavior". Furthermore, there are no specific articles or clauses in the Russian Labor Code related to the violation of normative rules on business conduct, unless they are associated with the labor duties of employees.

In the United States, corporate and labor legislation is developed by analyzing court precedents, federal and state laws. Each state has its own Labor Code (LC), without a unified LC for the entire country. However, the LC legal system includes a document called "handbook guide". This document outlines the employees' work mode, salary payment procedure and terms, bonuses, internships for each profession, transfer to another specialty, training and advancement, employee appraisal, and

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<sup>8</sup> For more details on the pandect system of norms presentation, refer to Pimenova, 2020: 168-170.

<sup>9</sup> For more details on the pandect system of norms presentation, refer to Pimenova, 2020: 168-170.

<sup>10</sup> URALSIB Life JSC Corporate Code of Ethics. Available at: <https://uralsib-life.ru/kompaniya/korp-etika> [Accessed 1st February 2023].

<sup>11</sup> GlaxoSmithKline Code of Conduct. Available at: <https://www.gsk.com/media/2879/russian-code-of-conduct.pdf> [Accessed 1st February 2023].

<sup>12</sup> For more details on the content of ethical codes of transnational corporations, refer to (Kasatkina & Ruderman, 2022:131-139).

<sup>13</sup> Labor Code of the Russian Federation No. 197-FZ of 30.12.2001. Collection of Legislation of the Russian Federation. No. 1 (part 1), Art. 3.

company ethics. It is mandatory for each employee to read and sign this document, indicating their agreement to these rules (Broslavsky, 2021).

Regarding the legal nature of corporate codes of ethics, it should be noted that they primarily constitute a "soft" regulatory instrument. The presence of such a "soft" instrument of industry management reflects businesses' dedication to fair business practices. In recent years, this widely used instrument of corporate governance has gained corresponding attention in Russian business practice. During the current stage of business ethics formation and development, there is an evident trend towards systematizing and standardizing these principles in several reputable international corporations across various industries. To ensure the implementation of business ethics rules in entrepreneurs' daily activities, it is crucial to take into account the specifics of the business itself and the relevant industry market.

As previously mentioned, when analyzing the Russian experience of implementing corporate codes of ethics in everyday business activities, labor legislation should act as the starting point for evaluating the legal nature of a code of ethics. One of the central concerns in labor relations between employees and employers is the mechanism for holding corporate members accountable for ignoring and failing to comply with the local normative acts, which may include corporate ethics codes<sup>14</sup>. Russian court practice also adheres to this approach, where if a corporation's code of ethics is a local normative act, all its prescribed rules are mandatory for compliance by employees<sup>15</sup>.

In contrast to Russia, the situation regarding employee dismissal for violating the Code of Ethics differs in the US. While in the Russian Federation, dismissal for breaching the Code of Ethics is the exception rather than the rule, in the US, the practice is more stringent. For example, in 2020, a number of high-profile scandals and dismissals related to public statements made by company employees occurred in the US and Western Europe. Public pressure in such cases was significantly intense, which could entail substantial reputational risks for the company if the employee was not dismissed for their remarks. For example, Red Bull underwent changes in its business leadership amid controversy within the company over the Black Lives Matters movement<sup>16</sup>.

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<sup>14</sup> Letter of the Ministry of Labor and Social Protection of the Russian Federation No. 14- 2/B-888 of 16 September 2016, On the application of disciplinary penalties by the employer in case of non-performance or improper performance of duties by the employee. Available at: <https://www.garant.ru/products/ipo/prime/doc/71402296/>. [Accessed 1st February 2023].

<sup>15</sup> Appellate Determination of the Judicial Panel on Civil Cases of the Rostov Regional Court of 21 January 2016 in case No. 33-832/2016. Garant; Appellate Determination of the Judicial Panel on Civil Cases of the Court of the Khanty-Mansiysk Autonomous Okrug-Yugra of 28 January 2014 in case No. 33270/2014. Garant; Determination of the Moscow City Court No. 4g-12644/16 of 25 November 2016. Garant; Appellate Determination of the Judicial Panel for Civil Cases of the Omsk Regional Court of 17 September 2014 in case No. 33-5647/2014. Garant; Decision No. 2-1329/2016 2-1329/2016~M-1307/2016 M-1307/2016 of 30 November 2016 in case No. 2-1329/2016. Garant.

<sup>16</sup> Red Bull changes US business leadership due to reaction to Black Lives Matter. Available at: <https://www.kommersant.ru/doc/4417358>. [Accessed 1st February 2023].

Special attention should be given to the interpretation of the norms of codes of ethics, especially in high-profile cases that shape the practice of application by transnational corporations. Ethics rules often involve broad interpretations, making it challenging to ascertain the specific cases and actions that would violate the relevant rules of the code of ethics. This lack of uniformity in the application of code of ethics rules necessitates corporations to prudently prescribe such situations and provide comprehensive training for corporate employees, along with issuing visualized sets of conduct rules. This ensures the accurate determination of the fairness of terminating an employee for breaching a particular corporation's code of ethics. While employee should be held accountable for violating code of ethics norms under the legal principle "ignorance of the law does not exempt from responsibility", situations lacking a clear interpretation of a specific code norm should be interpreted in favor of the employee.

Significant emphasis should be placed on analyzing the concept of the "reputational component" of the code, which encompasses the corporation's public representation of transparency. This includes key business processes related to the organization's policies towards customers, contractors, and other stakeholders. Consequently, the presence of a corporate code of ethics yields a positive impact on the overall image of the company, which operates based on certain standards and principles of ethical business conduct within the industry's market. The transparency of corporate activities reduces the risks of violating certain code of ethics norms, leading to a prevailing trend where codes of ethics are increasingly becoming recognized as standard for conducting business at both national and international levels.

### **Developing, implementing and enforcing codes of ethics**

The rapid adoption of codes of ethics in the operations of virtually all corporations today emphasizes their essential role as a mandatory tool for implementation and application. Particularly noteworthy is the engagement of transnational corporations in developing global ethical standards within their respective industries<sup>17</sup>.

The significance of having a code of ethics in a corporation has emerged as a crucial component of a complete compliance system. This is exemplified by cases where reduced fines were granted under specific acts such as the Foreign Corrupt

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<sup>17</sup> The International Chamber of Commerce (ICC) Code on Advertising and Marketing Communications is particularly focused on the area of marketing and advertising, aiming to safeguard consumers by establishing clear guidelines for responsible marketing. The key objective is to ensure that all marketing activities adhere to lawful, honest, decent, and truthful communication and practices within the industry. The ICC Marketing Code lays down ethical standards that all marketers, advertisers, advertising professionals, advertising agencies, and the media must adhere to. It serves as a framework to regulate and uphold ethical behavior in marketing communications, promoting transparency, integrity, and consumer protection within the industry. The text of the ICC Code of Advertising and Marketing Communications is available on the official website: [http://www.iccwbo.ru/upload/medialibrary/Marketing%20\\_code\\_2018.pdf](http://www.iccwbo.ru/upload/medialibrary/Marketing%20_code_2018.pdf). [Accessed 1st February 2023].



Practices Act<sup>18</sup> and the UK Bribery Act<sup>19</sup>. An illustrative case is that of Vimpelcom JSC, a fine was initially imposed at around \$1.5 billion, but was subsequently reduced to \$850 million. This reduction was contingent upon the company's commitment to comply with conditions, including establishing its compliance system, incorporating the corporation's code of ethics<sup>20</sup>.

When considering the main stages of developing and implementing codes of ethics in corporations, the following key stages stand out:

- *Diagnosis*. Conducting a thorough analysis of past conflicts of interest that may not align with the corporation's ethical standards.
- *Formulating the objectives of the establishment program*. Identifying and agreeing on pivotal starting points in a corporation's business ethics that require formal structuring to streamline business processes and prevent misunderstandings.
- *Concept development*. Constructing an ideal model of an employee behavior and actions, including managing employee conduct in critical situations and resolving conflicts with colleagues (Reznik, Chernikovskaya & Chemezov, 2013).

After the management formulates their ideas about the code, the responsibility for further development shifts to the human resources department. Their task is to structure the code and solicit feedback from employees at all job levels, not only from management positions. To achieve this, it is essential to identify and address the professional and ethical challenges that arise in the company's day-to-day operations. Subsequently, solutions to these conflicts need to be identified, and potential patterns of employee behavior should be discussed in relation to the criterion of correctness. This process can reveal implicit agreements within the company that existed prior to the analysis. When crafting a code of ethics, it is crucial to ensure that all areas requiring control by the code and the company are addressed, even if it pertains to employees' appearance or normative rules for communication with competitors (Gilley, Robertson & Mazur, 2010:31-37).

Subsequently, the code is circulated among the company's employees for discussion, and their objective feedback is considered by management. The code is then adjusted based on the criticism received from the employees.

The implementation stage encompasses several elements:

- Familiarizing employees with the final version of the code and promoting it widely
- Training employees on how to use the code, and providing an opportunity for them to seek clarification
- Analyzing employees' behavior in implementing the code and assessing their and managers' reactions to violations of the established norms (Reznik, Chernikovskaya & Chemezov, 2013).

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<sup>18</sup> The Foreign Corrupt Practices Act (FCPA). Available at: <https://www.congress.gov/95/statute/STATUTE-91/STATUTE-91-Pg1494.pdf>. [Accessed 1st February 2023].

<sup>19</sup> United Kingdom Bribery Act (UKBA). Available at: <https://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf> [Accessed 1st February 2023].

<sup>20</sup> For more details available at: <https://www.justice.gov/opa/pr/mobile-telesystems-pjsc-and-its-uzbek-subsiary-enter-resolutions-850-million-department> [Accessed 1st February 2023].

Once the Code is endorsed by the head of the corporation, it signifies the unequivocal commitment to uphold the established rules throughout the organization. Any information that needs to be added to the code itself will be formalized as an annex to ensure continuous improvement (Evchenko, 2010).

### **Challenges in the application of codes of ethics in contractual legal regulation**

In order to assess the significance of codes of ethics in contractual legal relations, it is imperative to examine contract law. When analyzing the application of codes of ethics within contractual legal relations, it is essential to reference the fundamental principles of contract law, namely: the principle of adhering to contracts and the principle of freedom of contract. The principle of adherence to contracts underscores the obligations of parties to fulfill their terms of the contract they have entered into. As highlighted by A.G. Karapetov, the parties not only have a duty to fulfill their contractual obligations but also possess the right to expect the same from other parties involved in the legal relations formed by the contract (Karapetov, 2009:100–133). Therefore, if both parties include a clause in the contract stipulating adherence to the code of ethics of one party or if each party seeks to abide by its own code of ethics, such a clause will be obligatory. Moreover, this principle not only influences the relations between the contracting parties but also holds weight in the eyes of judicial authorities. In case of non-compliance or breach of any contractual clause, the court is empowered to adjudicate on the breaching party's actions (Kotz & Flessner, 1998:7-9).

The principle of freedom of contract is equally important, as it grants parties the freedom to express themselves and enables them to incorporate ethical standards into the contract. Parties wishing to adhere to specific ethical standards can effectively manifest this intention through clauses within the contract (Karapetov, 2009:100–133). This freedom of contract is pertinent in both common law and Romano-Germanic law systems, rendering such ethical clauses enforceable (Reimann, 1990:848–849).

However, a critical challenge arises in determining whether a breach of the ethical clause(s) within the contract has occurred. Unlike ascertaining breaches of other contractual terms, which can be relatively straightforward, the violation of ethical norms presents a more complex evaluative process even if the contractual terms are met. Indeed, the examples mentioned, such as the sale of goods or services under a contract and the delivery process, underscore the relatively tangible parameters for assessing compliance with contractual terms. The receipt of payment in the case of the sale of goods or services and the successful delivery of goods are clear indicators of upholding contractual obligations. However, as emphasized, the consideration of ethical norms remains a crucial factor even when the terms of the contract are fulfilled. The ongoing debate underscores the nuanced nature of harmonizing ethical considerations within contractual legal relations, prompting continued examination of this intricate interplay.

## Conclusion

To summarize the above, it is worth noting that corporate codes of ethics reflect the current dynamics of relations among society, business and the state across various industry markets. These codes represent a convergence of ethics and law, embodying ethical norms while increasingly serving as a local normative act utilized by corporations. The trend has transformed soft law instruments into de facto hard law instruments, indicating a shift towards the legal dimension of corporate codes of ethics.

Corporate codes of ethics mark a new step in advancement and systematization of corporate legislation. An analysis of corporate codes of ethics across diverse industries reveals a high level of legal sophistication. Their widespread implementation in corporate operations demonstrates compliance with international law norms and principles, and notably, their remarkable accessibility. Consequently, the widespread dissemination and application of ethical norms embodied in codes of ethics establish enduring standards for ethical business conduct. Moreover, the practice of developing Codes of Ethics and Principles to which counterparties and partners of multinational corporations must adhere is gaining traction. Companies such as Adidas and Siemens exemplify the implementation of such tools by requiring strict adherence to environmental standards and prohibition of illegal child labor throughout their production chains.

The significance of ethical principles and standards in corporate activities is currently undervalued by modern Russian lawyers. Corporate codes of ethics directly influence elements crucial to partnership relations, such as sustainability and business integrity. Even in instances where parties may technically circumvent legal provisions or contractual terms, the impact of corporate codes of ethics on the parties involved is profound, incentivizing them to act in good faith.

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