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 the quarterly Ethisphere Magazine and hosts ethics summits worldwide.

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SPECIAL EDITION

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Dear Readers,

Ethisphere is excited to partner with the Dell team to present this special edition of Ethisphere Magazine, an issue which focuses on how leaders in roles across an organization can work in concert to create a strong global culture of ethics. The following pages feature contributions from some of Dell’s most vibrant and dedicated leaders, including those involved in procurement, compliance, business development and other roles, showcasing what they’re doing – and what Dell is doing more broadly as one global organization – to ensure that integrity permeates all interactions and relationships with customers, employees, partners and other stakeholders to the company.

We were excited to work with Dell on this project to highlight how Dell sets the right expectations with its third parties and remains committed to earning the trust of its stakeholders. That is just one reason Dell has earned the recognition of being one of the World’s Most Ethical Companies (“WME”). The WME recognition honors companies that go above and beyond when it comes to creating a strong global culture of ethics, and those that understand the importance of ethics and integrity in not only the benefits they create via relationships with stakeholders (customers, employees, suppliers, etc.), but also the benefits that ethics and integrity create to a company’s performance and growth.

In addition to being the organization that assigns the WME recognition, Ethisphere also works through our Business Ethics Leadership Alliance to ensure that the best companies are sharing their practices and programs with other companies around the world and helping to lift the bar globally. With this special edition of Ethisphere Magazine, Dell, a BELA leader, is doing just that: sharing the insight and knowledge on creating an ethical culture from within the company with others.

You will see throughout this issue that not only have we included insight from key Dell executives, but we have also published data that we have collected as part of the World’s Most Ethical Companies process, showcasing some of the areas in which Dell excels relative to its peers.

We hope that you enjoy the insight provided here and that it’s useful to understand how a leading company like Dell works hard, across functions, to ensure that ethics and integrity are woven throughout the entirety of the global operations.


Erica Salmon Byrne
EVP, Governance and Compliance and Executive Director, Business Ethics Leadership Alliance
Ethisphere

At Dell Technologies, doing business the right way is the only way. Ethics and integrity are the foundation of our customer relationships, team member engagement, corporate citizenship and, ultimately, of our success.

Michael Dell
Chairman & CEO
Dell Technologies
Integrity and Compliance: Dell’s Recipe for Building Trust

Written by Mark Pringle

If you combine robust compliance standards with a healthy culture of ethics and integrity, good things will surely follow. At Dell, what matters most is earning the trust of the customers with whom we do business. After all, winning at business isn’t winning if it’s not done the right way. In the following article, Dell’s Mark Pringle highlights Dell’s transparent world and why it stands apart from its peers.

Over my 13 years, Dell has always been a wonderful company to work for. The leadership team has done a great job of figuring out how to win at business and also build the right relationship with customers. Creating a high performing business like this involves creating strong performing individual teams, operating at a high level, with integrity in everything we do. This is how we approach our supply chain processes and we are recognized as one of the global leaders in supply chain practices as a result.

What satisfies most in my role is how we drive core values throughout our supply chain and ensure suppliers are operating with a high level of integrity. Ultimately, it comes down to trust: you can really drive those internal core values when you and your suppliers have a strong relationship built on trust. This can be demonstrated by the level of dialogue and engagement in place through supplier days, regional roundtables and capability building training sessions amongst other things. If you build that trust, you will build strong partners in the supply chain and be successful.

To accomplish this, our top values are driven down from our leadership team. Integrity is one of those key top values. That’s the foundation of the kind of company you’d want to work for and Michael Dell has consistently driven that message.

Maintaining compliance

There are two components on the role of compliance in the supply chain: onboarding new suppliers and ongoing monitoring once a business relationship has been established. As part of onboarding, we review areas such as corruption risk, information privacy security agreements, the type of contract that is required, the financial liability of the company and...
more to make sure the company is on par with Dell’s standards.

Vetting suppliers properly at the beginning helps manage risk going forward. Compliance then walks through the ongoing process known as Supplier Compliance Oversight Process. We vet at least 15% of our supply base for privacy and security risk on an annual basis. We’ll perform over 400 facility audits in 2016, out of a base of around 500 suppliers assessing sustainability and social environmental responsibility. Dell distinguishes itself with the breadth of topics it covers. See Figure 1. We work closely with our Chief Ethics and Compliance Officer, Mike McLaughlin, and the entire ethics and compliance team, as well as Dale Skivington on the privacy and security side of the table. Moreover, we work extensively with the legal function on establishing the supplier principles, supplier contracts and inserting the appropriate language into third party contracts as well as ensuring we always stay ahead of the curve.

Dell is an industry leader in terms of the number of audits we perform on our suppliers. We conduct, on average, 100 audits per quarter, half of which are full-scale initial audits in a 2-year cycle. These audits are not just assessing risks or finding areas of non-compliance: they keep raising the capability of our partners on a range of issues across the supply chain. When we find an issue, we are very aggressive in ensuring it is followed up and closed out. Some of which are non-negotiable, such as ethics and integrity matters, but in other cases we can work with our suppliers to build capability (we’ll be training 500-plus supplier representatives from different facilities this year, up from 373 participants last year).

Progress is enabled through a full governance structure, overseen by the Social Environmental Responsibility (SER) Executive Review Board, which has representation from across the supply chain. At more local levels, we have a network of Champions, made-up of team members in procurement functions, to tackle issues of critical importance such as building supplier capability, performance compliance and regulatory requirements.

Building trust

Suppliers understand that we need to assess capability, strategic potential, technology roadmaps, cost structures, ethical behavior and so forth because we owe it to our supply chain partners and to our customers that everything is done with a high level of integrity.

When ensuring our suppliers are operating in the right way with respect to social environmental responsibility, labor laws, supplier engagement and onboarding, it all comes back to being honest and transparent with them – both in terms of our expectations, and ensuring we have the information we need to understand their operations. These are the ingredients that establish trust.

The Supplier Principles are critical to this transparency, helping our suppliers and customers easily understand our expectations. For this reason, they are clear, concise and accessible via the company website.

Turning these values into actionable behaviors can be seen in our Vulnerable Workers Policy. This policy ensures populations such as dispatch, student, or young workers receive the highest level of protection, through specific provisions, including ensuring recruitment fees or confiscation of identity documents are banned, contracts are in the native languages of workers and the cost of transportation for migrant workers is paid by the supplier. Linking such actions to our values help ensure they are shared and developed, progressing from a compliance-based relations towards relationships built on trust.

Demonstrating transparency

As one of the World’s Most Ethical Companies®, one of our 2020 Legacy of Good Plan goals is to drive 100% transparency. Transparency means that our customers can trust that we are engaged with our suppliers that their products are being manufactured in the most responsible way.

Our drive to transparency has been recognized by the Institute of Public and Environmental Affairs (IPE) Green Choice Alliance’s Corporate Information Transparency Index where we rank #2, among technology companies. We have opened this transparency to our customers, to let them see our supply chain for themselves. We offered two events last year, with several more organized this year.

As well as our own commitments, we are prepared to take a leadership position in addressing critical challenges of the electronic industry. Dell is one of the founding members of the Electronic Industry Citizenship Coalition (“EICC”). The EICC is a terrific organization, focused on labor, human rights, health, safety, ethics, the environment, proper management systems and much more. In my opinion, it’s absolutely essential because it sets the right standards, whether in the US or abroad, and helps send the right message across our organization and throughout the whole technology industry.

For common issues, improvements can come through collaborating together. In the case of working hours, dialogue vehicles have been set up to maintain focus and tackle exacerbating factors, in addition to global standards. We have weekly monitoring on working hours for 116 facilities and 185,500 workers, to ensure compliance with EICC standards and/or local law which is publicly available. There are similar approaches to other areas of commonality to ultimately help lift the industry at large.

This commitment to transparency, alongside our efforts to build trusted relationships with our stakeholders, are at the heart of our work to maintain a socially and environmentally responsible and sustainable supply chain. The value created extends beyond the supply chain to our customers, who have better visibility and reassurance on their products, in addition to numerous sustainability benefits we are delivering under our entire Legacy of Good program. It’s this unique combination that really differentiates Dell from other organizations.

Expert Biography

Mark Pringle is Senior Vice President of Dell’s Global Operations organization in which he is responsible for Dell’s market commodity spend, indirect spend, as well as its supplier diversity; social and environmental responsibility program and process, tools and governance initiatives for procurement. Under his leadership, the teams evaluate data and processes, plan for future trends, drive sourcing and purchasing strategies and mitigate risk, applying these to all areas of finance and operations with ethics and integrity.
We want to continue to create an environment that is highly attractive for our partners. It's about creating a differentiated value proposition and opportunity through engagement, our strong programs and our robust product portfolio. A great commitment has been made to work jointly with our partner community. As such, a primary goal of Dell EMC is to offer our partners the clarity and predictability they require to engage and invest. This transparent process continues to add above market growth by complimenting the direct resources and coverage that are already being deployed inside Dell.

We challenge ourselves to provide a simple, predictable and profitable framework for our partners to enjoy. To me, success is knowing that our partners are enjoying a good return on their investment and that we are competing and reaching a broader part of the market than we could otherwise. Everybody is seeking to rationalize and narrow the scope of the numbers of partners and vendors they do business with. The broader our portfolio and the more innovative and leading role Dell EMC takes in the marketplace, the more attractive an entity Dell EMC becomes for our potential business partners. We want to continue to be a leader, differentiate around our programs and profitability and we want to grow faster than our competition.

The breadth of the portfolio is certainly a differentiator as is the level of innovation. While we have a business that is at-scale and growing considerably in the channel and partner ecosystem, we are still somewhat underpenetrated and underrepresented in the overall share of the partner community which represents an area of growth opportunity for Dell and its partners. When business partners look at where they have the most potential for growth in terms of engagement and representative share within the community as well as the products with which they can go compete, Dell EMC offers an attractive alternative for them to continue to team with.

One of the tenets is to be open and available to the organizations in the partner community. Whether it’s through practices, resources or capabilities, Dell makes the effort to extend them to the partner community as well. When we
look at “how” we win our business. Dell’s Code of Conduct and the level of rigor and training and communication that we utilize internally are all important pieces of the puzzle and we have applied these best practices externally to our partners. It’s very important that we promote a culture of ethics and integrity. You will often hear Michael Dell state that we are a company with big ears. We are extremely customer and partner focused and we actively listen to feedback and input from customers and partners as we develop products or evolve our programs. We have routine partner advisory councils and opportunities to communicate via industry events. The frequent bi-directional feedback loops create opportunities for dialogue. This offers the chance to set the tone regarding expectations while also collecting feedback from customers and partners. If there are lessons learned, they are shared in a collaborative way so we can continue to raise the bar as an organization and lift the standards that exist.

One of the added values of being a privately run company is that it liberates us from having the artificial corporate pressure that exists on Wall Street. We have quarterly objectives and targets but it’s never acceptable to compromise values and integrity. We want to make sure that we do business the right way. After all, we are invested for the long term.

**Promoting Ethics and Integrity**

There is a very strong tone at the top, starting with Michael Dell. He is actively engaged and has ingrained integrity and ethics throughout the organization. All levels of management cascade the same positive message throughout the company. We have an internal survey called “Tell Dell.” It is offered to each manager and employee within the company and each manager is measured by his or her subordinate(s) and peers. Once again, it’s all about creating an atmosphere of openness and transparency.

As an organization, we also review headline stories in the news and internalize them to assess the lessons learned and to ensure that Dell EMC, as well its partners and customers, are protected from the same type of mistakes. Each year, every employee completes the business code of conduct ethics training. There is a sense of pride internally that goes along with knowing that we are doing things the right way. As such, employees are not afraid to raise their hand if they see something that doesn’t appear quite right.

**Doing Things “The Right Way”**

Working with a company like Dell EMC, a very trustworthy, honest and respectful organization, means that partners are held to the same high standards. As a customer, everyone wants to know that they are dealing with honest and trustworthy organizations that will ultimately do the right thing. Dell EMC is very competitive at heart but we want to win the right way and that’s what we are all about. Operating with integrity as we do is one less worry for our customers and partners and it’s an advantage as they look to align themselves with a high integrity company.

Consistency is something that we really aim to strive for. We are always looking at evolving our programs, creating unique incentive opportunities and developing new engagement strategies, but above all else we maintain a promise to our partners that we will always give them ample opportunity in advance of making any changes to give them time to prepare and adjust strategies so they are never faced with a sudden surprise.

The relationship with our partners is very much a collaborative one. We continue to listen to advisory council forums, we deliver against our promises and we course correct when we receive feedback. This offers a more competitive advantage and we will continue to do that to honor our commitment.

**Author Biography**

Cheryl Cook leads Global Channel Marketing for Dell EMC. As Vice President of Global Channel Marketing, she is responsible for branding, channel events communication, MDF program execution and partner planning and experience.

Prior to this role, Cheryl served as Vice President of Global Channels & Alliances, leading channel strategy for the company worldwide. Her responsibilities included setting the partner strategy company-wide, channel programs, training, certification and global marketing programs that enable partners to grow their business with Dell.
For those born in any year that starts with “19”, there is a vague memory of the days when the theft of personal information meant a physical robbery, in which private information was taken from a metal file cabinet in the corner of the room. At that time, the term “cybercrime” was something confined only to movies. After all, until recent years the idea of one’s entire personal identity being taken by a criminal from half way across the world was something unperceivable outside of science fiction.

Now the best companies are proactively developing cyber security practices at the highest levels of the organization, and using those programs to ensure business processes are uninterrupted and stakeholders are firmly protected.

“The industry is starting to recognize the necessity of stronger security programs,” said Alan Daines, CISO, Dell. “While we have different tools and technologies deployed to ensure our employees continue to make the right decisions—nothing is perfect. We do, however, have information about security available through ongoing education and awareness. And, together with our ethics program, we use these programs to drive a strong ethical culture that cascades throughout the entire organization.”

This proactive approach to cyber security is critical. No matter how you dice it, global companies have extraordinary risk landscapes in the cyber realm. From the dark corners of supply chains to dynamic business models, mobilized workforces and digitized information—all of which create opportunities for critical information to fall into the wrong hands.

“Cybersecurity threats know no boundaries,” said Mary Jo White, SEC Chairwoman, in a statement. “That’s why assessing the readiness of market participants and providing investors with information on how to better protect their online investment accounts from cyber threats has been and will continue to be an important focus of the SEC.”

New reports of cyber crimes underscore how damaging this activity can be. In late September, Yahoo confirmed a massive data breach “associated with at least 500 million user accounts”. In a statement, the search engine giant said that names, telephone numbers, date of birth and email addresses of users were in the hands of hackers.

In 2013 and 2014 a hacking scandal at Target and Home Depot broke and it triggered a domino effect. Not only was credit card information compromised for over 40 million Target shoppers but some large banks were forced to reimburse customers who lost money as a result of the breach. The banks, which service MasterCard, filed a class action lawsuit against Target in 2015 after rejecting an earlier $19 million deal. Prior to that, in August, Target settled with Visa for $67 million over the data hack.
Not too long after those retailers’ security breaches, health insurer Anthem disclosed one of the largest data breaches in healthcare history. This time, however, the hackers gained more: names, dates of birth, Social Security numbers, home addresses and other personal information. All told, nearly 80 million current and former members and employees of the company were affected by the breach. As a result of this activity, companies have realized that cybercriminals could strike at any time and have turned to the Chief Information Security Officer for help.

The way companies manage volumes of data is changing every day. Amid the onslaught of cyber breaches, regulators have stepped in. The Securities and Exchange Commission issued new guidance last year to help companies recover and demonstrate reasonable cyber-risk management. The guidance urges publicly traded companies to discuss cyber risks and disclose data breaches in public filings. Moreover, in October, Democratic Senator Mark Warner asked the SEC to investigate whether Yahoo and its senior executives fulfilled obligations to inform investors and the public about the hack attack that compromised critical user information. In a letter to the SEC Chairwoman, Warner said, “Disclosure is the founding principle of securities laws, and public companies are required to disclose material events that shareholders should know about.”

Keeping up with the ever-changing role of the CISO

In September, the White House named its first Federal Chief Information Officer, who will “lead a team that conducts periodic cyber stat reviews with federal agencies to ensure that implementation plans are effective and achieve the desired outcomes.”

Regulators have also acknowledged that the largest threats come from information housed within the private sector. At Ethisphere’s 2016 Global Ethics Summit, for example, John Riggi, Section Chief, Cyber Crimes Division, Federal Bureau of Investigation said, “The reality is that a vast majority of the intelligence and evidence related to cyber threats lies on private networks.” He went on to add that “most companies in the United States face different types of adversaries, including criminal organizations, who are mainly financially motivated.”

To face these challenges, Daines, who has been at Dell for almost 17 years, believes that real, substantive progress happens when the spotlight is on where the risks exist and how significant they are across the business. “My role has evolved over the past couple of years as we sit in different groups and as part of that it became significantly more relevant across Dell. What’s interesting is how my role evolved from reporting to the CIO to the General Counsel as well—it gives us additional teeth,” Daines said. “Even though we have a lot of technologists at the company, we ensure that our employees know that they cannot opt-in or opt-out of security—it is mandatory in all parts of the organization.”

Protecting Dell’s confidential information across its customers, partners, suppliers and key stakeholders continues to be one of the company’s top priorities. To help Dell team members thoroughly understand and consistently implement the tenets of its privacy policy, the tech company recently expanded its programs and reinforced expectations around data protection and cyber security.

Communication is part of Dell’s internal cybersecurity program

Most importantly, and because of the rapidly evolving nature of cyber risks, Daines points out that companies need to effectively educate their workforce and broader stakeholders on what the risks are and what all employees can do to help mitigate them.

“Without a rigid internal structure, there’s ultimately no strategy,” said Daines. “Your security program must have the appropriate visibility across the organization—employees need to know that we are available and that there are clearly defined policies and standards that should be met.”

To accomplish this, Dell has built a thorough communication campaign across its stakeholders. For example, last year Dell held a deep-dive program to further educate its cyber, privacy, and security employees on emerging cyber trends. This year Dell also conducted a half-day forum for executive leaders in the business to ensure they understood their role in protecting Dell’s infrastructure, products and, most importantly—customer information.

Additionally, several interactive security fairs were held at Dell sites around the world, which helped thousands of the company’s team members gain increased awareness of proper data classification standards and effective methods for securing laptops, phones and workspaces. The computer maker also enhanced its Privacy Impact Assessments—tools used to build compliance into Dell products—adding more criteria about data collection and usage.

During this workshop, best practices were shared by key leaders and the Global Audit and Transformation team, along with insights from a current channel partner. The Global Audit and Transformation team also performed 55 audits with channel partners and marketing agents, which goes beyond the industry standard.

“Managing cyber risks is a never-ending task, as the number of threats continues to expand,” said Daines. “The trick is finding the right mix of tools, technology, policy, and training to help protect the company and secure our data while not interfering with our business ability to operate at a high level.”

Expert Biography

Alan Daines serves as Vice President and Chief Information Security Officer of Dell’s Cybersecurity organization. Alan’s team empowers the business by managing risk, maintaining compliance and securing the enterprise environment. Dell Cybersecurity is a major contributor to the successful execution of Dell’s strategic objectives. Most recently Alan has been responsible for bringing together Dell and EMC’s Security organizations as part of the largest tech acquisition in history.
Dale E. Skivington Shares How a Collaborative Approach to Compliance Fuels Success

Written by Dale E. Skivington

As an organization, Dell’s highly collaborative approach to compliance has proved to be effective on a number of levels. The company’s Compliance-by-Design process has proven to be a catalyst for growth and success. Dell’s senior leaders, including those from each key business function, have assessed key organizational and compliance risks, established priorities, built in controls and created an environment that is overwhelmingly positive for both the organization and its stakeholders.
Dell is consistently focused and engaged internally and externally on key topics that are of great importance to our customers.

As a result, Dell’s broader ecosystem including our customers, suppliers and partners can rest assured that compliance at Dell is not simply an added bolt-on. Rather, it is a living and breathing program that is baked into everything we do across the entire company.

Compliance-by-Design

In order to create cohesion across the company, Dell believes in a ‘Compliance-by-Design’ approach. The premise is that organizations need to embed controls into their commercialization processes and IT structure to mitigate any potential risks that may arise. To accomplish this, my team engages with the business very early on. Through that, we can determine if data is being used consistently throughout the business with how our customers would expect it to be used. Consequently, as a component of our business process, a member of my privacy team can ensure that we are respecting our employees’ and customers’ expectations when it comes to their personal information. Throughout the process, we are dedicated to maintaining best in class privacy practices.

One of the advantages of a Compliance-by-Design approach is the collaboration that it fosters across the organization. Because we collaborate as a matter of course, we can leverage best practices from across the technology industry while avoiding redundant policies, controls and practices that would be disruptive to the business and our vendors, suppliers and customers. As a result, the compliance function at Dell not only helps to manage potential risks but also serves as a way to empower the broader business and its partners.

Another benefit of a Compliance-by-Design structure involves the way we communicate across the company. We are afforded the opportunity to discuss compliance in the context of standard business processes. This fosters a better understanding of the issues at hand and a more common understanding of what those minimum expectations should be. In addition, by being in close collaboration with the business when we have these discussions about controls, we can better understand what the business objective is. An example is our Leading from the Front training where we used the sales cycle as our vehicle for highlighting compliance issues that arise and did so using the same training resources used by the sales organization.

Ethics and integrity

At Dell, ethics and integrity form the core of our business operations. This is true not just internally but also in the organization’s broader ecosystem including our employees as well as our distributors, channel partners and suppliers.

To ensure that this is driven across our standard processes, the Compliance and Ethics teams need to be connected to the businesses. Our senior leaders regularly provide the feedback regarding the work we are doing because they are aware of the risks that the team is managing and the impact we can have in streamlining business functions while we build in compliance. They know how critically important it is for our customers and employees to understand that as Dell continues to innovate and provide new services, we do so in a way that is consistent with our values and with a focus on integrity.

As an example of our leadership’s engagement in the Compliance-by-Design approach, Dell has a governance structure in which senior leadership form a council that monitors the risks that the Compliance team manages closely, and can assess how well we are doing in terms of meeting challenges that might have been identified in the risk assessment process – as well as risks our industry faces more broadly.

We are also really fortunate to have as part of the Ethics and Compliance team a group called the Strategic Programs Office. This is a group of extremely skilled communicators, strategists and trainers who help management get the message out in new and innovative ways to our various stakeholders around the world. We are very lucky to have the platforms that leadership has provided us, such as getting the SVPs together on calls so we can present material in engaging and innovative ways.

As a result of these efforts and more, we are very proud to be one of the World’s Most Ethical Companies. That designation means a lot to our employees and customers. Dell is a highly innovative organization and we will continue to meet a constantly higher bar for our customers and our stakeholders every year. We are passionate leaders in technology, but doing it the right way is just as important. Our approach to integrity and compliance is an aspect that truly sets us apart. After all, we owe that level of commitment to our customers who have come to appreciate and expect it.

Author Biography

Dale E. Skivington is the Vice President of Global Compliance and Privacy at Dell Inc. She also serves as Dell’s Chief Privacy Officer.

Dale is a former Assistant General Counsel at Kodak and its first Chief Privacy Officer. She chaired the New York State Business Council’s Labor and Human Resources committee, served on the New York Governor’s Task Force on Independent Contractors and the Governor’s Task Force on Sexual Harassment, and was a founding Board Member and Officer of the International Association of Privacy Professionals.
In this feature story, Michael McLaughlin, SVP, Chief Ethics and Compliance Officer at Dell EMC, takes us inside the company where integrity is top of mind. Through creative measures and constant innovation, the future is looking very bright for this technology leader.

The following pages take us through Dell EMC’s dynamic ethics and compliance program and the culture of integrity that is lived and breathed throughout the entire organization. Whether it’s the voice of CEO, Michael Dell, or a front line worker, the same positive sentiment of “doing the right thing” exists within the hearts and minds of the workers. Read on to learn why delivering on promises, incorporating values-based decision making and placing the needs of its stakeholders first sets Dell EMC apart from its industry peers.
First and foremost, can you tell me what you are most proud of within the ethics and compliance department and why?

We believe that our program is a living program as opposed to a paper program. When you talk to various experts in the field, like Chuck Duross who was the former Deputy Chief of Fraud in the U.S. Department of Justice, the first thing that is evaluated is whether or not a program is just a set of rules on a piece of paper or is truly living and breathing in the business and regions. At Dell, ethics and compliance personnel are partners with the business and our practices are embedded in the business. Our team is dispersed throughout the globe, with a particular focus on the most risky countries, such as those high on the corruption index, etc. We have a presence in India, China, Brazil and the Middle East and we have a very symbiotic relationship with the leaders there. For example, in India, our ethics head sits on the India leadership team. They look to her for advice on key issues. The same is true for Latin America where our team is included in key decisions. And just as importantly, our business leaders are in the ethics business. Our leaders of India, China and Latin America sit on local ethics councils that they not only have created without a mandate, but also chair. We are just another member of the council, along with all local business leadership, and help contribute to the discussion and solutions on a regular basis.

Most of our executive leaders attend key events that our team sponsors throughout the year. Dell EMC World is a great example. Last year, we had a ton of Dell senior leaders stopping by a booth that is dedicated to Ethics & Compliance to talk about our issues. Customers, channel partners and OEMs all stopped by with Dell leaders to tell us how proud they are that these topics are highlighted at an event that is traditionally about technical solutions. We also hosted a breakfast at the opening of Dell’s Worldwide Leadership Meeting last March. During this meeting Dell’s top leaders come to Austin, Texas to talk about the business and our customers. Our hour long breakfast meeting, held the morning of the event, focused on compliance and enforcement. Chuck Duross spoke and I spoke as well, but most importantly we had several top VPs in the business talk about their efforts to focus on compliance and integrity in our partner and supplier ecosystem. It’s amazing when our culture is such that we can send out an invitation to talk about compliance and roughly 80% of the leaders respond that they would like to attend. Our leaders go external too - our leader of Brazil even spoke on these topics at an Ethisphere event last summer!

What I am most proud of is that our programs live and breathe in the hearts and minds of the senior leadership and it’s not just a paper program. It’s real, we have their attention and in our business that is the most important thing. Dell is joined in this kind of leading practice by the majority of WME companies. See Figure 1.

How do you define success within your role, especially as it relates to the ethics/culture of Dell?

Success is when we have business leaders who hear our message and proactively engage with their teams on E&C topics. When you engage sales leaders, success is having them embrace E&C as a key business partner. It’s a big company very dispersed so getting to everyone’s hearts and minds is a goal we will follow for some time.

LEADING WITH INTEGRITY

In this interview, Michael McLaughlin shares insight into Dell’s ethics and compliance program where integrity reigns. It’s about doing more than talking the talk; it’s about delivering a message that resonates. Learn how Dell’s Ethics and Compliance (E&C) function has made believers out of Dell’s employees and stakeholders by truly reaching their hearts and minds.
The way I look at our strategic goals is as follows: it’s a three step pyramid. The base of the pyramid is protection. Our programs have to help protect the company and its leaders from external exposure and I believe we do a good job of this. We go up from there and do things in a way that gives our employees a sense of pride in our values, which is the middle layer of the pyramid. For instance, when visiting emerging countries, our people care that Dell is a company that prioritizes doing the right thing and they have a sense of pride in that fact. We try hard to be good corporate citizens all over the world. And at the top of the pyramid, there is the concept of a competitive advantage. Doing things the right way can be a business differentiator.

How does the company as a whole nurture its culture of integrity and ethics?

The only way to nurture all of this is to exercise the muscle frequently. When I travel to Dell sites around the globe to talk about our programs, we focus on engaging creatively around ethics and compliance. And you innovate. We now have three ethics and compliance training modules that are game-based, and they are relevant, interesting and based on real scenarios. We have a new program, launched last year, called “Leading from the Front,” which initially has been a focused training for sales front line team members. It’s not compliance training for sales, it is sales training with a compliance flavor. It embeds compliance and integrity concepts into the sales account planning, acquisition and management cycle and strategy. We use their words, talk about their tools and engage them in a 4 hour in person session, co-facilitated (not “presented”) by both local legal counsel and a sales head, in local language. We limit the groups to 40 individuals so that there can be true interaction and enlistment. In many respects, it’s hard to distinguish this E&C course from most sales training and we score very high marks from some very tough graders.

We also have a program called, “Values-Based Decision Making” which we offer to our non-executive leaders, who are the folks that often make or break culture in a business group. It is video scenario-based with interactive cohorts, and we teach employees that decisions matter. We have key programs and we spend time reviewing them in focus groups and via survey feedback to make sure the right message is resonating. Integrity starts with our Chairman, Michael Dell, and the way he has chosen to lead this company. He consistently makes decisions that are centered around doing the right thing, as does his leadership team. Exercising that muscle is what differentiates our employee-base.

How do you partner with other key functions such as HR, Communications, the executive committee and so forth in order to help drive the ethics and compliance function?

It’s critical for us. Dell is a large company and we are a small but mighty team. We are strategically placed across the globe but there are not a ton of us. Consequently, we must leverage our partners:
cloud MAXIMIZED INTERGREAT EXCELLENT WME companies cite senior leadership presence at internal E&c meetings as key element of their program.

Source: 2016 World's Most Ethical Companies.

HR, Finance, Audit, Legal, etc. When we look at the three pillars of our organization and work priorities, we have the proactive work which is trying to impact culture positively which we discussed, we have ethics investigations involving alleged Code violations and lastly we run compliance programs. We centrally manage five programs and help facilitate the other compliance programs which sit in other parts of the company. In all three, our partners are critical to what we do. For instance, there are employee relations investigations where we would be lost without our HR team and deep Finance investigations that involve audit trails where we would be lost without our Audit team. In our compliance work, again we run 5 out of 24 programs and the other 19 are run outside, so the relationships we have make a difference in how we leverage our fantastic partners.

Lastly you mentioned HR and the culture. I believe that what we do and what HR does when it comes to leadership and culture will continue to become one. At Dell, we are starting to see this transpire. As we integrate with the EMC family of companies, we have worked closely together to engage around the company’s new “CultureCode” which defines our culture, values and how we aspire to be our best selves. It’s really critical that good leadership is good ethics. Those two have to be the same. I am very proud of the fact that in our new combined company core values and culture pillars, integrity is one of them. What I am also proud of is that when these were formed, it was a very data driven process. A survey offered employees the chance to rate what was most important, and the findings indicated that ethics and integrity was one of the top responses. In response to the question, “What do you witness the most?” ethics and integrity was rated number one. Our message is resonating with our teams because you can’t otherwise not be able to have it.

A positive motivator is reward. What is Dell doing as an organization to motivate its employees and ultimately contribute to a positive culture of integrity?

We have a recognition program and from time to time have offered an ethics champion award to employees who have done something outstanding to promote the cause. We more recently created a program called “How I Win” in which employees can recognize each other for sound ethical conduct and nominate a peer. It’s available online to employees, via our internal Chatter system, and highly leveraged.

We do a lot with third parties and have a robust program. We actually train our key third parties on essential topics and aim to recognize outstanding third parties in the future.

Is there anything important that we haven’t discussed today that you feel is important to add to the discussion?

I do think if you look at what we try to drive, our goal is to turn “obeyers” into “believers”. Of course people must obey the rules, but we also want them to believe. Whether it’s the culture and compliance videos we use, leading the front interactive sessions, the executive level summits, or just our team going out and talking to employees all over the world, stories are what resonate with people. We tell stories and place a huge emphasis on winning the hearts and minds of our employees.

The second thing we are proud of is innovation and evolution. We are constantly trying to push the needle on what is coming next in our industry. This is why the partnership with the Business Ethics Leadership Alliance (“BELA”) is so important to us. Working with BELA will certainly help all of us become better!

We are also very excited about data analytics and gamification, as several of our most important courses are now in a game-based mode as we’ve discussed. The type of feedback we receive is amazing. We even have some employees take the training twice to try to obtain a better score. Using data analytics to understand the effectiveness of our proactive efforts is also next on the horizon and we have a new set of team members poised to take that to the next level soon.

Another important consideration is how we deliver our message to millennials, who will be taking over the world one day. We are developing a program called “Ethics for Millennials.” We will explore the unique facets of that generation to learn what matters most.

What inspires you most in life?

My wife and four children are my life. I am very focused on our work and am privileged to be able to do it. The other two things that are very important to me are travel and giving back. I have a personal goal of traveling to over 100 countries. I have been to 68 and by the end of the year I hope to be over 70!

In terms of giving back, I firmly believe in pro bono work. I am the executive sponsor for Dell’s pro bono committee. I believe that it’s very important to give people access to justice who would otherwise not be able to have it.

Michael McLaughlin is SVP, Chief Ethics and Compliance Officer at Dell. Mike leads the following global functions at Dell: employment law, employment litigation, ethics, compliance, privacy and knowledge assurance.

Prior to joining Dell in 2000, Mike was at Rohm and Haas Company (now a part of Dow Chemical Company) and Morgan, Lewis and Bockius. Mike graduated summa cum laude from Washington and Lee University School of Law and clerked for the Honorable Judge James L. Latchum, United States District Court, District of Delaware.

Expert Biography
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The road to becoming one of the greenest and most sustainable companies in the tech world is not an easy one. To meet the dynamic challenges of the tech industry, top-performing companies have to develop best in class corporate social responsibility (CSR) programs that both serve to support an organization’s diverse stakeholder set, as well as support the organization’s long term goals and strategy.

At Dell, the focus remains on creating value that will pave the way for sustained long term growth and innovation. The “Dell 2020 Legacy of Good Plan” for example carefully outlines the company’s sustainable customer and societal outcomes in the coming years. Against this backdrop, the top three areas of focus for Dell are organized as follows: environment, community and people. “People are our most critical asset,” said Trisa Thompson, SVP and Chief Responsibility Officer. “Our studies repeatedly show that the more engaged an employee is with the company, the more likely he or she will stay.”

For years, volunteerism has been a vibrant part of Dell’s global culture. Team members provide year-round, dedicated service to the company’s strategic giving programs, which in turn help align volunteerism, technology donations and grants around these initiatives for maximum impact. Today, due to the ongoing commitment of employees, Dell supports more than 15,000 nonprofit organizations around the world.

In FY16, the technology giant set three major community service records. The company logged 811,000 hours of volunteer time, team members from 66 countries volunteered, and its service positively impacted 26,000 charities worldwide—the highest annual totals since Dell started tracking volunteerism in 2006. By 2020, the company anticipates having 75% of its team members volunteer 5 million hours (cumulative). These practices are embraced by forward-thinking companies around the world, as roughly 78% of the 2016 World’s Most Ethical Companies maintain an employee donation matching gift program while 85% of companies maintain programs to allow for paid time off for employee volunteers.

“People want to work for a company that encourages and supports your passion,” said Thompson. “At the same time, you create corporate responsibility strategies that avoid competition between business lines because making the communities...
better represents the passion of our employees and leaders and it should not become a competition.”

Education: A Human Right

At the core of Dell’s efforts lies education. The company believes that in an effort to make the world a better place, people and communities around the globe should have access to educational resources. Research conducted by the United Nations shows that overall one extra year of schooling increases a person’s earnings by up to 10%. About 171 million people could be lifted out of poverty if all students in low-income countries left school with basic reading skills. Moreover, a recent UNICEF report revealed that in the top 10 countries with the highest rates of children missing out on primary education, nearly 2 in every 5 children - 18 million - are out of school.

Dell’s Youth Learning initiatives address these growing concerns. The programs directly impacted more than 445,000 underserved young people in FY16 by providing them with technology and education. The US-based technology company has collaborated with 62 Youth Learning partners in 15 countries: Brazil, Canada, China, Colombia, France, India, Mexico, Morocco, Nigeria, Panama, Philippines, Singapore, South Africa, the UK and the US.

In the US, Dell has recognized that not all groups have equal access to education. Together with Arizona State University (ASU) and BSR’s Center for Technology and Sustainability, Dell helped measure the environmental and financial impact of ASU’s move to online education. The findings reveal that online learning reduces each student’s carbon footprint while adding $545,000 to their lifetime savings.

Moreover, the US is known to have the highest percentage of single parent families, which means that not everyone has direct access to education. Thompson said online education creates a platform that allows single mothers to earn a degree, further their careers and provide stronger, stable homes for their families. “We are seeing tremendous results with online education—especially for single mothers,” said Thompson. “We support these initiatives because we believe in helping others transform their lives so they can reach their full potential.”

Working with the C-Suite to Do Good

The challenge for many executives is getting members of the C-Suite to commit to corporate responsibility initiatives. At Dell, Thompson said it’s the complete opposite. “Michael Dell cares about social issues and the ethics side of the business as well. His philosophies and sense of commitment cascade throughout all levels of Dell.”

In September, Dell announced completion of the acquisition of EMC Corporation, forming the world’s largest privately-controlled tech company. Jamie Dimon, Chairman and CEO, JPMorgan Chase, weighed in on this megamerger and said as financial services continue to embrace technology to serve customers, Dell remains a top choice. “As one of the world’s biggest users of Dell and EMC, we spend approximately $9 billion a year on technology, including infrastructure as well as cloud computing, big data analytics and cybersecurity,” Dimon said in a statement. “We make sure we spend wisely and select our partners very carefully. I’ve known Michael Dell for 30 years. He’s top notch, ethical and deeply cares about everyone he works with – both internally at his company and across the industry.”

After a merger is complete, the next step is: integration. For many business leaders this is where it gets sticky. From enterprise-wide statements to aligning and transforming culture—navigating this road requires fastidious, in-the-trenches work that may cause some to lose focus on areas that really matter like corporate responsibility.

In some cases, exceeding expectations becomes easy when corporate responsibility is woven into a company’s culture. Thompson added that despite the integration priorities, Dell and EMC are still keeping employees engaged through initiatives such as planting trees during day one’s launch.

“We make sure everything gets done, and EMC have done some amazing work—as we evolve as a company it should be noted that giving and sustainability is not about one or the other—it is about seeing us in one space working together to make a difference.”

Expert Biography

Trisa Thompson is Vice President and Chief Responsibility Officer at Dell, with responsibility for Dell’s Legacy of Good program including strategic giving, sustainability, and women’s initiatives. Prior to this role, Trisa was a Vice President in Dell’s Legal Department for 12 years.

Trisa serves as a judge for the global Circular Awards with the World Economic Forum, working to increase understanding of the benefits of a circular economy. She is also on the national corporate advisory board for the American Red Cross.
Many companies have learned over the years that investing in diverse talent pools is key to long-term success. But despite the competitive advantage diversity offers, filling high-tech roles is not always easy. The senior ranks are no exception, according to PwC’s 2015 Annual Corporate Directors Survey, 71% of board directors across all industries believe there are significant impediments to increasing board diversity.

Earlier this year, the Equal Employment Opportunity Commission released a report that highlighted the lack of minorities and women in the tech industry and the fact that they are also being under-utilized. According to the report, of the people graduating from top engineering programs, about nine percent are black and Latino, but only five percent of that group are represented at tech firms, the EEOC Diversity in High Tech report found.

In another study, among young computer science and engineering graduates with bachelor’s or advanced degrees, 57 percent are white, 26 percent are Asian, eight percent are Hispanic and six percent are black, according to the most recent American Community Survey data.

Although the volume of conversation about diversity and inclusion has grown—it is really up to companies and support from regulators to make a change. In light of the staggering data on diversity provided by the EEOC, federal regulators are calling on tech companies to improve ethnic and gender diversity initiatives to drive change across the industry. At an EEOC hearing earlier this year, Kapor Capital partner Ben Jealous, a civil rights activist and former leader of the NAACP, implored the government to ‘create a national mandate’ that would require companies to interview a more diverse array of American workers for open positions.

But it is not all bad news. There are some tech companies that have made significant progress in this area in recent years by focusing on one critical element of long-term success: culture. Research shows that linking diversity to culture creates more productive and inclusive workplaces. A recent report by Fairygodboss, an online career community for women, and Artemis Connection, a consultancy that focuses on aligning strategy, revealed that participants felt that ‘diversity is a culture issue.’ The report, which surveyed over 300 US full-time working men, said that culture and fair standards are pointed to as being key to supporting women in the workplace—more so than promotions or higher pay.

“We know that a diverse and inclusive workforce is a competitive advantage,” said Karen Quintos, Executive Vice President and Chief Customer Officer, Dell. “Think about it... It’s hard to meet the...
needs of your customers if your team doesn’t reflect their diverse cultures, beliefs and experiences."

Dell’s culture encourages diversity and inclusion strategies that are built on three focus areas: creating a workplace that is inclusive of all differences, cultivating external marketplace relationships with diverse communities and organizations and growing a diverse workforce. Part of its strategy is to continually examine and adjust processes to ensure Dell team members feel listened to, understood, respected and empowered.

Through ongoing diversity initiatives, the tech giant has secured its spot on the 2016 DiversityInc Top 50 Companies for Diversity. The list assesses performance based on four areas of diversity management: Talent Pipeline; Equitable Talent Development; CEO/Leadership Commitment; and Supplier Diversity.

“We believe that, like ethics and compliance, diversity and CSR are key aspects of Dell’s culture and instrumental in building trust and loyalty with all of our most important stakeholders.”

How Dell Handles Diversity

As highlighted in Dell’s Legacy of Good Plan, recruitment is important. One of the company’s goals is to hire 25 percent of all external hires from university campuses by the end of year 2020. For this reason, Dell created undergraduate and graduate programs across the globe to shape and develop professionals’ careers.

“We’ve been really focused on diversity and inclusion at Dell for several years, but pulling it into the CCO purview signals a new, elevated view of the importance of diversity and its effect on customer relations,” added Quintos. “It’s something I’m extremely passionate about and we have some amazing programs in place.”

The Women in Search of Excellence (WISE) program at Dell, for example, was the first employee resource group at Dell, and it’s one of the largest today with more than 75 chapters and 6,800 members. Quintos, who helped launch the group several years ago said the company wanted to create a platform for women to network, learn and advance their careers at Dell. “Wise and all of the Employee Resource Groups (ERG) across Dell are instrumental in building a culture of engaged team members who are proud to work for Dell and do and be their best for our customers,” Quintos said.

The ERG programs were implemented to connect team members who share common ethnicity, gender, nationality, lifestyle or sexual orientation. They provide person-

Thought Leadership

Karen Quintos is Dell’s Chief Customer Officer where she leads a global organization solely devoted to customer advocacy. She is responsible for setting and executing a total customer experience strategy grounded in the relentless pursuit of our customers’ success. She also leads Diversity and Inclusion and Corporate Responsibility—business imperatives she is passionate about and that matter to our customers and team members around the world.

Previously at Dell, Karen served as Senior Vice President and CMO, Vice President of Public Sector Marketing and North America commercial, and held executive roles in services, support and supply chain management. Karen joined Dell in 2000 from Citigroup where she was Vice President of Global Operations and Technology.

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