

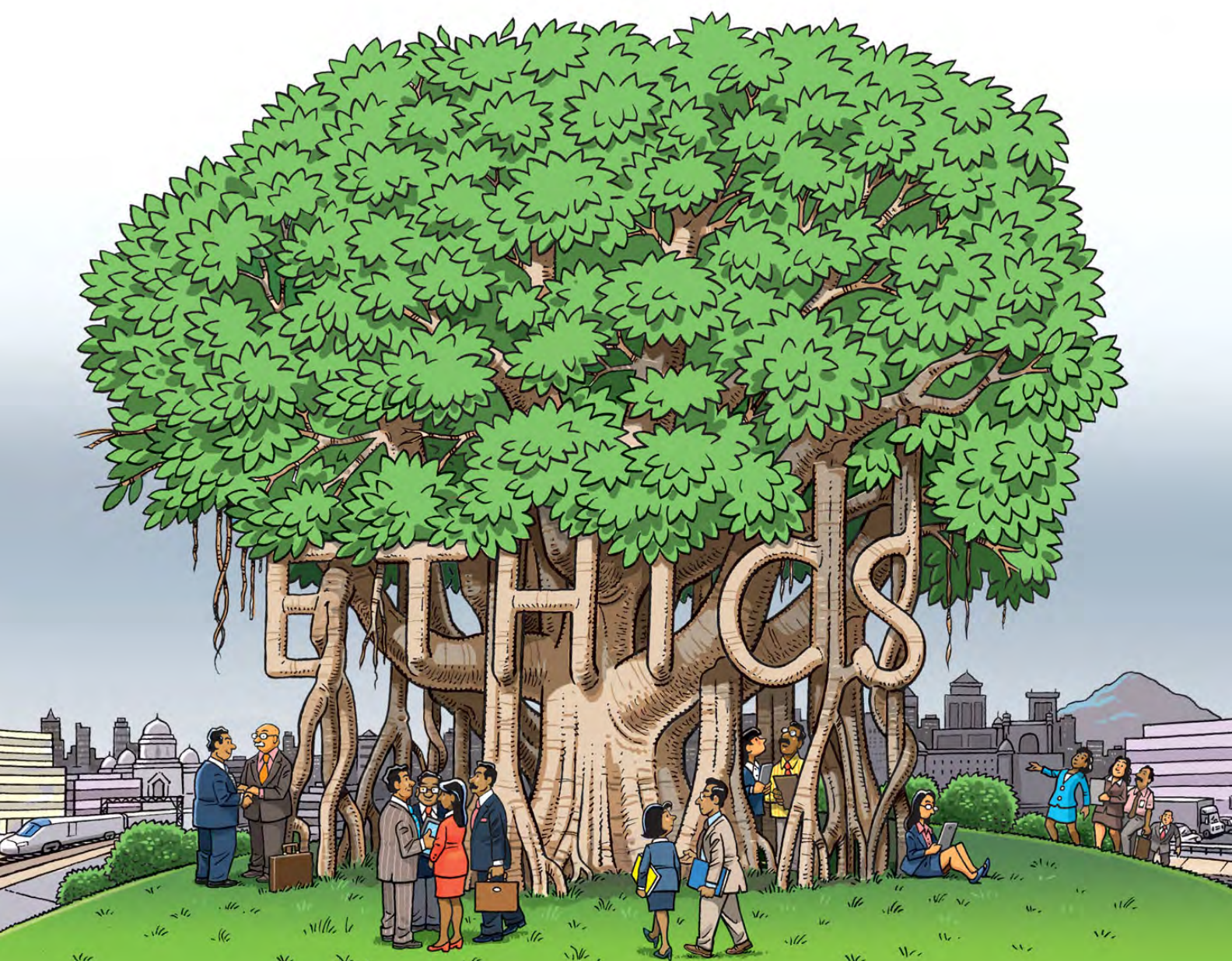
BELA SOUTH ASIA

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SPECIAL EDITION // 2018





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Our Mission Statement

The Ethisphere® Institute is the global leader in defining and advancing the standards of ethical business practices that fuel corporate character, marketplace trust and business success. We have a deep expertise in measuring and defining core ethics standards using data-driven insights that help companies enhance corporate character. Ethisphere believes integrity and transparency impact the public trust and the bottom line of any organization. Ethisphere honors superior achievements in these areas with its annual recognition of The World's Most Ethical Companies®, and facilitates the Business Ethics Leadership Alliance (BELA), an international community of industry professionals committed to influencing business leaders and advancing business ethics as an essential element of company performance. Ethisphere publishes *Ethisphere Magazine* and hosts ethics summits worldwide.

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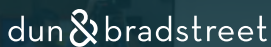
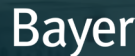


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Interested in joining the BELA South Asia Chapter?
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Confederation of Indian Industry



Confederation of Indian Industry

India First

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering industry, Government, and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, playing a proactive role in India's development process. Founded in 1895, it is India's premier business association. CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

BUSINESS	SOCIETY	ENVIRONMENT	GLOBE
Innovation	Affirmative action	Green business	Partnerships
Competitiveness	Healthcare	Conservation	Trade ties
Sustainability	Population	Ecology	Fairs & Expos
Industrial growth	Empowerment	Energy	Market access
Knowledge & skills	Functional literacy	Renewable resources	Global connectivity
Brand salience for India	HIV / AIDS	Waste management	People to people contacts
Integrity campaign	Gender equality	Technology transfer	Investment promotion
SMEs	Inclusion	Climate change	Two-way missions
Indian MNCs	Disability	Disaster preparedness	MoUs

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SPEAKING UP

»»»» THIS QUARTER'S LETTER FROM THE EDITOR ««««

"SATYAMEVA JAYATE" – ETHICS PREVAIL ON A FOUNDATION OF TRUTH



Dear Readers,

When we look back and reflect on the activities of the past few months, it is hard to believe it's been only one year since we came together in New Delhi to launch our Business Ethics Leadership Alliance South Asia Chapter. On that September day, we pledged to build a community of leaders committed to developing and implementing best practices in business ethics and integrity that would help drive today's industry and benefit future generations. We are pleased to say that promises made have been promises kept.

When our partners at the Confederation of Indian Industry and 20 founding member companies joined with us to launch this chapter of BELA, we knew there were great opportunities ahead for supporting ethics and integrity across the business community. And we couldn't ask for better organizations to work alongside in furthering these goals (you can find a full membership list on the following pages).

We also knew that in order to continue to raise the ethical bar for India's business ecosystem, this BELA chapter would need to examine the current status quo and existing best practices and work toward identifying, measuring, and enacting meaningful progress. It wouldn't be easy, and it would require a commitment to the cause.

To that end, over the course of the past year, the BELA South Asia Chapter has hosted four local roundtables and two annual events—each of which captured the authentic spirit of senior leaders searching for a better business environment. In addition, we have organized online resources for companies doing business in India interested in learning best practices in ethics and compliance, created ethics and compliance benchmarking opportunities for companies in India, and more—all accomplished thanks to the leadership and commitment of the chapter members.

Most importantly of all, we have been consistently humbled by the engagement of the ethics and compliance leaders who are part of this chapter and the executive leadership from member companies across India and South Asia over the last 12 months. As we move toward 2019, we are excited for where this chapter will continue to lead.

This special South Asia Edition of Ethisphere Magazine highlights the hard work and many accomplishments of our founding members and integrity partners. In the following pages, many of the BELA South Asia Chapter members—organizations like TATA Power, TATA Steel, Mahindra, State Bank of India, 3M, JLL, Diageo India, Bayer, and more—some of which have been in business for hundreds of years, share their insight and experiences around driving ethical leadership and global integrity. We're very pleased to be able to share their stories with you.

The Indian motto "Satyameva Jayate" translates to "Truth Alone Triumphs, Not Falsehood." It echoes this chapter's own mission to encourage our countrymen and women to conduct business with integrity and honesty, knowing that through principled values, we all win.

A handwritten signature in black ink, reading "A. Maharaj".

Aarti Maharaj
Ethisphere BELA South Asia Managing Director



BELA SOUTH ASIA: A YEAR IN REVIEW AND WHAT'S COMING NEXT

Written by Stefan Linssen, Chief Content Officer, Ethisphere

It was one year ago when the founding members of the South Asia Chapter of the Business Ethics Leadership Alliance (BELA) came together at the headquarters of the Confederation of Indian Industry (CII) to officially kick off the initiative and the broader community of companies focused on integrity and ethics across India and South Asia.

The individuals gathered were managing directors and CEOs, global chief ethics and compliance officers, board members, general counsel, and other leaders from some of the largest and most influential companies across the globe. This launch marked the beginning of a year's worth of activities across India and resulted in an engaged community of ethics leaders from across the country, a community that continues to grow every month and one that we're very proud to be a part of and to help facilitate.

The history of that launch came about quickly and, no surprise, began as an idea presented by a handful of the long-time World's Most Ethical Companies and long-time leaders in the ethics and compliance space. This includes organizations like GE, several Tata Group companies, Dell, Mahindra, Infosys, Coca-Cola, and more. All told, there were 20 founding members—and, importantly, CII also served as a key partner in the chapter.

Prior to the 2017 launch, these 20 founding member companies and Ethisphere spent a good deal of time talking through what the goals of a South Asia chapter of BELA can and should look like—namely, what were the goals and how, as a community, could we get there?

We talked through specific activities and resources that could be provided, whether or not there should be restrictions on the companies that can join the chapter—such as if a company had an enforcement against it recently—and how the BELA South Asia community could be a meaningful force across India and South Asia to help share best practices in ethics and integrity and support the broader business community in achieving high ethical standards.

We all agreed that these are certainly not goals that can be obtained overnight, so we developed a multiyear plan for the objectives of the chapter. These were the following:

- **Year 1:** Develop an engaged community of like-minded business leaders across India and South Asia focused on ethics and integrity
- **Year 2:** Collectively identify, develop, and share the tools and resources multinational companies need to operate with the highest levels of integrity across India and South Asia
- **Year 3:** Share member companies' best practices in ethics and integrity with the broader India/South Asia business community.

Here's what these three things mean in greater detail:

Year 1: Develop an engaged community of like-minded business leaders across India and South Asia focused on ethics and integrity

Creating a regional chapter of BELA was, quite frankly, a new experience for Ethisphere. Before we could commit to allocating the resources necessary and years of work towards creating and supporting a regional chapter in India, we needed to know that the companies there were committed to actively playing a role in the chapter and that a community could be engaged to support its mission.

We can safely say we were blown away with the level of engagement and leadership demonstrated by every one of the founding member companies. These organizations sent senior leaders—often their managing director or country president in addition to their heads of ethics and compliance—to every one of the six in-person roundtables and workshops organized by the chapter (more on that below). More companies continue to join and expand the chapter beyond the founding members, and there is no drop-off in engagement or participation. Over the past year, we can say without question that a meaningful community of ethics and compliance leaders has been formed.

Year 2: Collectively identify, develop, and share the tools and resources multinational companies need to operate with the highest levels of integrity across India and South Asia

With the community formed, we are setting out on year 2 to collectively develop and curate the best tools and best practices available for companies that want to continuously raise the bar on ethics and compliance practices throughout their global operations, but particularly focused on India and South Asia.

What this means is, similar to what has been created with our global BELA community, we will launch an online member hub/portal that highlights practical examples from member corporations themselves outlining the ways that they do everything from training their global employees, to communicating their ethics and compliance policies and expectations throughout the workforce, managing supply chain risk, collecting and benchmarking KPIs and other data relevant to ethics and compliance programs, and more.

These tools will be made available to each of the BELA South Asia members as part of the member hub, as will data and other benchmarking services Ethisphere provides to multinational corporations today, focused specifically on the South Asia/India region.

Year 3: Share member companies' best practices in ethics and integrity with the broader India/South Asia business community

With the community developed, and with the tools and best practices available to member companies after year 2, our aim in year 3 of the chapter is to share the lessons and key takeaways from the quarterly member roundtables and workshops, the tools shared by the community as part of the South Asia chapter, and Ethisphere's own data and research with the broader Indian and South Asia business community. This will be done in cooperation with regional partners, including the CII, and will aim to support not only the large multinational corporations operating in India, but also the small and medium-sized businesses that increasingly dominate the Indian economy.

It's safe to say that all involved agree these goals and timelines are ambitious and will not come without diligent and active community support. However, we also know—particularly after what we've been able to build and accomplish together already over the first year—that these goals are both obtainable and important.

I had the privilege of being part of the chapter's launch event referenced at the beginning of this article, and I saw firsthand the way that companies are leading the efforts in driving best practices in ethics and compliance throughout India. And, one year later, there remains a strong commitment to these efforts throughout the chapter. On behalf of all of us at Ethisphere, I can say we're both excited and humbled to have an opportunity to work with some of the world's great companies to continue to elevate business practices in one of the most populous and influential regions of the world. We look forward to continuing our work together and embarking on year 2 of this important collective effort.

A Year in Review

There has been an incredible ongoing conversation taking place across the BELA South Asia Chapter over the past 12 months. Here are some of the highlights and how companies are leading the way.

September 19, 2017: BELA South Asia Launch Event: *With 20 founding members, we launched the chapter, holding our initial gathering of member companies and their leaders.*

November 14, 2017: Dun & Bradstreet-hosted the Workshop on Third-Party Risks: *In the latter part of 2017, our first member workshop/roundtable discussion was hosted by Dun & Bradstreet and provided a forum for the participants to talk through their efforts in identifying and managing third-party risks.*

Visit the BELA South Asia member hub for more information.

July 26, 2018: JLL hosted a full-day workshop and discussion: *The program, hosted by JLL, was the first full-day session of the Chapter, in which in-depth panel presentations and small group discussions brought business leaders, chief ethics and compliance officers, and chief vigilance officers together for conversations on forward-thinking methodologies to assess the culture of a company and to identify principles that place integrity at the center of company behavior and performance.*

September 27, 2018: The South Asia Ethics Forum: *As we transition into year two of the chapter, we are beginning to explore ways that we can leverage the institutional knowledge of member companies to support the broader business community across India. To that end, on September 27 we hosted a public South Asia Ethics Forum, which was a one-day program that included around 100 business executives from leading companies across India who gathered to network with other like-minded leaders and to hear the latest best practices in ethics and compliance across India. This program was made available to companies outside the BELA South Asia Chapter*

Author Biography



Stefan Linssen is the Chief Content Officer at the Ethisphere Institute and is responsible for setting the direction of Ethisphere's global media platforms, which include Ethisphere's publications, Ethisphere Magazine, and Ethics Summits held in key cities across North America, Europe, Latin America and Asia.



BELA SOUTH ASIA AND CII JOIN HANDS

United for a Common Cause: To Improve India's Worldwide Standing with Ethical and Principled Business Practices

Written by Pradeep Bhargava, Chairman (Western Region), CII

Over the last few years, the role of the Confederation of Indian Industry regarding India's continued development has greatly expanded. As the co-chairman of the CII MSME Council, I am honored to collaborate with an organization like the Business Ethics Leadership Alliance, whose mission is to help towards the growth of India's commercial environment through ethical business practices.

In a highly globalized atmosphere, ethics and compliance are becoming increasingly critical for industry, particularly when working with foreign partners, each with a unique perspective with regard to consumer and investor desires. We know, for instance, that in many countries, who you are as a company matters as much as, if not more than, the services you provide or the products you make. In today's global environment it is more important than ever for companies to adhere to what the customer wants, whether in India or abroad.

In response to this new reality, the government of India is spreading a strong message about intolerance of corruption and ethical misdeeds. But the government alone cannot change hearts and minds. As leaders, it is our responsibility to continuously improve the way we approach business ethics and develop new, shareable ways to help stay ahead of the curve. For this reason, aligning with the CII theme for 2018-19—India RISE, Responsible, Inclusive, Sustainable, Entrepreneurial—we decided to collaborate with Ethisphere to bring forth the Business Ethics Leadership Alliance South Asia Chapter. From the start we had only one goal in mind—to create a platform where leaders can collaborate to set a gold standard for ethics and principled business practices.

When the Business Ethics Leadership Alliance (BELA) South Asia Chapter was launched last September at CII's headquarters in New Delhi, it created a new partnership conceived on the notion that fair business practice is the only business practice on the world stage. We were impressed and inspired by the number of leading companies that came together to help move this initiative forward and take the chapter through the next steps. Some of these companies have been in existence for hundreds of years and have evolved with the changing landscape of the Indian economy, while others are from highly regulated environments or just starting to build their footprint in India. Together, this unique mix spans numerous industries, bringing different perspectives to the table. We believe that leaders learn best from each other, and for this reason CII constantly endeavors to facilitate the creation of such a collaborative environment. BELA's mission is aligned with this notion.

We have received remarkable feedback. Past President of CII and Chair of the CII National Committee on Integrity and Transparency in Governance, Mr. Sumit Mazumder, for instance, has spoken about how delighted and privileged he is to partner with the BELA community and Ethisphere. He feels that, considering the globalized environment in which Indian industry operates today, it makes eminent sense to follow good business practices. CII is promoting this cause of ethical business in India because it makes sense to unite our efforts to build best practices and experiences from around the world.

Multiple studies have demonstrated how companies that prioritize transparency not only contribute to societal improvements, but they also often outperform the market. With consumer demand for ethical business practices increasing globally, companies around the world are embracing a strong focus on integrity. It has become clear that consumers and stakeholders are seeking to conduct business with companies that maintain a deep concern not only for immediate profits, but also for a sustainable future, making the mission of the BELA South Asia Chapter a vital factor in improving transparency and integrity in India. India possesses some of the most remarkable minds in the business world and must keep pace with the rest of the world on issues like ethics if we are to compete in a global marketplace.

At CII, we believe that a country's growth is dependent upon a progressive policy environment as well as the presence of a collaborative working environment among businesses. Over the past year, the 20 founding member companies of the BELA South Asia Chapter and our integrity partners have led four member-driven local roundtables and two annual events to capture, codify, and communicate ethical practices. At each event, leaders came together to shine a light on hotly debated topics in the region and share best practices. It is through these platforms that companies can effect change and continue to lead by example. On behalf of CII, we are honored to be a part of this community of leaders and look forward to supporting you once again in 2019.

Author Biography

Pradeep Bhargava has been active on industry forums and was Chairman (Western Region) of the Confederation of Indian Industries (CII). He is also a Trustee of Persistent Foundation formed by Persistent Systems.



Leaders gathered to discuss ethics and integrity at the launch of the BELA South Asia Chapter in 2017 at CII's headquarters in New Delhi, India.



Mr. Sumit Mazumder, Past President, CII, and Chairman, CII Task Force on Integrity and Transparency in Governance, addresses attendees of the BELA South Asia media launch.



Founding members gathered at CII in New Delhi at the launch of the BELA South Asia Chapter.



GE ASIA: EXPANDING COMPLIANCE

The Horizons of Compliance Have Changed Significantly and Have Become Much Broader in Range

Written by Ritu Jain, Chief Compliance Officer, GE Asia

The function of compliance and the role of compliance officers have witnessed a tectonic shift from being the company's watchdog or policing function to becoming a business enabler. Traditional definitions of compliance have focused on ensuring adherence with laws and regulations. Many multi-national companies have scoped out compliance roles with a focus on anti-corruption laws and compliance with policies. In the Indian context, the primary focus areas for compliance continue to be corruption, bribery, and fraud. In core industrial businesses coupled with stringent regulations, these risks have now extended to beyond the point of sale. The risks span the entire spectrum of the supply chain and at times become more pronounced during the execution phase of a project at remote locations in high-risk geographies.

At GE, we believe that compliance is a significant differentiator and a competitive advantage for our business. Over the years, GE's business model has evolved substantially, requiring the compliance function to expand its scope. This expansion entails readiness to manage multiple risks across business operations like supply chain, project sites, manufacturing sites, and working with various third parties in continuously evolving business structures and newer geographies.

To fulfill the roles of being both a culture enabler and a trusted business partner, it's important for compliance leaders in GE to understand the shifting cultural and demographic factors. Equally important, today's compliance leaders should possess a strong acumen to understand the business's operations and the environment it operates in.

Reaching out—Spreading the Culture

For compliance to enable an open, retaliation-free culture, it is important to engage with leaders and managers at all levels. Compliance communications need to appeal to a diverse set of employees and keep pace with changing demographics. Creating an effective and impactful message is as important as attaining a broad reach for a compliance message. Take field employees, for example. Roughly 15 percent of GE's employees are out of the main office locations. These are employees at remote locations, project sites, and customer sites, or sales teams. Concisely, if the number of employee touchpoints is the only metric we track, we will invariably miss out on this 15 percent group. This is indeed a staggering number of employees. Needless to say, risks encountered by these employees become visible much later in the process of detection and may have wide-ranging ramifications. In order to ensure that employees at remote locations are proactively highlighting issues, compliance leaders need to establish a solid connection with employees in these locations. Compliance leaders in our industrial businesses make it a priority to visit these project sites regularly.

See the sidebar for a first-hand account of one of these visits from Avinash Chandan, GE Power's compliance leader in South Asia.

Another group of employees is the population on the shop floor. These employees have several barriers to traditional communication methods, with language being one of the biggest ones. Additionally, given the nature of their position, the majority of these employees do not have access to a laptop at all times.

So how does a compliance leader who does not understand the local language interact with field employees? A good technique is to collaborate with local leaders and leverage the resources of other functions. At GE, we periodically conduct region-wide compliance activities aimed at enabling candid conversations among leaders and employees on topics like ethics and integrity. One of the most featured activities is the "leader floor walk." As part of this, leaders at a plant location are equipped with bite-size messages and real-time scenarios. Instead of calling employees for a session, our leaders set aside time to "walk the floor." During these floor visits, GE leaders interact with these workers by asking them "what would you do?" type questions and engaging in discussions. This method proves quite effective, as employees find it easy to connect with their leaders and engage in an informal manner, versus formal townhalls or all-hands discussions.

Proactive Business Enabler

In order to be an effective business partner, deep knowledge of business operations and customer service is indispensable. Gone are the days where compliance could simply get away with conducting the requisite number of trainings and advising employees on the company's policies and local laws when asked. Contemporary compliance is about providing pragmatic business solutions that can help the business win in the market, the right way. Successful compliance partnerships are those where stakeholders share real business dilemmas and arrive at solutions together with their compliance leader. At GE, a compliance officer is not just responsible for addressing risks related to bribery and corruption or third parties. GE compliance is a custodian of the company's entire Code of Conduct, which covers risk areas like fair employment practices, cyber security, controller-ship, supplier relations, health and safety, and a wide range of other risks. To proactively identify and address issues in these areas, compliance leaders partner with cross-functional owners, pooling their

expertise with the independent assessment of these risks.

As relates to commercial operations, compliance leaders keep pace with the sales and marketing functions to understand risks arising from new business models, deal structures, new partners, and new geographies. At GE, our compliance leaders are expected to get involved in deal discussions from early on in the process by spending time with their business leaders in business reviews, participating in deal discussions, and jointly reviewing contractual clauses along with legal. Being able to work with sales teams on a real-time basis helps the function identify red flags and mitigate risks proactively. Equally important is for compliance leaders to know the customer. The "Know Your Customer" process, for example, is not limited to only reviewing a due diligence report. With the increasing complexity of deal structures and new partners in new markets, these compliance leaders are required to step out and interact with GE's customers, partners, and contractors. There is no better way to understand business than to interact directly with the customers. In these interactions, the focus is to understand the customer's policies, their compliance programs, and their business structure. These discussions are instrumental in framing a risk-based compliance program on a deal-by-deal basis. It's also an excellent opportunity for GE to benchmark compliance policies and share best practices with our customers. In brief, the enhanced role of compliance leaders at GE pervades the wing-to-wing project lifecycle in the form of following key activities:

- Pre-contracting: Customer and partner due diligence
- During negotiations: Assessing overall risk in deal structures and ensuring contracts cover adequate safeguards and mitigations
- During execution: Exercising ongoing vigilance and training execution teams

The abilities to look beyond the basics, understand cultural nuances, learn business operations, and connect the dots are now indispensable skillsets expected of a compliance leader. Needless to say, this evolved definition of compliance has made the role challenging and equally rewarding!

Visit to a Project Site

Here's more on a project site visit by Avinash Chandan, Chief Compliance Officer, GE Power, South Asia.

On my third visit to a site in the eastern part of India, I wondered, why would I need navigation assistance?

Wait a minute, the surroundings don't look familiar at all. Is it because instead of approaching the site from the west, I am approaching it from the east this time? And yes, I encountered low network connectivity, so no navigation assistance!

The winding village road through the fields is basically not taking me anywhere...

Help arrives, in the form of a shepherd. I reach the site gate only 60 minutes late from the scheduled arrival time.

The agenda is deliberately kept fluid, but the focus is to meet as many colleagues as possible. Here are a few takeaways from my onsite visit at GE in Bihar.

Read about the complete site visit on Ethisphere Insights.

Author Biography

 **Ritu Jain** is the Chief Compliance Officer for GE Asia region, which includes South Asia, Southeast Asia, Japan, Korea, and Australia New Zealand. She leads a team of compliance professionals supporting all GE businesses as well as joint ventures in the region, covering 38000+ employees across 19 countries. In this role, she is responsible for GE's compliance program and strategy in the region, as well as identifying emerging compliance trends, including related regulatory and policy issues that may impact the business's compliance readiness, and making appropriate recommendations.



ERNST & YOUNG ON MANAGING DATA PROTECTION COMPLIANCE IN THE DIGITAL AGE

How GDPR can build stronger compliance programs in an ever-changing regulatory landscape?

Written by Arpinder Singh, Partner and Head – India and Emerging Markets, Forensic & Integrity Services, EY

Innovative technologies and data driven decision making is changing the way organisations operate. With technology-driven solutions such as big data, artificial intelligence and data analytics, data is the most valuable and prime asset for organisations. That said, a growing digital footprint, along with the opportunities also brings in additional risks for its users.

Concerns around data privacy have been impacting corporates and consumers alike. While corporates are concerned about financial and reputational repercussions of a potential data breach, consumers are worried about the misuse of their **personally identifiable information (PII)**. Recent cases of data privacy scandals have highlighted the need for a robust information governance mechanism to safeguard critical information. Some of the recent issues of data breaches witnessed globally include data of millions of users being compromised in every single incident. A recent incident involved data of millions of voters **misused** by a data aggregator. In another instance, an **electronics retailer** acknowledged to a data breach incident compromising customer records including PII.

The constantly evolving threat landscape has therefore prompted regulatory authorities to take steps in fortifying data privacy laws for better data management. Regulatory bodies across the globe are already in the process of introducing new laws or amending the existing ones to mitigate any misuse of data.

The past one year has seen many regulatory initiatives that have been undertaken to protect critical data. With European Union's (EU) General Data Protection Regulation (GDPR) coming into effect, it will make every entity accountable for EU citizens' PII by offering increased protection and giving them the right to manage and control their personal information. Corporates can look at GDPR as a potential opportunity in order to build stronger compliance programs for better data governance. India's proposed Personal Data Protection Bill puts onus on entities processing personal data of individuals to seek clear, informed, specific and free consent from them.

China's Cybersecurity Law, Australia's Privacy Amendment, South Africa's Electronic Communications and Transactions Act and California Consumer Privacy Act are some other examples of authorities across the globe taking initiatives to ascertain sanctity of data.

Achieving compliance through Information Governance Programs

This evolution of the regulatory framework should not be seen as a deterrent by organizations but as an opportunity to improve their data privacy measures.

Research: Integrity in the spotlight: 15th Global Fraud Survey



EY's 15th Global Fraud Survey contains insights from business leaders on the risks and challenges organizations face in fighting fraud and corruption in an era of significant technological advance. The survey also discusses how companies are addressing these risks through enhanced technologies and increased compliance efforts. In this report, EY found that many businesses have reached a certain level of maturity in their compliance programs, with the vast majority of executives interviewed aware of anti-corruption policies, procedures and intent from management. However, there is a mismatch between this awareness and employee behavior — and according to the report, EY continues to see ethical failures, business losses and consequent reputational damage.

So why integrity and why now?

The survey results suggest that the benefits of demonstrating organizational integrity go beyond the avoidance of penalties and can actually improve business performance. This makes sense: doing the wrong thing is a lost opportunity to do the right thing. Moreover, the report explores the future of the compliance function. Advances in technology, particularly in artificial intelligence, machine learning and automation, can be used to transform legal and compliance functions. What is the new role of the compliance officer when monitoring is performed by data analytics and real time training is delivered by artificially intelligent robots?

Download the full Global Fraud Survey 2018 here: <https://www.ey.com/in/en/services/assurance/fraud-investigation---dispute-services/ey-our-insights-fids-library>

Multinationals should be in a better position to understand their own data, its sources, lifecycle of data, challenges faced at every stage and the measures it needs to put in place to overcome these challenges. That said, some of them continue to grapple with issues related to enforcement and readiness around these laws. As per the 2018 EY Global Forensic Data Analytics Survey, titled "How can you disrupt risk in an era of digital transformation?" **only 13% of the companies having GDPR compliance requirement in India are GDPR ready** as against a 60% of an average of readiness in Europe in 2018, which presupposes the awareness and maturity of the EU market as against Indian landscape in relation to data privacy and protection.

Another important aspect of GDPR is Article 17, the Right to Erasure, which states that individuals have the right to ask organisations to erase their personal data from their controllers and processors. However, as per EY's Global Fraud Survey 2018, titled, "Integrity in the spotlight; the future of compliance", only 1 in 4 global respondents are likely to assert their right to have personal data erased. We have observed that the impact of this right to be forgotten is not only prevalent in Europe but is also impacting the residents of other countries. With **over 29% respondents from countries outside the EU** who would assert their right to have

their personal data erased in **comparison to 19% respondents from countries inside EU**.

Revamping and reorganizing data is critical when processing an individual's data. This can be done through an Information Governance Program which will create a structure, offer accountability of ownership and enhance understanding of data existence, location and server management. It can also build stronger cyber security controls and help in fortifying an organization's compliance with recent data privacy laws.

The approach to information governance is based on the following seven basic principles:


1. Know your information
2. Know where you have your information
3. Know who can and who should have access
4. Know how it is protected
5. Know how to respond to external events
6. Keep it only as long as you need
7. Dispose of everything else

Consumer awareness around data privacy risks is growing rapidly and organizations are realizing that demonstrating effective data privacy is critical to building customers' trust. Another approach to

compliance with data protection laws is through certifications, which is also an approved mechanism under Article 42 of GDPR.

The future of data protection and privacy can thus be strengthened through various data protection regulations and an organizations' ability to achieve compliance with it. In such cases, information governance programs can be crucial to achieve compliance by building an operational program to bring efficacy. The results can be radical, with organizations looking to be more ethical, transparent and growth driven.

Author Biography

 **Arpinder Singh** (CA, LLB, CFE, CPA, and MBA) leads EY's Forensic & Integrity Services practice in India and Emerging Markets. He has extensive experience spanning over 20 years and specializes in the area of anti-bribery and anti-corruption compliance and dispute advisory across sectors. He has worked as a financial controller in a global capacity and understands the industry risks faced by multinational organizations. He has also appeared as an expert witness in several cross-border matters.



WHAT GETS MEASURED GETS DONE

Measuring Corporate Ethical Culture in India is No Exception

Written by Jonathan Whitacre, Executive Vice President, Ethisphere

One of the most important tenets of a modern ethics and compliance program is that what gets measured gets done. This is a lesson we have learned, relearned, and will likely learn again. Regulators around the globe are increasingly calling on organizations to examine their cultures, and India is no exception. Even in the most highly regulated markets, in companies from Satyam to Volkswagen, Wells Fargo to WorldCom, there are multiple examples of organizations with formal systems that say one thing and cultures that promote another. When those kinds of alignment gaps are allowed to persist, you eventually have a failure of one variety or another: ethics, quality, safety, or a combination of all three. As India's corporate culture continues to evolve and a greater focus is placed on corporate integrity, these hard-earned lessons can, and should, be used as a catalyst for change

Over the past year, I've had the opportunity to travel to India and attend roundtable events and ethics summits as part of the South Asia Chapter of the Business Ethics Leadership Alliance (BELA). In my conversations with local business leaders, I've witnessed a duality of opinion regarding the business culture in the region. There is an acknowledgment that a legacy of corruptive business practices still persists, yet there is an optimism that change is brewing. There is a real desire and commitment by business executives of MNCs to implement and cascade the concepts of business integrity, as well as ethical and compliant corporate practices, across their own companies and throughout their supplier network. The transformation and the evolution of those practices starts with strengthening the underlying ethical culture of an organization.

The advantages of a strong ethical culture are abundant. Studies have repeatedly shown that businesses with strong ethical cultures outperform those without. There are a variety of reasons underlying that performance data, and it transcends cultures. The data is as valid in India, for instance, as it will be anywhere in the world. Companies with stronger cultures tend to have employees who are more engaged and committed. Turnover tends to be lower and productivity higher. Customers and investors increasingly seek companies that they believe behave ethically, as the 2015 Aflac Corporate Social Responsibility Survey showed.

Employees at organizations with strong cultures feel less pressure to compromise company standards to achieve company goals. If they do observe misconduct, they are more likely to feel comfortable reporting it, allowing their organization to address issues early, saving the organization time (from the distraction of a substantial issue) and money (in the form of legal fees, fines, and penalties). The bottom line: a company is better protected from the risks of misconduct when its culture is ethically strong. Yet there are some questions that companies need to consider, such as, what levers are being pushed or pulled to accomplish the goals of the organization? And how can an organization best get a handle on those drivers? The answer, according to our research, is simple: by measuring them.

Why Measure?

Measurements work for several reasons. First, they focus attention on what is actually being measured. Provide employees with metrics that tell them whether they are succeeding, and they align their actions and performance to improve those metrics, especially when they are included in performance evaluations and determining compensation.

Second, they signal the firm's priorities. What matters to the organization? Most companies do not lack for objectives, but not every objective requires a metric. Metrics (or the lack thereof) tell employees—especially newer employees—what the company really cares about. One way or another, they send a signal.

What to Measure?

Many organizations regularly survey employees to get a sense of their engagement. While HR-focused employee engagement surveys are a useful tool, including just a few questions on ethics and compliance issues does not provide a complete picture.

For one thing, the answers can be biased depending on where in the engagement survey the ethics questions are placed. If they are presented near compensation- and benefits-related questions, or near questions about the executive leadership team, then chances are strong the responses will be influenced by how an employee feels about those individuals or topics.

A comprehensive ethical culture survey should cover the following eight “pillars” of culture:

Awareness of Program and Resources: Measures employees’ reported level of familiarity with the assets and efforts of the compliance and ethics function.

Do your employees understand all of the resources available to them? Can they identify multiple avenues to raise a concern? Do they know where to find the code of conduct and applicable policies?

Perceptions of the Function: Measures how employees perceive the quality and effectiveness of the ethics function’s efforts in providing communications, training, and support.

In other words, are your efforts reaching the intended audience? Do employees see any of the assets you’ve deployed, or are these materials languishing somewhere on the SharePoint site with no viewers?

Observing and Reporting Misconduct: Evaluates employees’ level of comfort in reporting perceived misconduct, the

reasons for doing so, potential reporting barriers, and the preferred method for reporting.

This pillar is critical, particularly the last point. Without a good understanding of the channels being utilized by employees, how does an organization know whether issues are surfacing? In other words, don’t assume that 30 calls a year on your hotline means all is well; over 80 percent of reported issues are typically raised with a manager. Does your case management system allow for easy intake of those questions? If not, you likely have no idea what is really happening inside your organization.

This category also measures employees’ fear of retaliation, which is the number-one reason traditionally provided for not raising a concern (along with “I didn’t think the company would do anything about it”).

Pressure: Measures the extent and source of pressure employees may be experiencing to compromise standards in order to achieve business goals.

This is that “misalignment” mentioned above between stated values and company goals. Measuring this metric by business unit and region is the best way to fully understand how your goals are being communicated to the field, and where to focus your audit team to check for early signs of wrongdoing.

Organizational Justice: Assesses employees’ perceptions of whether the company holds wrongdoers accountable and whether disciplinary actions are consistent across the organization, regardless of the rank and profile of the employee. It is critically important to assess what your employees believe happens when people violate ethical standards. Is there one standard for the average employee and a different one for top performers? You can readily measure your ethical culture by asking people questions such as what they believe it takes to get ahead in your company.

Manager Perceptions: Gauges employees’ perceptions of their supervisor’s conduct, communication effectiveness, and comfort in approaching with concerns.

Upwards of 80 percent of employees, on average, say their manager’s behavior is what matters most in terms of ethical leadership. How are your managers making employees comfortable with “near misses” or outright failures?

As the associate editor of the Harvard Business Review, Gretchen Gavett, notes, “Creating a culture of psychological safety, where individuals are encouraged to acknowledge and learn from failure, can help

employees feel less psychological pressure to avoid internal attribution.” Have your managers actually created an open-door environment? A well-constructed culture survey is the best way to find out.

Perceptions of Leadership: Also known as “Tone at the Top,” this category evaluates employees’ perceptions of the conduct, values, and communications of senior leaders.

Do employees see a gap between what is in the code of conduct and the conduct of the CFO?

Perceptions of Peers and Environment: This measures how employees perceive the ethical priorities of their coworkers, the values of their organization, and willingness to share opinions.

The data gathered through an effective culture survey is an excellent first step towards understanding your issues and “hot spots.” Organizations can effectively identify specific locations, business units, job levels, and job functions that may lack a full understanding of available resources, feel unwanted pressure, or perhaps hold negative perceptions.

As Ethisphere has expanded its reach over the years from the United States to Japan, the Middle East, South America, and now India, one constant has remained. People are very much aligned in that they want trust. They crave trust. As India’s economy continues to emerge on the world stage, it is essential that its approach to business ethics continues to adapt to what the customer or investor wants. Due in large part to those same companies mentioned above—Enron, WorldCom, and Volkswagen—a new day has come where scrutiny of corporate ethics is high and the capacity to forgive unethical behavior is low. It is safe to say that in today’s global environment, what a company stands for is as important as the products they produce. So what do you want to stand for?

Author Biography

 **Jonathan Whitacre** is the Executive Vice President of the Ethisphere Institute and leads growth strategy and revenue production for both the Ethisphere Services business and the Business Ethics Leadership Alliance (BELA). Mr. Whitacre has a 20-year history in the legal, regulatory, and compliance space. He routinely engages with companies around the globe helping them measure and advance their existing compliance program practices and ethical culture.



IN AN EVER-CHANGING LANDSCAPE, BANK ON SBI TO SET AN ETHICAL TONE

How India's Largest Bank Created an Independent Ethics Function

Written by Shri Rajnish Kumar, Chairman, SBI

State Bank of India, the Indian subcontinent's oldest bank, has a 213-year-old sterling legacy of upholding the finest traditions of integrity and ethical conduct. Considered a proxy for the Indian economy, SBI has been the torch bearer for the entire Indian banking sector all through its journey. A banker to every third Indian and with an asset base of over USD 500 billion, SBI is "numero uno" in India and among the top 50 banks in the world. The hard-earned reliability, goodwill, and trust stands reaffirmed, with SBI being acknowledged as the second-most reputed banking brand in the world by Brand Finance's Reputation Report Banking 2018. Our more than 259,000 employees are key to our continued success, as our vision for human resources is built around the principles of inclusiveness, empowerment, and development. No wonder global job site Indeed.com ranks SBI among the top three best places to work in India.

India is changing, SBI is changing too, in tandem. To stay ahead of the curve in a fast-changing sociocultural milieu, we thought of creating an independent ethics function within the bank so that the ethical muscles permeating the organization are overtly strengthened and toned up.

Altering Externalities

Today, demographics in India are shifting. Social media is shaping the way people think and behave. Social norms are readjusting, and traditional social structures are under strain. An aspirational revolution is being witnessed all around. Correspondingly, the behavior of customers and stakeholders is changing. These factors have resulted in an altogether different and challenging set of expectations for us as a bank. The social and cultural forces are reshaping at such a fast clip that it has become difficult to maintain the element of trust that inspires the core of banking. At the same time, the competitive landscape is getting tighter. In such intensifying contextual pressures, the propensity to cut ethical corners becomes more common. Besides, increased reliance on technology in banking has aggravated the bank's surface exposure to risks. Technology increases the proclivity for unethical behavior by allowing an individual to disassociate from an act and its consequences because, in a digital environment, one salient factor in shaping the ethics of an employee in the workplace is moral distancing. Technology collaterally produces a ripple effect, and a small error of judgment in some remote corner can have severe, cascading, and far-reaching ramifications. With over 22,400 branches locally and 206 offices in 36 countries, preempting such errors thus becomes an essential organizational priority for SBI.

Changing Internalities

Internally, also, we have undergone massive transformation. With 65 million digital transactions per day, technology is firmly integrated in our products and processes. We concluded the biggest merger exercise in Indian corporate history last year, with six entities melding with SBI. In the process, we added close to 70,000 employees with diverse backgrounds, work cultures, and values. Diversities are growing as, over time, Gen Y and millennials have come to form a larger chunk of our workforce.

Challenges, either inherent or thrust upon us by external factors, abound and are piling up. With trust being the core in a banking relationship, the whole edifice of

trust built over years may crumble from just one wrong move. This vulnerability makes it pertinent that an organization remains firmly aligned to the moral poles and its workforce does not observe a gap between what is said and what is done and makes the right decision every time. To me, this is what ethics is all about.

However, unlike the law, ethics is not something that can be forced upon someone. It must come from within. The best that can be done in this regard is to create an ethical infrastructure that promptly hears you when you have a dilemma, guides you when in need, and is geared to identify, correct, or punish ethical lapses. Ethics can be best nurtured if it is made a part of the daily discussions and work processes, and in turn it starts to nudge everyone towards what's the right thing to do. We are doing it head-on.

Action Taxonomies

To be specific, we conducted a comprehensive employee ethics survey to gauge the ethical climate in the organization. Based upon the findings, we prepared a detailed action plan and initiated phase-wise implementation. To start with, we redesigned our logo to express our new persona of a progressive global bank. For internal constituencies, we remodeled our decade-old Vision, Mission, and Values Statements and today, we aspire to be "The Bank of Choice for a Transforming India." To realize this dream, we are "Committed to Providing Simple, Responsive, and Innovative Financial Solutions" by living our five core values of STEPS—Service, Transparency, Ethics, Politeness, and Sustainability—in our daily actions. Our Code of Ethics is also woven around these values of STEPS and provides a moral compass to guide an employee when in doubt.

We adopt a stepped approach to percolate the values of STEPS amongst the bank's rank and file. Having designed a wide array of ethical content in the form of nuggets, vignettes, quizzes, blogs, flyers, an ethical decision-making guide, and tutorials, we are leveraging digital platforms and sending the same message to over 190,000 employees daily for generating ethical awareness. This is probably one of the biggest digital education exercises in the continent. Ethics workshops, lunches, talks, and discussion groups are also regularly organized and employees' participation encouraged. To make ethics a mass movement, ethics town halls have been begun across the bank. Setting the tone from the top, our top one hundred executives shall be donning the hat of "Ethics Champs," and employees exhibiting exemplary ethical behavior will be our lauded "Ethics Ambassadors." The bottom line across the efforts is that communications must be simple, clear, and engaging.

Ethics is also about fulfilling your responsibilities towards society. In 2015, SBI formed the SBI Foundation, a special company, as an extended arm to lend focus and gravitas to promote CSR activities that contribute to nation-building. Scores of community development activities in the areas of healthcare, education, women's empowerment, skill development, disability, sustainability, and environmental protection are running with a vision to uplift the underprivileged sections of society. These have made a difference in the lives of over a million beneficiaries.

We at SBI believe that search for excellence begins with ethics, and excellence is a never-finalized work in progress. Come and join us in talking ethics and walking ethics.

Coffee with Aristotle

If everyone is moving forward together, then success takes care of itself." I was ruminating on the words of Henry Ford when I hit an oddball. Deep-diving the numbers, I noticed that one of my 44 outlets was fading in sales. With a new manager at the helm, for the first three months, sales soared here, then flattened, and now a dipping curve. I wondered, what could be the reason for this worry wobble when all other variables are unchanged?

Read the full version online on Ethisphere Insights.

Written by: Atul Kumar Chief Ethics Officer, SBI

Author Biography

 **Shri Rajnish Kumar**, Chairman, SBI, has been with the State Bank of India for over three decades. A post graduate in physics, Shri Kumar has held several key assignments across various business verticals, such as Regional Head of SBI (UK), Chief General Manager (North East Circle), Chief General Manager (Project Finance), Managing Director & Chief Executive Officer of SBI Capital Markets Limited, Managing Director (Risk & Compliance), and Managing Director (National Banking Group). Shri Kumar is an avid traveller. He loves sports and is a good badminton player.



CRICKET: MAKE THE BEST CATCH FOR YOUR COMPLIANCE PROGRAM

Brand Your Team a “No Googly Zone” and Win the Ethical Match

Written by: Richard van der Merwe, Senior Bayer Representative, Bayer South Asia

Well played! When we play, we all like to hear our teammates and those in the crowd say, “Well played!”... don’t we?

As a cricket enthusiast, I live and breathe the game, first in my native South Africa. But then my corporate career took me to Germany and Argentina for several years. Boy, did I miss cricket! Now in these last four years that I have been in India, handling a role responsible for South Asia, I thoroughly enjoy these times with cricket once again! All across this sub-continent, we have talented teams, knowledgeable critics and connoisseurs, great coaches, super media coverage, and, above all, **passionate fans!** I count myself as one of those fans and try to learn a few lessons from the game—and apply them across principles of ethics and compliance. After all, compliance is a team sport.

Here are a few lessons I picked up that are relevant to the boardroom, corporate careers, performance in teams, and, of course, a fulfilling life. You may have heard many of these cricket phrases.

1. Winning Is a habit: For teams and players who are brought up on an ultra-competitive diet of victory at all costs, digesting a loss is a major issue. For sure, the winning momentum is to be maintained, but all sports have winners and losers. You can’t win every day. The day you don’t, can you learn some valuable lessons and bounce back? Win it in the mind! India is a very young country; the millennials have already arrived here in all walks of life—entrepreneurs, starts ups, and professionals. One quality I look for when hiring someone is, are you willing to fail and learn quickly? Do you experiment every day? How did your customers benefit from your learning? Have you made your customer’s win into your habit?

When you follow the rules of the game and have an open door policy and a focus on customer loyalty, it becomes easier to build a strong ethical culture across the company.

One quality I look for when hiring someone is, are you willing to fail and learn quickly?

I have learned that it's the leader's job to watch for the googly because the googly creates confusion and doubts in the minds of talented people.

2. Catches Win Matches: I guess this is the most famous of them all! When kids start playing cricket, most want to bat, some like to bowl, but often no one wants to field. It's the fielding that makes the difference, many times. Catches are the opportunities that come your way—a transfer to a tough posting, a downward business year, that elusive promotion, a deal with that difficult customer. Often, these are outcomes of well-executed strategies, played out patiently over a period of time, with great collaboration amongst team members. Similarly, catches are outcomes of the bowler's great bowling, the captain's field placement, sharp fielders, the coach's training—a major team effort! Did we catch it?

Now imagine if the best planning, the best catches, and the best captains are all part of a rigged match, getting negative publicity... the team's reputation is irreparably harmed. So it is with companies. It is not just the best catch that matters, but catching it right is equally important.

3. Never Run on a Mis-Field: While this old adage may no longer be true in modern day cricket, where both fielding and running standards are at all-time athletic highs, it is time to question the saying. Anticipation and awareness of the situation allows the batting team to make the most of the mis-field if both runners are sharp and observant, give loud calls to their partner, and have the agility to make the 22 yards in a jiffy! In our corporate environment, can we keep questioning the status quo? Our sales teams are always looking for opportunities to grab that extra sale; can they communicate these opportunities loudly, clearly, and quickly enough? Are our organizational channels listening and responding quickly enough? Can our back-end organization and support teams match up to ensure that we get the products to the customer when our sales team has created this opportunity? And follow through with great customer service that the competition could not? The downside of that risky run is, of course, getting run out, but that one run could mean victory. I was always inspired by the great Kapil Dev, who played for so many years for India but was never run out while batting in his career of 181 Test innings! So, it is possible. (Aside: to add another feather to his cap, he bowled his heart out for India and I am told he

never bowled a no-ball in his Test career! It's possible!). In a company, such consistency can be achieved if you know the rules of the game, play with your heart, and win by the rules. Discipline is a key component of being compliant.

4. Respect the Conditions: I enjoy the Indian Premier League (IPL) and the Twenty-20 (T20) cricket immensely. The fast pace, the innovative approaches, the entertainment, the works! I also love the other formats of the game, the one-dayers and of course, the mother of them all, Test cricket! For each of these formats, the approach cannot be the same, yet you do find situations in Test matches where you have to play like T20 and vice versa! Good cricketing shots still fetch great runs in T20, as we have all seen from Virat Kohli running the hard runs and not just hoisting the ball for sixes. This points to the question, why is this important in the boardroom? As leaders, we want our team to out-perform the competition and make sure that our shareholders get attractive dividends, yet it is important to focus on sustainability. Let's ask ourselves if we are in it for the now or for the long term. How do boards focus organizations to conduct business ethically and without short cuts? We run the hard runs. How do we care for our environment, our society, and future generations? Yes, profit is important, but we need to balance it with safe and sustainable practices and our contributions to the development of the society. Do we have the right coaches, the right value system, and the right DNA within our organization? The team that wins owes its success to the right environment and conditions created for compliance and values.

Discipline is a key component of being compliant.

5. Smash the Googly: I speak of cricket and have not said a word about one of the greatest? Not possible! Sachin Tendulkar's battle against Shane Warne is legendary! How did he get the better of Warne? I read in his book it was through constant

practice—several thousand balls in the nets! A great focused mind and the willingness to toil hard! Above all, trust. Tendulkar's trust in himself and in his abilities, trust in his coach Ramakant Achrekar, trust in his elder brother who taught him cricket, trust in his teammates—earned him the trust of millions! Tendulkar won with the bat, but I was amazed to also see him bowl the last overs in crunch matches and take the team to a stunning victory! Tendulkar is a great inspiration, thought leader, and role model. From this, I have learned that it's the leader's job to watch for the googly because the googly creates confusion and doubts in the minds of talented people. With that, give your team your trust. Play your talented team members in critical situations and show that you trust their abilities. Show them how to do it and ensure that your team gets rigorous training (like Tendulkar's net practice). Have **zero tolerance** for googlies or doosras within the team. As Tendulkar has demonstrated, choose the right players to champion the cause of compliance and ethics. Capitalize on integrity and the right delivery.

These are some of my many cricket-to-corporate learnings! They help me play my game, stay focused, and build trust—both professionally and on the personal front. And hopefully, you too will earn a round of applause and some loud shouts from the stadium and your dressing room of "Well Played!"

After all, "well played" is all about playing right.

Expert Biography



Richard van der Merwe is Senior Bayer Representative for Bayer South Asia and Vice Chairman & Managing Director of Bayer CropScience Limited, India. Based at Bayer's India headquarters in Thane, Richard has been responsible for the Bayer Group's business activities in South Asia since February 2014.

Richard started his career with Bayer in 1985 at Bayer South Africa. He was there till June 1993 as Manager – Finance and Controlling, after which he moved to Leverkusen, the Bayer Group headquarters, as an Internal Auditor. During his career at Bayer, Richard has led workgroups for many businesses such as agro, healthcare, and high-tech materials. He has successfully executed projects with new markets, corporate mergers, and innovative launches.



HOW TATA STEEL'S 'MBE' GUIDES THE FOUR PILLARS OF COMPLIANCE

Building on a Legacy of Ethical Behavior

Written by Tripti Roy, Ethics Counselor & Chief Information Security Officer, Tata Steel

The Tata Steel Group is currently the world's second-most geographically diversified steel producer. We are one of few steel operations that are fully integrated—from mining to manufacturing and marketing of finished products. Our operations are spread across five continents with an employee base of over 65,000. Our employees come from all walks of life, and it is through our values and principles, as well as the commitment of our leadership, that we have been honored as one of the World's Most Ethical Companies by the Ethisphere Institute for six consecutive years.

Ethical behavior is intrinsic to our business and has been part of our legacy since Tata Steel was founded. Our pioneering founder Jamsetji Tata long held the belief that a business must be operated in a manner such that it respects the rights of all its stakeholders and creates overall value for society.

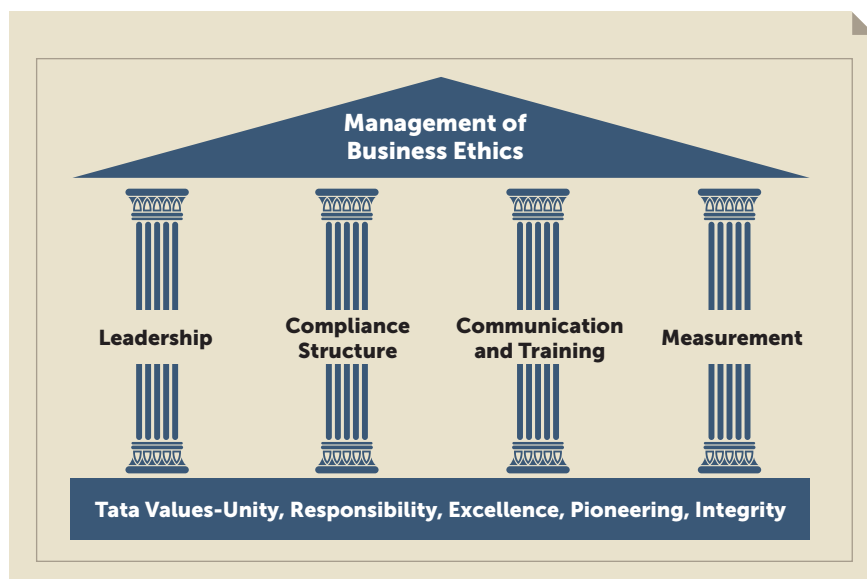
Tata Steel's Management of Business Ethics (MBE) is an operating framework that is deployed across the organization to ensure a strong ethical culture. This framework is founded on our core values (Integrity, Excellence, Unity, Responsibility, and Pioneering) that serve as a moral compass, and it is supported by the four pillars of MBE. These are Leadership, Compliance Structure, Communication & Training, and Measurement, as shown left.

Tata Steel is the only company in the Tata Group that has a dedicated department to implement MBE. The company's CEO and Managing Director is the Chief Ethics Officer. The full-time Ethics Counselor is appointed by the Chief Ethics Officer and has the overall responsibility for the MBE along with employees of the Corporate Ethics department. The ethics team is supported by Departmental Ethics Coordinators (DECs) for the implementation of MBE across the organization. Moreover, Ethics Champions have been introduced as the first touchpoint for frontline employees, and these ambassadors are responsible for spreading awareness and assisting with any clarifications.

Here are more details about each of the four pillars of MBE Framework.

Leadership: Tata Steel has a robust corporate governance by establishing roles at the Board and management-level committees. The Ethics Counselor regularly attends the Audit Committee meetings and shares updates on the status of the vigil mechanism. The Apex Ethics Committee meets quarterly and decides on policies and guidelines, as well as reviews the status of concerns and other KPIs.

The Ethics Committee monitors the concern management processes and ensures uniform action for ethical breaches on the basis of the Consequence Management Framework. It also has responsibility to provide protection to whistleblowers. The MBE is promoted and enforced by



the company's senior leadership through an appropriate reward and recognition policy to encourage whistleblowing, apart from a scheme for "reputation champions," where the stakeholders are recognized for demonstrating ethical behavior through publications, intranet news, and recognition by senior management in town hall meetings.

Compliance Structure: Systems and processes are put in place for MBE deployment across the organization under this pillar. Apart from the Tata Code of Conduct (TCoC), Tata Steel has many policies and guidelines to support the MBE deployment. Tata Steel has leveraged digitalization to promote one-stop solutions by providing the ethics and compliance register "Darpan," which is accessible through the intranet and mobile app. All the latest policies and guidelines are communicated through this portal, apart from the resource center on the intranet. Employees take multiple ethics-related online training courses and provide declarations and approvals through Darpan.

Communication and Training: The communication and training program aims to raise awareness of the Tata values, the Tata Code of Conduct, ethical practices, and their importance for the success of the business.

Classroom training on ethics is part of the induction program for all newly appointed employees. Additionally, within two weeks of their joining, employees need to undergo mandatory web-based trainings on sexual harassment, conflicts of interest, and the TCoC. Contract employees are also trained before gate passes are issued to them. Tata Steel has a Business Associates' Code of Conduct, and vendors give a formal acceptance of abiding by the Tata Code of Conduct during registration.

In addition, a formal annual plan is made to train existing stakeholders.

Quarterly theme-based communication programs, such as round table discussions, departmental events, and forums like the Joint Departmental Council (with representation from management and the union), are organized to increase interactions with internal and external stakeholders. MBE-related information is communicated through circulars, e-mails, the internal news magazine Neeti Katha, as well as snippets in the form of comic strips based on learnings from actual cases. "Ethics Line Walk" is a new initiative where DEC's and Ethics Champions interact at the workplace and help in building awareness and confidence.

Our visionary former chairman, JRD Tata—the recipient of India's highest civilian award, the Bharat Ratna—was a distinguished entrepreneur. Known for his high ethical standards, he famously said, "No success or achievement in material terms is worthwhile unless it serves the needs or interests of the country and its people and is achieved by fair and honest means." July, his birth month, is celebrated as Ethics Month in Tata Steel to pay tribute to his outstanding contribution to society and the cause of business ethics. The Ethics Month celebration offers a great opportunity to introduce and reinforce a chosen theme and importance of ethics in the organization.

The theme of Ethics Month in 2018 was "Brand: Where Ethics Makes a Difference." It was inaugurated with the CEO and MD of Tata Steel taking the Ethics Pledge along with all employees during the monthly MD Online, accompanied by a flag-hoisting ceremony jointly by the management and union across all locations of Tata Steel.

Ethics Month helps build awareness in ways that reinforce not just MBE policies and the Tata Code of Conduct, but an overall message in several different ways. The emphasis is given to high workforce engagement and collaborative thinking through competitions and town hall events comprised of several competitions around the theme. Ethical dilemmas are posed on Yammer (the intra-company social site). An Ethics Film Festival was organized, where teams of employees made short films on various topics related to ethics. Selected films will later be used for training purposes. The entire Ethics Month program is designed with multi-interest engagements leading to rewards and recognition to the employees to remind them that ethics is valued and is part of everything that matters to the company.

Measurement: The MBE Perception Survey is conducted every year. The survey is conducted by an external agency every alternate year. The feedback is shared with senior management, and the way forward is incorporated in the annual business plan. Proactively, benchmarking exercises are conducted within and outside Tata Group companies.

To assess the level of deployment of various MBE initiatives across the organization, site visits and questionnaire-based MBE assessments are conducted to facilitate cross-learning between DEC's. The departments found to be in the advanced category are recognized by the CEO and MD of Tata Steel. Action plans are generated for improvement.

Ethical practices have helped Tata Steel sustain and grow for over a hundred years. The MBE activities can be summed up with the following quote from Chairman Emeritus Ratan Tata: "If it stands the test of public scrutiny, do it. If it does not stand the public scrutiny, don't do it".

Author Biography

Tripti Roy is Ethics Counselor & Chief Information Security Officer at Tata Steel. Mrs. Roy holds a B.Tech. in Computer Science from BIT Mesra. She joined Tata Steel's IT department in 1986. During her 24-year tenure in IT, she worked in several areas, such as DBA, HR, Production, and Improvement Initiatives. She has played a vital role for the effective implementation of Management of Business Ethics in Tata Steel and has brought in many new initiatives, such as ABP for Ethics and Consequence Management Framework. She is responsible for driving MBE in over 30 Tata Steel Group companies.



THE DELL CULTURE CODE: HOW ONE TECH GIANT'S APPROACH TO ETHICS COMPUTES IN TODAY'S BUSINESS ECOSYSTEM

At Dell, Leadership at All levels Is Front and Center in Driving and Sustaining an Ethical Environment

Written by Archana Sasan, Vice President, Dell, India Legal and Ethics

I have been part of Dell for almost a decade now, and I strongly believe that for a company to succeed, its leaders need to drive the right level of engagement (ethical or otherwise) among their teams. A successful company is one where the leaders and the team drive the culture of the business together. Integral to the Dell culture is the Dell way of doing business, which is essentially doing the right things and doing things right. This tenet is not just a set of words or phrases in a manual, but is practiced and subscribed to by leadership teams, starting from Michael Dell right down to the last person in the line. Practicing ethical and compliant standards in all aspects and transactions is the norm.

Leaders with integrity and their actions determine the culture of an organization. Leadership actions run across functions and verticals, both at the front and the back end, which means that Dell follows the right standards in all spheres of doing business in India. We do the right thing and win business the right way, and these tenets percolate down from the leaders to the team members. The same idea is seamlessly integrated into programs run by different verticals, into being members of forums and industry associations like Ethisphere, into running employee resource groups, into trainings such as "Leading from the Front" and "MARC—Many Advocating Real Change," which is a key component of our diversity and inclusion strategy. This helps us make Dell an even better place to work, which, in turn, drives greater outcomes for our business, our customers, and the community at large.

Leaders with integrity and their actions determine the culture of an organization.

Today at Dell India, I am proud to share that a substantial portion of the leaders have taken this training, and there is engagement across various verticals (such as finance, sales, legal, HR, and ethics) in imparting this training.

Leaders must focus on doing the right and ethical thing, whether it is in the decisions they make, actions they take, or the way they guide and influence others. Highly effective leaders influence processes, drive and encourage a positive change in attitudes and values, and empower their teams. The enabling element of leadership can also raise an organization's culture and employees' values to higher standards of ethical behavior. At Dell, people managers understand this responsibility, and the messaging on the culture and the values of the company is shared at every level.

A robust and vibrant ethical culture at a company offers a substantial means of defense against ethical and compliance failures, as it enables employees to identify and question what can be viewed as unethical or unacceptable behavior. However, an ethical culture cannot be developed solely based on discrete elements such as the Code of Conduct. Enron Corporation famously had a high-sounding code of ethics that failed to deter its executives from an accounting fraud that brought down the company. As such, a robust ethical culture is comprised of various interrelated elements, and the leadership tone is one of the most important and critical pieces. In fact, the leadership tone drives or accentuates other elements of an ethical culture, and a bad or ineffective leadership tone negates the overall ethical culture. Past research conducted in the United States and at multinational organizations has consistently shown that ethical leadership is a critical factor in driving down ethics and compliance risks.

In Dell India, tone at the top is a reality—the leadership walks the talk. This expectation is reinforced globally through an annual survey wherein employee feedback is sought about their leaders on various leadership traits, including ethical behavior. Dell attaches significant prominence to this exercise, and the outcome is not only used to evaluate the relative performance of a leader but

A robust ethical culture is comprised of various interrelated elements.

Leaders drive deliberations and discussions on ethics and related topics during team meetings.

also to determine remedial or corrective actions that have been taken to enhance the ethical environment at a leadership, functional, and organizational level. Actions at a leadership level would typically consist of training, feedback, and mentoring and action plans, which elucidate the various characteristics and behaviors a leader can improve upon. Considering the nature and context of the questions put forth in the survey, evaluation of the ethical environment, which is generally considered to be a subjective exercise, becomes objective because it is driven by data and not perceptions and assumptions. In fact, in the year 2018, the Dell India **Employee NPS** score (as measured by the team's response to the statement "I would recommend Dell as a great place to work") stands at **62 percent**.

Taking risks is an inherent facet of a business, which differentiates a company from the competition. However, the ability to take risks has to be tempered with compliance with societal and ethical norms. In a way, ethics and business go hand in hand, and an ethical environment cannot be sustained at the cost of not doing business. Considering the inherent dilemma, people often fail in making the right call, especially when confronted with pressure. To guide and enable leaders in helping others make the right call, Dell has come up with a set of five essential values—Customers, Winning Together, Innovation, Results, and Integrity—cumulatively known as the Culture Code, which complements the Dell Code of Conduct. The Culture Code basically seeks to serve as a guide to employees on the values that are important to the Company and reinforces the message that Integrity is a value that underpins all the other values. The Culture Code also articulates the leadership attributes that are essential for a leader to lead effectively and ethically. The Culture Code has been a breakthrough initiative and has helped our leaders to effectively communicate priorities through the values and principles it encapsulates. And this has led to a greater engagement and ownership from employees, not only from a functional or work standpoint but also from an ethical awareness and engagement standpoint.

Further, leadership engagement is also

driven through various forums and levels. At one level, leaders drive deliberations and discussions on ethics and related topics during team meetings. We find that these discussions are very effective and interactive, as they are unstructured to a certain extent, and the informal nature and setting of these discussions drives engagement. Apart from that, leaders are expected to engage in local committees and forums formed with the primary mandate to increase awareness of values and ethics and comprised of members who represent different functions.

All in all, Dell recognizes that leadership tone can make or break an ethical environment. A bad leader can easily negate the impact of all other initiatives such as communication, training, and reinforcement. As such, demonstrating leadership is not just a trait but is considered as a core element of a leader's personality and skill, and the onus for driving an ethical environment rests with the leader.

In Dell India, tone at the top is a reality—the leadership walks the talk.

Author Biography

 **Archana Sasan** is Vice President, Dell, India Legal and Ethics. Prior to joining Dell, Ms. Sasan was senior vice president, legal and compliance, for Bharti Airtel where she had geographic responsibility for India, Bangladesh and Sri Lanka and also oversaw legal, tax litigation and statutory compliance issues for its various business units. She previously worked with GE Money Financial Services Limited as vice president within its legal and compliance organization.



HOW JOHNSON CONTROLS SUSTAINS COMPLIANCE THROUGH EDUCATION TODAY—DRIVING INNOVATIVE SOLUTIONS FOR TOMORROW

At Johnson Controls, Integrity Is at the Core of Everything We Do and Center in Driving and Sustaining an Ethical Environment

Written by Aparna Kirpal, Country Compliance Manager and Dinchu Oommen, Country Legal Counsel, Johnson Controls

Our commitment to promoting a strong culture of integrity sets us apart and makes Johnson Controls a great place to work. Through ongoing education and training initiatives, we have developed and sustained effective employee engagement.

A major component of our compliance program is education. Over the past three years, we have transformed compliance education at Johnson Controls to make it more relevant, engaging, and effective for our employees.

It is clear: people learn differently. We are a diverse multinational company with almost 130,000 employees. Our multi-award-winning compliance education program recognizes the importance of accommodating different learning styles and giving people a measure of control over how they learn. For example, employees can take their annual training in person, online, or via a gaming module, so that they can engage with the material in the way that best suits them.

Here's how our compliance education program works.

Our values and Code of Ethics form the basis of the content for our education program. Our new hire compliance training, for example, focuses on the ethical behavior that is expected from an employee of Johnson Controls and the importance of speaking up if we see or suspect behavior that violates our Code of Ethics or the law.

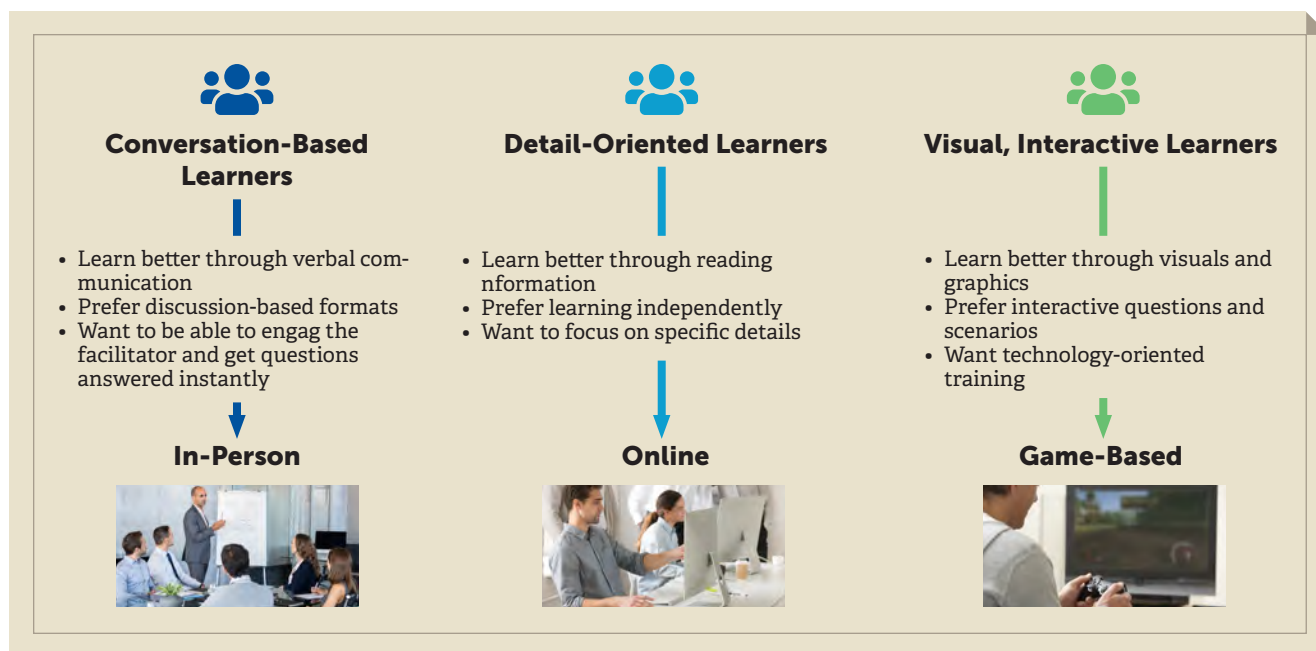
Our annual training contains a profiling questionnaire to ensure that the assigned content is relevant to the employee's functional responsibilities. It also allows employees to test out of topics if they demonstrate sufficient knowledge at the start of the module.

The scenarios in our e-Learning modules are based on true events that occurred at Johnson Controls. Clear instructions are delivered by outlining what went wrong in the given scenario and the resulting consequences for wrongdoers, as well as highlighting how those involved should have behaved to ensure compliance with our Code of Ethics and the law.

Our in-person sessions are structured as workshops, and the case studies that attendees work on reflect current risks that we face and real cases from Johnson Controls. These are typically complex or grey-area scenarios, so having a compliance expert facilitate these sessions provides the platform for interactive discussion and a very effective learning experience for all employees.

Our training game has also been very well received, with more than 20 percent of the population globally playing it this year—over 1,200 of whom were in India.

As part of our effort to continuously improve, our employees recently shared their views on the new program updates:



"I enjoyed that the training used real scenarios. It helps me retain and apply these scenarios that could potentially happen to me. I also appreciated that I could take a test up front and focus on the areas where I need additional training. The information was relevant and informative."

"The content was on point, and you had actually real-life situations, looking at it from a branch level rather than a corporate level. That was good!"

"I learned much more about our vital values from this game than I ever did from the conventional training. Being put in the role where I had to make the decisions made the situations more real."

"I thought the game was fun and interesting. Way better than the other choices we were given—and I'm over 60."

When it comes to building and maintaining a culture of compliance, management tone can easily cement an ethical culture or undermine it. The element of our compliance education program that most directly and positively impacts our culture of compliance is our quarterly Values in Action campaign.

This is a manager-led informal discussion, based on real-life scenarios from Johnson Controls. The sessions are designed to last about 30 minutes, and the education team provides a facilitator guide to assist managers in delivering materials in a consistent and effective way and an employee hand-out to ensure that employees have a tangible takeaway that reinforces the lessons learned.

It's important that these sessions are

regularly led by managers so employees can hear them discuss ethics and why speaking up matters. We typically offer several scenarios to cover a myriad of work environments and topics so that managers can select the one most relevant for their team. Our internal feedback on this program from managers has been overwhelmingly positive:

"Every scenario I've delivered has been relevant to my team and easy to understand. The author of these sessions is to be congratulated."

"The sessions are excellent and well received, and I believe they truly have a tangible impact."

We supplement our core training with innovative projects to address critical risks. One such project is Tripwire, which is a short film created by Johnson Controls. It is a cautionary tale showing the very real dangers of cybercrime and how failure to adequately protect your data can lead to serious consequences for you, your family, and your colleagues. Overall, we have had over 23,000 views across 77 countries so far. Here's what our employees are saying:

"It was very compelling and well produced. I was in a Starbucks this week and was very aware of my surroundings because of it."

"This is the best formatted message for understanding data security that I have ever seen."

"Excellent production. It clearly illustrates how information can be used maliciously, without being preachy or dull."

"Very innovative way to educate employees! We can all relate to it."

We are passionate about making compliance education relevant and engaging for employees, and their feedback confirms our success in that vision. The program has also earned significant external recognition, winning three gold medals in the 2017 Brandon Hall Excellence awards. Tripwire also won a silver award for innovation from the Learning and Performance Institute in 2018.

Author Biography

Dinchu Oommen is Country Legal Counsel for Johnson Controls, where he is responsible for legal support to all business segments in India. Dinchu and his team work closely with country management and advise business on a broad spectrum of legal and commercial issues and handle contracts management, litigation and non-litigation cases, compliance/integrity matters, corporate affairs, etc.

Aparna Kirpal is the Country Compliance Manager for Johnson Controls in India. Among other things, she is responsible for maintaining and promoting internal awareness of Johnson Controls' ethics and compliance program, while fostering understanding and implementation of ethical business principles and practices consistent with Johnson Controls' values.



A REFRESHING LOOK AT A COMPLIANCE PROGRAM THAT WORKS

Coca-Cola's Five-Point Plan for Ethics and Profitability

Written by Shukla Wassan, Executive Director – Legal & Corporate Affairs, South Asia, Hindustan Coca-Cola Beverages Private Limited

Hindustan Coca-Cola Beverages Pvt. Ltd (HCCBPL) is one of India's largest manufacturing and distribution companies that operates under the trademarks of the Coca-Cola Company. The company is responsible for 21 factories, and it sources from and supports 11 contract packers' plants. Our goal at HCCBPL is to enrich lives across the country by building a consumer-driven, customer-focused, employee-friendly, profitable, sustainable, and socially responsible business in India. In an effort to meet the growing expectations of our stakeholders, we firmly believe that doing business in a transparent, ethical, and fair manner creates business success.



In today's complex and increasingly competitive business environment, business ethics is an important catalyst for the success of a company. It is vital to have in place a truly effective ethics and compliance program—your survival and business continuity and sustainability depend on it!

The adoption of a code of ethics for employees is now the norm in larger businesses throughout the world. The increasing importance and relevance is being now felt and adopted by medium- and small-scale businesses. That said, the need of the hour is to have in place an effective ethics and compliance program that WORKS and does not function as a check-the-box item.

That points to an important question: What are the ingredients of an effective ethics and compliance program? From our experience in the field and what I have seen at Hindustan Coca-Cola Beverages Pvt. Ltd, it all comes down to a commitment to ethical behavior and the need for continuous improvement. Here are five strategies that go a long way in ensuring effective ethics and compliance.

We periodically have the program reviewed externally to ensure we are meeting the latest requirements.



From our experience in the field and what I have seen at Hindustan Coca-Cola Beverages Pvt. Ltd, it all comes down to a commitment to ethical behavior and the need for continuous improvement.

1. Tone at the Top: The starting point for any world-class ethics and compliance program is the board and senior management. These leaders empower and properly resource individuals who have day-to-day responsibilities to mitigate and flag risks, which in turn builds organizational trust.

2. Independent Ethics Committee: Establishing an independent committee, consisting of senior company officials, is of utmost importance. It is the committee that brings the code of conduct to life and ensures that it is digestible for all employees.

3. Regular Testing and Monitoring Effectiveness: With robust testing and monitoring programs, organizations can not only gather critical information on weaknesses in their compliance program, they can also engage in risk-sensing activities that will enable them to foresee problems that could become potentially damaging. Additionally, the program should be regularly reviewed and updated in line with regulatory trends and changes.

4. Trainings: Understanding different cultures for the communication and provision of training is vital for an effective program. Additionally, it is important to constantly reinforce the importance of ethics and compliance through posters, screen-savers, etc.

5. Analyzing Trends: Trends such as number of complaints received, nature of

complaints, and anonymous complaints vis-à-vis identified complaints should be analyzed to gain perspective.

The surge in FCPA enforcement in the US and other countries, with the imposition of record fines, necessitates that organizations revamp their compliance programs. An alleged violation not only affects a company's reputation and brand image, it severely affects an organization's business continuity plans with huge financial outflows on account of investigation costs, lawyers' fees, and the implementation of a compliance program.

The Coca-Cola Example: What We Do!

At Coca-Cola, we are committed to building and sustaining an ethical business culture in all the geographies in which we operate. Our company's Code of Business Conduct serves as the foundation of our approach to ethics and compliance. We have a Code for our suppliers as well as our directors. The Code of Business Conduct is administered by the Ethics & Compliance Committee. Our Ethics & Compliance Committee is comprised of senior governance leaders (from Audit, E&C, HR, Security, and Legal) as well as operations representatives, which drives business priority and alignment. The company appoints an employee in each operation to serve as Local Ethics Officer (LEO), whose role is to implement the program, ensuring global consistency and local relevance.

To ensure accessibility and approachability, the company has an Ethics Line, which is a global online and telephone information and reporting service that is available to all employees, bottling partners, suppliers, and consumers so they may ask questions about ethics and compliance issues. It is available 24 hours a day, seven days a week, with translators available, as a means for individuals to ask questions and report potential violations. We developed systems and tools to document experiences that we can leverage to ensure fairness and consistency.

Additionally, we believe in constantly reinforcing our ethics and compliance

programs by providing a variety of training courses, administering quizzes, and performing role-plays. We developed communication protocols to facilitate sharing best practices.

We have a global due diligence program to screen vendors and potential vendors who will interact with the government on our behalf and to obtain their agreement to abide by our anti-bribery policy.

We periodically have the program reviewed externally to ensure we are meeting the latest requirements.

Business Ethics and Profitability

Companies that lay the framework for business ethics in all facets of their operations are more likely to become and remain profitable than those that conduct business in an unethical manner. Ethical accounting practices, treatment of employees, interactions with the public, and information disseminated to shareholders can have a direct impact on the overall profitability of the company.

Author Biography

 **Shukla Wassan** is the Executive Director – Legal & Corporate Affairs, South Asia, of Hindustan Coca-Cola Beverages Pvt. Ltd, and also the Chairperson and Board Member of Coca-Cola entities in Nepal, Bangladesh, and Sri Lanka. She has over three decades of experience in the areas of joint venture, strategic alliances, fund structuring, intellectual property, indirect taxation, competition law, and corporate governance and compliance. She was awarded the 2017 Corporate Lawyer of the Year Award by the Annual Women in Compliance Awards, organized by C5 Communications Limited (formerly known as Euroform), a subsidiary of C5 Group Inc., UK. She also received the 2013 Jury Award for Outstanding Achievement – In House – Female and the 2014 General Counsel of the Year (Female) Award at the Annual LegalEra Awards.

At Coca-Cola, we are committed to building and sustaining an ethical business culture in all the geographies in which we operate.



DOING BUSINESS WITH A CONSCIENCE: THE MAHINDRA WAY

The Intersection of Doing Good Business and Doing the Right Thing

Written by Ruzbeh Irani, President, Group Communications & Ethics,
Chief Brand Officer, Mahindra Group

We live in the age of conscious capitalism. Good governance is par for the course. Businesses are expected to operate with a “conscience.” This involves being ethical and being a good corporate citizen. This is the Mahindra way of doing business, which is rooted in our DNA.

When Mahindra first went public, co-founder K. C. Mahindra set aside some shares for the company’s employees. When several employees wrote to thank him, he acknowledged their affection and thanked them in a memo which stated, “It’s nice to have money, but it’s nicer to have the things that money can’t buy.” Reputation and good governance have been part of the DNA of the Mahindra Group from its inception. There are many times we have chosen to be transparent, despite there being no mandate on us. For example, we have been reporting back to our shareholders about corporate governance since long before the law in India made it mandatory. There are many ways by which we have institutionalized the highest benchmarks of corporate working and behaviors in our processes. We have articulated a set of core values and corporate governance policies that are open for anybody to see, and we have structures like the Corporate Governance Council firmly in place to ensure that all governance issues are effectively and transparently addressed.

The Mahindra Group is a federation of diverse businesses united by a set of core values and a common purpose, which we refer to as “Rise.” How we do business (with a conscience) and why we are in business (to enable our stakeholders and the communities we serve to “Rise”) anchors and unites us as a group.

*We remain strongly
rooted in our
core values of
professionalism, good
corporate citizenship,
a customer- first
approach, focus on
quality, and dignity of
the individual.*

Spotlight: Mahindra Views Ethics as Way to Rise Above Competition

In a recent *Wall Street Journal* interview, Ruzbeh Irani, President of Group Communications and Ethics and Chief Brand Officer at the Mahindra Group, explained the evolution of the company's culture, Mahindra's involvement in Ethisphere Institute's Business Ethics Leadership Alliance, and what organizations can learn about ethics and compliance from Indian businesses. When it comes to culture, Irani said, "We have ensured our core values and beliefs are an integral part of our employee recruitment and training and evaluation."

Read the full interview on the *Wall Street Journal* Risk and Compliance Report.

THE WALL STREET JOURNAL.

<https://blogs.wsj.com/riskandcompliance/2018/04/24/mahindra-views-ethics-as-way-to-rise-above-competition/>

Driven by a Common Purpose and Core Values

Central to "Rise" is the spirit of innovation and the desire to drive positive change in the lives of our stakeholders. Our business endeavors are aligned to the three pillars of Rise:

Accepting No Limits expresses the all-pervading challenger spirit in the Mahindra Group. A case in point is Mahindra Finance extending loans to those with no formal credit history, to back their aspirations and enable them to "Rise." As a result, we are today one of India's largest non-banking financial companies.

Alternative Thinking is about finding unconventional solutions. Our tractors and SUVs are powered by diesel engines. We realized that bringing electricity to power-starved parts of India was essential to the growth of the communities. We used our highly efficient diesel engine technology to get into the diesel genset business, providing much-needed power to the many communities whose progress was hampered by erratic electricity supply.

Driving Positive Change underlies everything we do. Whether it is Mahindra Finance providing loans to the un-bankable to fund their dreams, or Mahindra Lifespaces (our real estate business) developing green buildings that ensure lower carbon footprint, or the pioneering work that we have done in electric vehicles, driving positive change is "Rise" in action. Our ventures into renewables and efficient water irrigation systems are also in the same line of creating solutions for a better tomorrow.

We remain strongly rooted in our core values of professionalism, good corporate citizenship, a customer-first approach, focus on quality, and dignity of the individual. These core values guide our decisions

and actions and demarcate the boundaries beyond which we will not venture.

The Mahindra Code of Conduct: "Doing things is important—doing them the right way is even more important."

Mahindra has had a formal code of conduct since 2003, even when it was not recommended by any industry body. The same code applies to everyone across the hierarchy and geographies. We have updated it for the recent statutory changes and brought into focus elements of the code which are important in the current economic and regulatory scenario. We demystified the code and made it employee-friendly by using elaborative content, FAQs, and case-based learnings. Measures for creating awareness range from conducting ethical dilemma workshops for closed groups to local-language films for factory workers. We leverage technology for greater reach, including a soon-to-be-launched computer-based training module. To effectively administer the code, we have a third-party whistleblower mechanism that people can trust.

Doing business with a conscience, coupled with our "Rise" philosophy, is not just "feel good stuff." It creates value for our stakeholders, pays business dividends, inspires our employees, builds trusts with our investors, generates goodwill with our community, and collectively results in high brand affiliation. Our people feel a sense of pride in working for Mahindra. It makes us a preferred workplace for millennials.

ABOUT MAHINDRA

The Mahindra Group is a USD 20.7 billion federation of companies that enables people to rise through creating innovative mobility solutions, driving rural prosperity, enhancing urban living, nurturing new businesses, and fostering communities.

It enjoys a leadership position in utility vehicles, information technology, financial services, and vacation ownership in India and is the world's largest tractor company, by volume. It also enjoys a strong presence in agribusiness, aerospace, commercial vehicles, components, defense, logistics, real estate, renewable energy, speedboats, and steel, amongst other businesses. Headquartered in India, Mahindra employs over 2,40,000 people across 100 countries.

Mahindra has had a formal code of conduct since 2003, even when it was not recommended by any industry body.

Author Biography

 **Ruzbeh Irani** is the President – Group Communications & Ethics, Chief Brand Officer, and a member of the Group Executive Board at the Mahindra Group. Mr. Irani joined the Mahindra Group in 2007, as Executive Vice President – Corporate Strategy, heading the Group's strategy function. He subsequently also became the Chief Brand Officer of the Group, during which time he spearheaded Mahindra's entry into racing and led the development of the Group's brand position and core purpose, "Rise." He then moved on to head international operations for the automotive and farm equipment sectors of M&M.



BUILDING STRONG INVESTIGATION TEAMS THROUGH GAME-BASED LEARNING

Leveraging Skills through Real-Life Scenarios

Written by Sundar Narayanan, Certified Fraud Examiner and Apurva Wani, Chartered Accountant, SKP Group

Game-based learning is an alternate strategy for imparting vital skills. With today's modulating business environment, traditional training methods are not contributing to the needs of the hour comprehensively. Moreover, due to increased digitization, complex process structures, and automation, there is a greater need to stress enhancing the skills of investigators, thereby providing them the ability to pursue opportunities for gathering focused evidence. Game-based learning not only helps in enhancing skills, but also in reinforcing or driving the approaches/mechanisms prominently.

Game-Based Learning

Game-based investigation workshops are driven by using specific games that reinforce the skills and strategy required in corporate investigations. These games are linked to investigation scenarios as a simulation, wherein the learnings from the games (both skills and strategies) are applied to the given scenario. Once the learnings are applied, the participant not only understands from the investigation experience, but also gets a collective strategy for handling such scenarios in real life.

Case in point is one such workshop which can be conducted for a group of people of varying ages and levels of expertise. Five volunteers are identified as participants and are exposed to five independent games on handheld devices. For instance, the game could be matching three different parts of a donut from the available options by identifying common patterns in them. The games are aimed at exhibiting focused skills (attention to details, linking things, pattern recognition, quick turnaround, and decision making).

A well-structured workshop comprising of carefully curated content will create a lasting impact on participants.

These are core skills that become relevant and are crucial for an investigator.

The games are aimed at exhibiting focused skills (attention to details, linking things, pattern recognition, quick turnaround, and decision making). Also, these games help the participants to explore a strategy to win or sustain this game. These strategies could be in the nature of doing the basics right, understanding the perimeter of the game to make the right moves, understanding the layers in which the objects appear in the game, spotting the weak points of the game, and measuring the success-determining factors for the game. While some or all of these strategies appear simple, they may have a dimensional effect when applied to an investigation scenario.

Once the participants play the game and are aware of the learnings from the game, they are introduced to a case scenario. A case in point is a scenario of an anonymous whistleblower communication received by Company A. The whistleblower communication raises concerns about a conflict of interest and mismanagement amongst other associates of the firm. The participants are investigators for Company A and are asked to examine the pre-classified data sets. Certain documents are pre-classified for the participants in separate folders within the handheld devices for them to access. These are classified based on the type of game they have played.

The participants shall review the documents pre-classified for them and identify red flags, using their learnings (skill and strategy). The participants identify the issues, all varying from the other, in each of the set of documents provided to them. The participants identify conflicts of interest, bid rigging, preferential treatment to a third party, pre-dated invoices, and potential impact or loss to the company due to fraud. This helps them to collectively appreciate the learning from games and enriches them with a collective strategy to handle such investigations. The optimal strategy that evolves out of such exercise would be:

1. Establishing facts
2. Understanding the perimeter of the issue
3. Exploring the depth of the issue in question
4. Collating the weak links
5. Consolidating the loss to the company due to issue in question

How Does It Help?

An interactive exercise like this helps investigation teams with varying experience to gauge their vigilance to a lifelike scenario and also helps them to enhance their skills through the game-based experience. This exercise also develops more structured strategies applicable to relevant risk areas for the organization. Additionally, the participants develop a problem-solving advantage due to the time-limiting situations that they are put under as part of the games.

Key Considerations for Success

There are few considerations one should take into account when attempting game-based investigation training. These include time duration of such exercises, the level of skills or awareness of the participants, the size of the group who will participate, and the logistics or the delivery model of these games. Adequate time shall be set aside for such exercises, for instance, two to three hours, to enable participants to get involved and experience the simulation. Similarly, delivering the games through digital means and the scenario played out through physical documents shall help in some cases, if people are comfortable with that.

Game-based learning is an alternative approach to learning. This also opens up the possibility of focused strategy or skill learning from each game that the participants may play on their handheld devices at their own leisure, thereby defining a sustainable channel of learning for them. Of course, the use of these games requires caution in terms of the efforts, the thought process, and the content. A well-structured workshop comprising of carefully curated content will create a lasting impact on participants.

Mitigating Risks Using A Game-Based Approach


Evolving regulations and dynamic business environments have a multitude of risks across the business cycle. Some of these risks are associated with unethical or deviation from the accepted behavior of an employee, director, supply-chain partner, contractor, business associate, or investor. Research states that a majority of these unethical behaviors and practices are committed by first-time offenders. As per the Association of Certified Fraud Examiners' (ACFE's) 'Report to the Nations – 2016', from a study conducted by them, only five percent of the perpetrators were convicted of a prior fraud-related offense.

A business's approach to mitigating risks is ever-evolving. There will be awareness measures that would act as a deterrent to the identified behavior or an enabler for whistleblowing.

Full article on Ethisphere Insights.

Author Biography

 **Sundar Narayanan**, a chartered accountant and certified fraud examiner, has over 10 years of fraud investigation and compliance review experience in India, Japan, Kenya, Tanzania, and Zambia. He has led several investigations and proactive reviews uncovering senior management misconduct, employee fraud, and third party fraud.

 **Apurva Wani** is a chartered accountant by qualification consulting in the field of ethics and compliance. He is experienced in working on fraud prevention advisory projects aimed at spreading awareness of internal controls and compliance across the entity, and he has supported in counsel-led email review investigations. He also assists in writing papers and articles for multiple forums.



AT TATA POWER, TIMES MAY CHANGE, BUT VALUES AND PRINCIPLES ENDURE

Company Celebrates More Than 100 Years of Success Powered by Ethical Behavior

Written by Cdr Ashutosh Gole, Head of Ethics, TATA Power

The year 2015 was the centennial year for the Tata Power Company Ltd.

On February 9, 2015, the company completed 100 years of successful operations, a distinction obtained by very few companies around the world. However, for many employees of the Tata Group of Companies, this came as no surprise, given the “Right DNA” of the Tata Group and the solid foundation the company is built upon.

Over the years, we have learned that in order to be a long-term sustainable company, you have to add value to society and make ethics a part of everything that you do. For example, another member of the Tata Group, the Indian Hotels Company, celebrated its centenary year in 2003 to commemorate the opening of its iconic Taj Mahal Palace Hotel in Mumbai in 1903. This was followed by centenary celebrations at Tata Steel Company in August 2007. And in 2018, Tata Sons, the group holding company, is celebrating its 150th anniversary.

As the name indicates, Tata Power Company belongs to the renowned Tata Group, whose foundation was laid way back in 1868 by Mr. Jamsetji Tata—a visionary entrepreneur, an avowed nationalist, and a committed philanthropist. The name Tata is part of the fabric of India. Mr. Tata helped pave the path to industrialization in India by seeding pioneering businesses

in sectors such as steel, energy, textiles, and hospitality. In 1892, Jamsetji Tata established the JN Tata Endowment to encourage Indian scholars to take up higher studies. It was the first of a multitude of philanthropic initiatives by the Tata Group. Over generations, members of the Tata family have allocated much of their personal wealth to the many trusts they have created. These trusts today control 66 percent of the shares of Tata Sons, the holding company of the group, and they support an assortment of causes, institutions, and individuals.

A Unique Ownership Structure

The ownership structure of Tata Group differentiates it from the other corporations globally. Most business organizations are generating profits with a limited agenda, maybe to enrich shareholders, the family business, or a certain group of promoters. There are very few in this world that have charitable trusts holding a majority of the shares of the holding company. It used to be said in the olden days that the Tatas are a *“socialist capitalist organization.”*

Around 150 years back, when the Tata Group was establishing its factories and businesses, there were hardly any laws to prevent the exploitation of workers. But the Tata Group always believed in treating its employees with empathy; they were at the forefront in India in setting up many worker-enabling policies such as the Provident Fund, fixed working hours, setting up a creche facility for the employees' children, and many more. Tata Group's mission statement captures the spirit behind such acts: *“To improve the quality of life of the communities we serve globally through long-term stakeholder value creation based on Leadership with Trust”*

Values-Based Leadership

Unlike many other corporates, “ethics” is one of the values of Tata Power, and we have a separate department for its advocacy and generating awareness across the company. Being a Tata Group company, we have adopted the Tata Code of Conduct that represents the values and core principles that guide the conduct of every Tata business. The Code lays out the ethical standards that Tata colleagues need to observe in their professional lives and represents our individual and mutual commitment to discharge our responsibilities through the most sustainable and ethical means. It is through our shared determination that we are able to reinforce the Tata reputation of leadership with trust. It may be mentioned here that there was no formal written Code of Conduct until 1998, which was when the Tata Code of Conduct was first published.

For any business entity, there could be two approaches to managing business ethics: a mandatory and reactive approach or a participative & proactive approach.

In the mandatory and reactive approach, the focus is on compliance, vigilance, and very strict penalizing action against defaulters. Whereas in the participative and proactive approach, the focus is on training and communication, demanding employee participation to bring about cultural change and make ethics part of the organization's DNA.

Tata Power believes in the participative and proactive approach. Our ethics awareness programs are accordingly designed for wholehearted stakeholder participation. Celebrating honest acts, good deeds, and ethics is far more effective in inculcating ethical behavior to bring about cultural change than criticism and intimidation for unethical acts. Ethics Week is one such event celebrated every year across Tata Power Group.

Ethics Week at Tata Power

Each year from March 3 to 9, we celebrate Ethics Week at Tata Power, March 3 being the anniversary of our founder's birth.

Ethics Week commences with honoring our founder. Then an Ethics Pledge is taken by all the employees.

Activities across Ethics Week are planned much in advance. Some activities are conducted centrally by the corporate ethics team through emails, webinars, webcasts, online quizzes, etc. Other activities are conducted locally by the Local Ethics Counselors and Ethics Torch Bearers. The basic aim is to add a fun element with the message of ethics in all the activities conducted throughout the week.

At some locations, employees' family members also participate in various activities on the theme of ethics, such as a painting competition, a slogan-writing competition, talks by well-known personalities about the Tata Code of Conduct, etc. Involvement of family members in such activities has a very positive impact on the “ethics ecosystem.”

At some locations, “Vendors Meet” is conducted during the Ethics Week to make them aware of the Tata Code of Conduct and the business ethics expected from them while interacting with our employees. During the week, senior leaders and business heads of the company are required to visit other divisions and talk about their real-life experiences relating to business ethics. We also invite chief ethics counselors from other Tata Group companies as well as from reputed non-Tata companies to speak on the

occasion. On the last day of the Ethics Week celebrations, we have a closing ceremony with prize distribution to the winners of various competitions.

Apart from the Ethics Week, we do conduct training sessions on ethics and the Tata Code of Conduct, as per our training program. We also talk about ethics during various departmental meetings, open houses, and talks by visiting senior leaders. Employees' ethical behavior is also appreciated by announcing the “Ethical Heroes” across the company. From our experience we have learned that celebrating Ethics Week across the organization has a positive impact on the employees as well as other stakeholders.

Conducting business ethically has helped us in many ways. We are able to get the right partners for our various business ventures. We are also able to gain approvals and licenses for our businesses without having to make ethical compromises. So, in simple monetary terms, the cost that perhaps the competition pays in terms of unethical dealings, handouts, money below the table, etc. are not the cost imposed on us. Financial institutions, stock markets, shareholders, and society in general value business ethics and reward us by providing support where and when needed. The Tata Group market capitalization and stocks have consistently done better than the benchmark-sensitive index of the Mumbai stock exchange. There is a significant premium that investors place on Tata stocks compared to our peers, simply because of the sense that these are the companies that would do right things and that would not cheat the investors, unlike many other companies in India that have had problems and that have been punished or penalized by the regulators.

When it comes to ethics, our aim is to move from compliance to commitment to consciousness.

Author Biography

 **Cdr Ashutosh Gole** has headed the Ethics function for the Tata Power Group of companies for last four years. He is an electrical engineer by profession and prior to joining Tata Power in 2004 served with the Indian Navy in the Submarine Arm for over 24 years. For managing business ethics in Tata Power, he believes in a participative and proactive approach. The company's focus is on training and communication, demanding employee participation to bring about cultural change and make ethics part of the company's DNA, to move from compliance to commitment to consciousness.



3M'S FIVE-STEP PROGRAM FOR SLEEPING BETTER

A Practitioner's Guide to Building an Uncompromising Ethical Culture

Written by Debarati Sen, Managing Director, 3M India Region

Happiness in life is a function of congruence—congruence of expectations and results, congruence of thoughts, words, and action, and most importantly, the congruence of personal values with the values of the environment we work in.

As I inch closer to 21 years with 3M, I am proud to say that I have never been put in a position where I have had to even remotely compromise my values. Ethics and integrity are not just guiding principles for 3M, they are the very bedrock of our existence and clearly one of our strongest levers for employee engagement and loyalty. As a senior leader in the company, I am assured of a good night's sleep knowing that the company's culture of uncompromising ethics and, more importantly, the investment it makes in the infrastructure needed to support it will ensure that my team and I are guided prudently through the many risks we all face.

A number of life experiences have shaped my values, and I can say that, on behalf of all the employees I lead at 3M India, we are indeed fortunate to grow our careers and work for a company that values the simple things in life. These values are enshrined in our Code of Conduct, and its very simplicity ensures that the focus and commitment on our values is never lost, nor can they be misinterpreted. Be Good, Be Fair, Be Honest, Be Loyal, Be Accurate, and Be Respectful—all fundamental to conducting ourselves as good citizens in society. We may belong to different corporations, but I believe we are all contributing to building social institutions of repute based on the foundations of authenticity and trust. Over time, this behavior demonstrated by a business also builds the reputations of countries and, ultimately, helps bring social and economic progress.

Against this backdrop, I would like to share my thoughts on some of the guiding principles that have served to empower me as well as my colleagues at 3M, inspiring us to serve our customers with quality, not just in solutions but also in customer service and processes to serve them.

1. Living the Code through Structure and Processes

3Mers across all 70+ subsidiaries serving 200+ countries act with integrity every day in every area of their work. 3M's 116-year-old reputation of doing business the right way has given each one of us the paramount responsibility to not compromise our collective commitment to integrity. The investment the company makes in supporting this thriving

compliance culture is demonstrated with our Compliance & Business Conduct function with experts, present at 3M headquarters and in each 3M region, who develop central platforms and tools to drive culture and proactively mitigate risk and provide specialized support for successful and compliant participation in government business, along with conducting investigations to mitigate corruption-related risk. Our company's Chief Compliance Officer has the overall responsibility for driving our compliance strategy and helps support operational excellence across the world. The physical rendition of our Code of Conduct is our "Handbook," for easy reference, that is handed out to every new hire and is also available on our online resources for external audiences. We also take our responsibility as a beacon of ethics and integrity to our vendors, channel partners, and customers, ensuring alignment in expectations and ensuring tools to bring their grievances, if any, forward.

2. Ethics As a Competitive Advantage

We live and operate in a VUCA environment, and everyday our people are tested on ethics, character, and who we are at the core. Our personal integrity, shared values, and ethical business practices form the basis of 3M's reputation around the world and have been at the core of our success and market-differentiated results. Expectations are set at the top that articulate that the company's worldwide reputation provides a tremendous competitive advantage. In India, the changing policy environment has created new challenges and risks, such as the recent Goods and Services Tax implementation and demonetization, which have brought about structural improvements in transparency and governance, playing a big role in India's climb into the Top 100 ranking from the World Bank on Ease of Doing Business. They have also decreased complexities and potential risks in areas such as financial reporting, conflict of interest, trade compliance, channel partner actions, governance, and tax. New regulations are also emerging in much-needed areas such as digital, data privacy, and e-commerce. As a publicly listed company, 3M India is also governed by the Companies Act, SEBI regulations, and reporting requirements.

3. The Power of Storytelling

We learn best when we are engaged and living the situation. Compliance messages can be seen as dry or threatening, taking the moral high ground. Sometimes we find very good people at the center of fraud and other unethical behaviors because of poor judgment and lack of understanding of the risks. Our approach to compliance messaging has been through storytelling, whether it is through the

online educational legal and compliance courses with self-assessments or via employee-led awareness campaigns. We have even had video contests run, with some amazing film-making skills on display from our employees. At townhalls and MD-employee meets, we spend considerable time sharing stories reflecting actual scenarios, with names changed, of course, to bring to life some of the grey areas that employees often face in the day-to-day course of business. These stories help highlight not only the challenging circumstances, but also the process of decision-making, and they set examples to learn from. We have global awards programs that recognize people who stand out for making difficult ethical choices. At 3M, country and regional leaders are regularly provided with scorecards and dashboards that measure multiple metrics around concerns reporting, substantiation rates, disciplinary actions, as well as looking at anonymous versus named complaints. Tone at the top is now seen as table stakes, as we have moved the tone to the middle and across the organization.

4. Listening to Diverse Voices

It is a mistake to believe that compliance is a one-way street. An important facilitator to enable a compliance culture is listening to diverse voices in the company. The ambit of misconduct covers not only illegal and unethical behavior but also disrespect. "Be respectful" is one of our six principles that influence the relationships that ultimately help build our brand. Respect in our treatment of employees, respect with our partners, vendors, associates, and above all, our customers, who define our reason to be. The most vulnerable spaces of interaction where ethics are compromised are at the levels of middle management and interactions between supervisors and reports. Focused listening sessions with employees have helped us understand the voices down the hierarchies—whether it is by listening to the voices of women employees, new hires, or employees at our various locations during townhalls. Having our leaders pay attention to the diverse voices of concern has given courage to employees to speak up and openly share instances of misconduct and not be silent bystanders to perpetuate the behavior. Circling back to them with actions taken also helps reinforce this culture of listening and trust. At the corporate level, the Deep-Dive Evaluation program picks certain countries in each region every year and enables independent teams of compliance professionals coming from outside the country to interview employees in different functions and at various seniority levels to assess how effectively 3M's compliance program is being enforced in the country. In this program, we interview 150–180 employees on average

in each country to ensure their voices are listened to.

5. An Ethical Company Is a Sustainable Company

It takes years to build a reputation and one bad judgment call to ruin it. In today's world of social media vigilantism, companies must be extremely careful—100 percent compliance is the norm. What I have learned is that ethical leadership is the only form of leadership that lives long. It is based on courage and standing up for one's core values. I believe as leaders we need to bring the same passion and enthusiasm for ethics and compliance the way we do to drive results. We must call out and recognize ethical behavior just as we reward our employees for performance.

We wear our ethical reputation with pride and ensure we communicate that with our customers as a differentiator for our solutions. 3M has been recognized by Ethisphere as a World's Most Ethical Company for the fifth consecutive year. This recognition has come about as a result of the stringent adherence and diligence to processes and systems standardized across all the 3M subsidiaries in the world.

Above all, at the heart of being an ethical company is the creed of courageous leadership. I go back to the concept of congruence that I started with. Leadership without authenticity is short lived. When our values are congruent with our organization's and the investment is made in sustaining those values, it lends energy to our leadership and enables us to take our organizations to unimaginable heights. As ethical leaders, let us put our collective energies behind living ethically, working ethically, and driving momentum on ethics. This is critical for our company's and our own personal success and sustainability.

Author Biography



Debarati Sen is the Managing Director for 3M India Region. Prior to this role, she was Director, Corporate Sales Operations for 3M Company. Her career spans over 26 years in Asia and the US, with over 20 years with 3M in various global, regional, and country roles driving marketing, sales and customer engagement, product development, business development, strategy, as well as M&A. She also led the global oil and gas business for 3M and held the position of VP of Global Marketing – Equipment Protection Business at Pentair, Inc.



CHEERS! RAISE YOUR GLASS TO THE DIAGEO WAY

Here's to Honesty, Transparency, and Inclusion for a Cohesive Workplace

Written by Mamta Sundara, General Counsel, Diageo India

Diageo is a global leader in beverage alcohol. We are a business built on principles with an outstanding collection of over 200 brands across spirits and beer that are sold in 180 countries. Our ambition is to be one of the best performing, most trusted, and most respected consumer products company in the world. Aside from our brands, our most valuable asset is our team of highly committed and engaged people.

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I took on the role of General Counsel at Diageo India expecting the volatility and complexity of the alcohol industry in India to present a myriad of challenges. Instead, the most exciting, sometimes frustrating, but ultimately rewarding challenge has been the journey to craft a world-class legal team—one that will make a valuable contribution to Diageo India's long-term, sustainable success.

I have learned over the years that a high-performing team has four key elements: composition, vision and execution, continuous learning, and cohesion. The journey to become a high-performing team is a continuous one, and these elements have helped me to make the right choices along this journey. Below is a closer look at the four key elements of building a strong legal team.



Attendees discuss ethics and compliance at our second roundtable in Mumbai.

Composition

Hiring the right people is the foundation stone for a strong team. A manager and coach once advised me never to compromise in hiring decisions. This kept me awake in the initial stages of setting up the team—in the Indian market, demand for good professionals far outstrips supply, and this sometimes means keeping a role vacant until the right candidate comes along, which is every manager's nightmare! Every recruitment is a risk and, despite best efforts, we have made some errors. Continuously assessing team dynamics through open and transparent communication and timely course correction through coaching or restructuring has helped me to mitigate the impact of some errors.

Given the choices available to talented professionals, retaining them by offering a range of experiences and associated support is critical. Developing talent and retaining them sometimes means taking informed risks by moving them to roles they may not naturally fit and then supporting them through the ensuing steep development curve.

Vision and Execution

Our team's vision is ambitious, aligned with Diageo India's business strategy, and outlines how we will partner with the business in delivering its goals, year on year. Everyone in the team crafts their own plans for the year. I encourage the team to set ambitious targets even when the path to achieving them may not be clear. Additionally, the team takes on some initiatives each year that we believe will help set us up for success in the future. In this year, we are focused on simplification—of organization structures, of ways of working with the business, and of decision making, all of which will allow the team to focus on issues that directly impact our business or our reputation. An

ambitious vision for the future can serve as a strong link in bringing a diverse team together. Nothing is more inspirational than being engaged by a bold vision and becoming part of the journey.

Delivering a stretching in-year performance target across a team needs an execution mindset. In our team we demonstrate this by insisting on high standards of delivery, high expectations of oneself and others, willingness to think and act out of the box, rigorous planning and prioritizing, decisiveness, and speed.

Continuous Learning and Development

I believe that a large part of our learning and development happens on the job—through authentic feedback in the moment, learning from our mistakes, discussions with people whose perspectives differ from our own, and self-reflection.

Development efforts and interventions within my team are either functionally oriented or aimed at developing leadership skills. Enhancing the team's understanding of our industry and our business, our strategy, how the legal team partners in delivering our strategy, in-depth discussions on important projects led by the team, learning about new developments in the legal field, understanding new technologies and adopting them, learning about adjacent competencies such as project management—these enhance functional skills for the team.


We also organize sessions that encourage the team to self-reflect, understand their own purpose, and imbibe the Diageo leadership standards (the behaviors that each Diageo leader is expected to demonstrate). We have also worked with external facilitators to understand how we can foster a more inclusive culture where differences are welcomed, and to acknowledge and recognize our unconscious biases and mitigate their impact.

Cohesion

An oft-forgotten truth within teams is that no team member can shine and succeed at the cost of the entire team. This means team members must foster open and honest relationships, find ways to work with each other, and resolve conflicts so that the business does not face the consequences of a fragmented team. In compact legal teams, most people work as individual contributors with limited overlap. I have found that the most effective way to maintain cohesion in such teams is through rituals that sustain connections between people. Celebrating each other's successes, small or large, serves as a useful reminder of the value each one of us brings to the organization as a whole and builds confidence and pride in our combined abilities.

Ultimately, what matters is whether the business we support believes us to be high performing. What distinguishes our legal team is our empathy for the issues faced by the business, our proactiveness and speed, our ability to marry our understanding of the law and the business to manage risk, and our strong relationships with stakeholders that allow us to be brought into discussions early and not just to manage crises.

Author Biography

 **Mamta Sundara** is the General Counsel of Diageo India. In this role, she is responsible for leading the legal function, which balances and mitigates the company's risks, owns the company's objectives, and partners with the business to help deliver these. Additionally, she also has responsibility for the real estate portfolio of the company.



ETHICS AS A DRIVER OF COMPANY PERFORMANCE

Compliance Is Seen as a Hindrance for Frontline Employees

Written by Team Dun & Bradstreet

The only sure-shot way to get a group of sales professionals to yawn, almost instantaneously, is to say “compliance”—and if you really want to see them disappear, try saying “compliance training.” On the other hand, if you want to jolt any CEO from his or her sleep, the word “non-compliance” will do the trick. Honestly, neither the sales professionals nor the CEO are to be blamed, especially in a world where we are constantly struggling to keep up to date with jargons like “ethics” and “compliance.” Not only can the risk of non-compliance topple an organization overnight, but it can also stain its customers, vendors, and business partners. In whichever way you view it, the ultimate accountability for ensuring compliance will always stay with the C-suite executives.

In a nutshell, compliance is seen as a hindrance for frontline employees, and the risk of not having it gives sleepless nights to the CEOs. This is either a recipe for disaster or a ticking time bomb. Hence, it is paramount for organizations to build a conducive culture of compliance that does not consider compliance to be a hindrance and where compliance is the responsibility of not only the in-house compliance team, but of every employee in the organization, irrespective of his or her level in the organizational hierarchy.

This leads us to the ubiquitous question: how do organizations build a culture of compliance? In order to build a culture of compliance, we need to understand why compliance breaches happen. If you really look at it closely, there are only two things that cause compliance breaches: somebody **did** something that they were **not** supposed to do, or somebody **did not** do something that they were supposed to do. In both cases, education and awareness seem like the obvious answers. However, we need a solution that is more realistic than a training on compliance covering its various aspects and the consequences of not being compliant. A successful culture of compliance exists when every individual employee's moral compass is tuned to the highest standards. A culture where you inherently know that you are doing the right thing without the need to refer to a compendium of laws, and where compliance is not seen as a hindrance. This is where ethics come into play.

An ideal organization is one where all of its employees and associated business partners genuinely feel the need to behave ethically in all their business-related activities, voluntarily! For some people, always behaving ethically is in their DNA, while some need to be trained in ethics, and some require a constant hammering of ethical values.

To tackle this issue, we at Dun & Bradstreet – India have created an in-house training program called “Doing the Right Thing.” The training encompasses three critical sections: Company Growth, Compliance, and People Agenda. We believe that in order to build a culture of compliance and ethics, we should not compromise on any of these three aspects. The title of this article, “Ethics as a Driver of Company Performance,” is especially true in today's era of globalization, where company growth, compliance, and people agenda are not independent of one another, but are in fact interdependent on each other.



Manish Sinha, Managing Director – India, led a conversation at Ethisphere's first BELA South Asia Chapter roundtable in the region.

There will always be a small fraction of people who will inevitably take undue advantage of the system

This is not a typical ethics and compliance training program. We have taken real cases investigated by us in the company and forced our team members to come up with solutions in the training itself, in order to cultivate the in-built strong moral compass. The training material content has been designed by a cross-functional team in collaboration with HR, Legal & Compliance, Finance, and Business. The "Company Growth" section covers aspects about how important it is to create a culture of high performance and how to respectfully handle issues of non-performance of team members. The "Compliance" section educates the team members on how to identify and tackle risks in simple processes that occur in an employee's daily routine, and what are the obligations of the team members when they know about any unethical or non-compliant acts happening within the organization. The "People Agenda" section covers various aspects of some of the interpersonal soft skills required to be practiced

by team members in their daily interactions with their own teams, other teams, or peers and educates the team members on the relevant laws that govern the safety and welfare of all the employees, especially the female team members.

The success story of this training program is that Dun & Bradstreet – India has witnessed zero compliance breaches ever since the program was launched last year. And the success came from the fact that the program helped team members understand the spirit of compliance, thereby making it easy for them to apply it to their individual roles, which in turn empowered them to build a culture of compliance. Such training programs address most of the root causes for people to succeed in doing what they are supposed to. However, there will always be a small fraction of people who will inevitably take undue advantage of the system for their personal gain, due to their weak ethical values.

For our team members, doing the right thing means doing more than just the legal requirement by maintaining high standards of integrity in their day-to-day work that go above and beyond the ordinary. It also means doing business in the right way, without compromising on our ethical values.

If our team members are unsure about what they need to do, they are encouraged to always ask for help, from any of their senior leaders or from any of the Legal & Compliance team members. When our team members Do the Right Thing,

they help us to protect Dun & Bradstreet's brand and reputation. After all, Dun & Bradstreet has the distinction of being recognized as one of the World's Most Ethical Companies by the Ethisphere Institute for 10 years in a row to date.

You don't need to be smart and experienced to say "No". Just listen to your conscience to enable you to make the right decision—and when you do so, you can never go wrong. We at Dun & Bradstreet strongly believe that if a decision is made by not "Doing the Right Thing," then it is an action that we should not be taking. So, always Do the Right Thing, every day, in every way. In conclusion, it can be said with certainty that ethics is indeed one of the most important drivers of company performance.

Author Biography

Led by **Abhay Bhat** (Head - Legal & Compliance), Dun & Bradstreet - India's Legal & Compliance Team consists of five members who manage all areas of ethics and compliance within the Company. On a daily basis, Dun & Bradstreet - India's legal experts oversee commercial contracts, regulatory & statutory compliance, third party compliance, corporate secretarial activities, data privacy, and ethics related trainings.



WANT TO BUILD AN ETHICAL COMPANY THAT OUTPERFORMS? PUT PEOPLE FIRST, SAYS JLL

How the Real Estate Giant Lives Its Promise to “Achieve Ambitions” by Starting at the Workplace

Written by Tanvi Choksi, HR Head – JLL India

At Jones Lang LaSalle (JLL), employees are the biggest strength, and their ambitions, both professional and personal, are encouraged and nurtured until they are accomplished.

JLL encourages open communication, up and down mentorship, talent mobility, and accessibility to the leadership, thus ensuring that employees remain connected to their workplace. Diversity and inclusion is promoted within all levels of the organization.

We believe in investing in our people, which has been a key performance differentiator for us and has also served as the foundation of our business success for more than 250 years. JLL has been honored as an Ethisphere World's Most Ethical Companies for 11 consecutive years, and this is a true testament to our commitment to ethics. According to the data from the 2018 World's Most Ethical Companies, honorees outperformed the US Large Cap Index over five years by 10.72 percent and over three years by 4.88 percent. It is clear that organizations that have maintained their spot in this coveted list focus on long-term strategy linked to talent at all levels.

In an effort to ensure continuous employee growth and development, here are some key initiatives that have enabled us to maintain a strong ethical culture:

- **Mentoring Program:** “ELEVATE,” launched in 2017, is an initiative pairing mentors who have experience in their fields to provide guidance and support to mentees in order to maximize their professional and personal development.
- **Internal Job Posting Process (IJP):** With the breadth of the business, there are a huge number of opportunities available across JLL in India. The IJP process allows employees to have inter- and intradepartmental transfers. This helps the firm identify employees' ambitions and aspirations, thus boosting their morale.
- **Flexibility for Our People:** JLL's Gradual Return to Work Policy (GRTW) aims to support employees with transitioning back to work at a comfortable and/or staggered pace after a planned personal or unexpected absence from the office. Gradual return to work is a flexibility option for an employee when returning to work after an extended personal absence.
- **Staff Assistance Program:** This is a 24/7 benefit scheme available for employees and their immediate family members that provides necessary assistance to employees when faced with personal problems and/or work-related



Founding members gathered at JLL in Mumbai for our latest BELA South Asia roundtable.

problems that may impact their job performance, health, or mental and emotional well-being.

- **Diversity Intelligent Workshops:** Workshops are held for the senior leadership members to sensitize them toward including diverse talent in their respective teams.

- **Diversity Awards:** This is a part of Ovations, which is a Pan-India quarterly recognition platform. The awards are declared every quarter nationally to create and ensure social recognition for winners. The awards for Diversity Champions are given to employees who have championed the D&I agenda.

- **Diversity and Inclusion—"The 3G Strategy":** Geography, generation, and gender are the key focus areas of our D&I initiative. It all begins with gender diversity, to ensure there is an equitable ratio of men and women at all levels within the organization. JLL is one of the few firms that have tried to create a gender balance much demanded by the real estate industry for women to feel safe and thrive in.

Moreover, here are some specific D&I program initiatives undertaken by the firm:

- Monthly Women Connect breakfast
- On-ground Women Connect town halls on Women's Day

- Office mavens
- Hugely popular all-India Women Connect webinars
- Women Connect open house meetings
- Construction of nursery rooms and babyterias

JLL believes in immediate grievance handling, which forms a part of our core belief in ethics. This ensures a conducive work environment so employees can stay focused and work towards the interests of the organization, feeling safe and cared for.

The key initiatives taken towards redressing grievances at JLL have seen a successful implementation.

- **Ethics Training (Awareness Campaign):** This is done to educate employees about JLL's ethics and grievance redressal policy. It also establishes and maintains an open dialogue about the ethical issues employees may face in the course of their daily activities at the firm.
- **Ethics Liaisons:** Ethics liaisons are colleagues who have special training on the **Ethics Everywhere Program** and can help answer related questions, resolve potential problems, and connect to their Ethics Officers.

Disciplinary grievances are addressed in a unique manner by asking aggrieved

employees to walk up and speak up to the person or speaking to his or her reporting manager or business head, who acts as a mediator between the two parties and helps resolve the situation amicably.

Recognised as one of the **Best Workplaces in India 2017** in the annual survey of "India's Best Companies to Work For," JLL encourages individuality and entrepreneurial spirit, which allows every employee the freedom to maintain their unique style, have the independence to innovate and achieve their professional and personal ambitions, and feel a sense of progress.

Author Biography

Tanvi Choksi is the HR Head for JLL India. She is responsible for leading the people strategy for the business. She also leads the HR Transformation journey for JLL and enables the strengthening of the organizational culture. In her role leading the HR function, she works with a strong team of more than 70 HR professional partners with the India Leadership Council of JLL to deliver the organization's growth and sustain the its leadership position in the industry through progressive talent management practices.

EVENTS

»»»» SOMEWHERE ELSE YOU HAVE TO BE? ««««

The following list highlights a few of the many events that Ethisphere and its partners host around the globe each year. Some are in-person forums, while others are virtual, but all provide unparalleled insight into the leading ethics, compliance and governance issues of today. For more: events.ethisphere.com

The following icons represent different characteristics of each event:
Live events take place in a physical location, while online events are broadcast virtually. BELA events are complimentary for BELA members and CLE Events are eligible for CLE (or local CLE equivalent) credit to attendees.



Live
Event



Online
Event



BELA
Event



CLE
Event

OCTOBER



OCTOBER 17, 2018

[BELA Roundtable](#)

Houston, TX

Hosted by KBR

OCTOBER 25, 2017

[BELA Roundtable](#)

Los Angeles, CA

NOVEMBER



NOVEMBER 5, 2018

[BELA Roundtable Series](#)

Atlanta, GA

Hosted by Coca-Cola

NOVEMBER 7, 2018

[BELA Roundtable](#)

Washington, D.C.

Hosted by Hilton

NOVEMBER 13, 2018

[BELA Roundtable](#)

Pittsburgh, PA

Hosted by UPMC

MARCH



MARCH 13-14, 2019

[11th Annual Global Ethics Summit](#)

New York, New York

The Global Ethics Summit is the premier annual event connecting the most respected and diverse class of company leaders who come together to inspire company integrity and responsible business performance. CEOs, board members, CLOs, corporate secretaries, chief compliance officers, leading industry executives, global thought leaders, and others participate in the Summit to network, collaborate, exchange ideas, share best practices, and fuel companies with actionable solutions to minimize risk and enhance company performance worldwide. Join the conversation in 2019 and leave inspired, with uncompromising approaches that will enhance compliance, governance, and integrity at your organization. The summit will be held at the Grand Hyatt New York, right next to Grand Central Station in New York City.

Hosted by Ethisphere





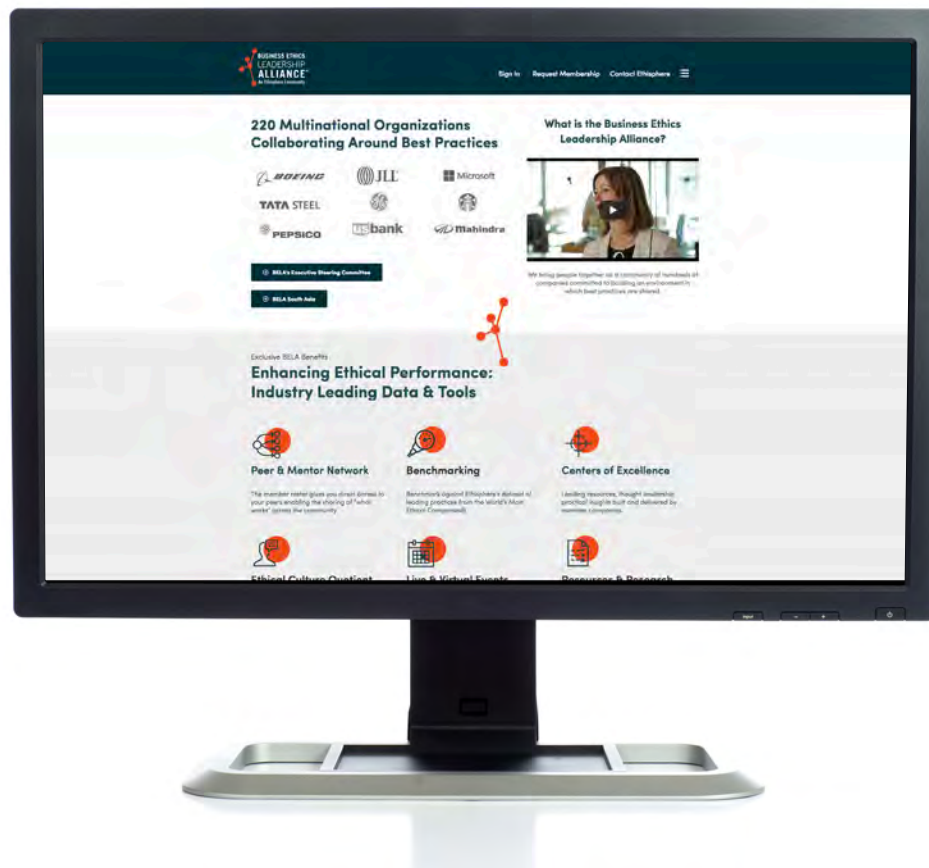
MANAGING RISK.

Companies both public and private face a number of challenges operating in today's increasingly regulated and complex environment, with boards being put under the microscope as to their composition, competence, effectiveness and oversight role.

Strategies for managing risk, complying with legal requirements, communicating with shareholders and preparing for uncertainties evolve constantly, and the need for proactive and effective relationships with all stakeholders has never been more important.

With a wealth of experience in the United States and globally, Baker McKenzie helps companies navigate these challenges, working across borders to find creative solutions to identify and manage risks.

Advising both private and public companies, our lawyers combine deep regulatory, enforcement and industry knowledge with extensive experience working with companies worldwide to plan, prepare and implement tailored programs which manage every aspect of a company's legal, reputational and operational risks.



BELA Member Hub and Resource Site

Download a growing catalog of content and expertise from leading multinationals such as **Microsoft, Nokia, Eli Lilly, Walmart, Boeing, Dell**, and much more. Members can access a library of resources such as articles, research, reports, infographics, webinar recordings, exclusive podcasts, events recaps, member-shared program examples, Global Ethics Summit session videos, a member roster of contacts and mentors, and more at:

<http://bela.ethisphere.com/>

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Sounding Off On The Global Ethics Summit: What Leaders Are Saying?



"The Global Ethics Summit consistently delivers a diverse and experienced group of prestigious speakers and attendees across all industries. Last year, I came away feeling energized and inspired by the people that I met and also the programs I attended, with a very long list of ideas and action items to put into practice at Leidos."

Michele Brown

SVP, Chief Ethics and Compliance
Officer and Deputy General Counsel, Leidos



"The Global Ethics Summit is so timely. The staff has done a fantastic job at looking at trends and seeing not only what's happening today but what's happening tomorrow and finding world-class experts to speak very granularly on the subjects, and we leave the conversations with actionable insights."

David A. Golden

Senior Vice President, Chief Legal & Sustainability Officer,
and Corporate Secretary, Eastman Chemical Company



"The expectations from the Global Ethics Summit, for me, are benchmarking, networking, and learning. When I first walked into the conference room on Day 1, as soon as I opened the door, the first person speaking is a former colleague of mine who I have stayed in touch with over the years, and to me that's a great sign of what is expected over the next few days."

Glenn Leon

Senior Vice President and Deputy General Counsel, Chief
Ethics & Compliance Officer, Hewlett Packard Enterprise



"The Summit provides a great opportunity to connect with peers and to learn best practices. Each time I have attended I have learned something new and come away with some fresh thinking about how to evolve our ethics and compliance program."

Patrick Rowe

Deputy General Counsel, Accenture

**Join us in NYC, March 13-14, 2019 for the
11th Annual Global Ethics Summit!
BELA members are offered complimentary registration.
Save \$700 and register today.**