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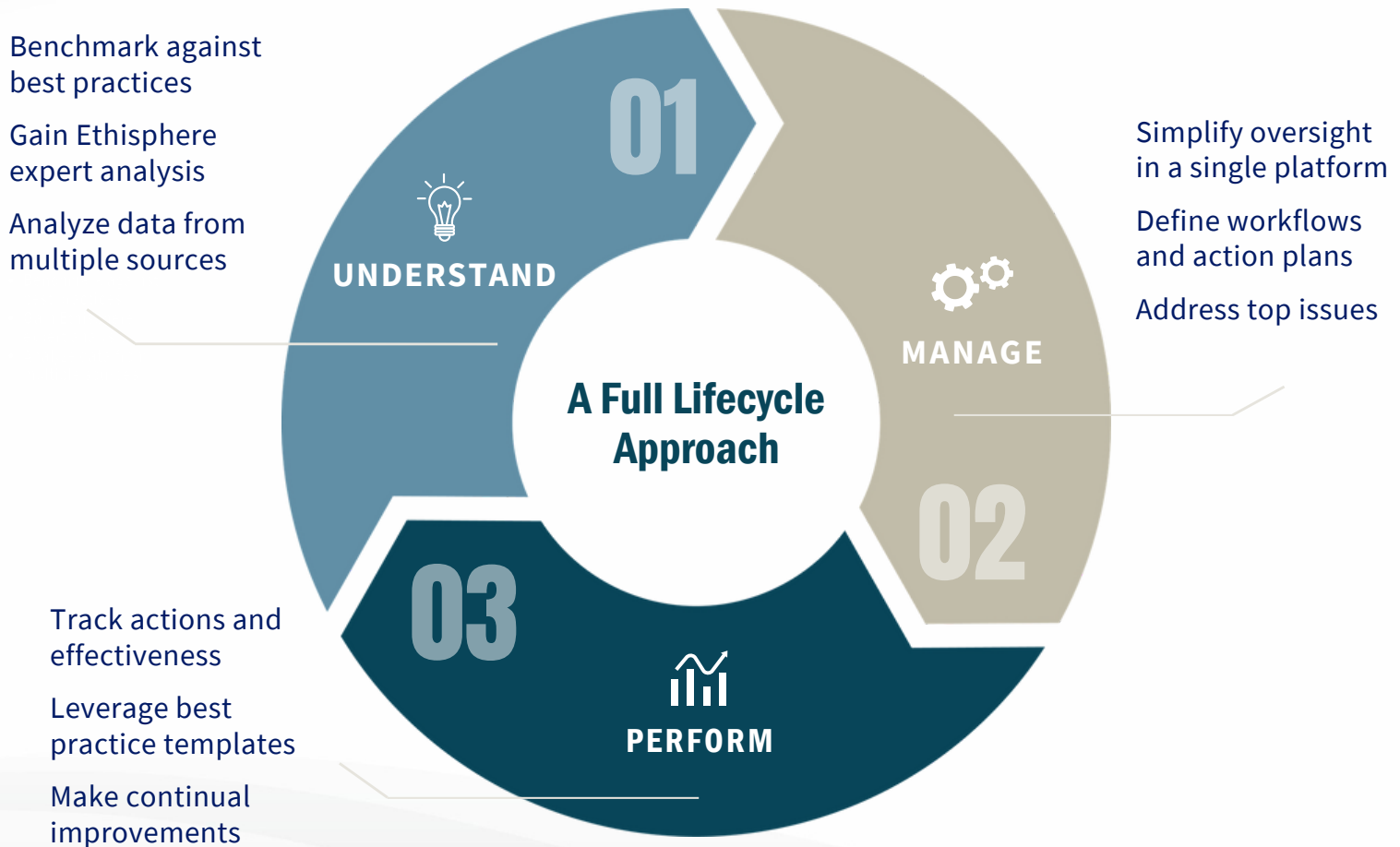
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## OUR MISSION STATEMENT

Ethisphere® 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.

*The opinions expressed in this magazine are those of the authors, not the printer, sponsoring organizations, or Ethisphere.*

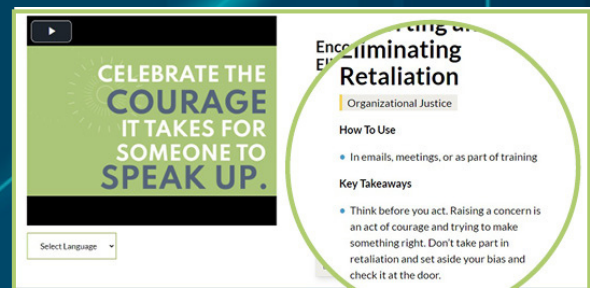
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# SPEAKING UP

LET VALUES LEAD THE WAY



In this issue, we are delighted to present the list of the 2022 World's Most Ethical Companies®. At a time when there are so many challenges in the world, Ethisphere has honored 136 companies that exemplify what it means to lead with values, embrace transparency, use their reach around the globe to make a positive impact.

Perhaps the most compelling thing about this year's honorees is the degree to which they prove Ethisphere's conviction that good ethics is good business. The 2022 Ethics Premium—the spread by which the World's Most Ethical Companies outperform comparable large cap companies—hit an all-time high of 26.7 percentage points. This is no fluke. As Environmental, Social, and Governance (ESG) programs have finally achieved broad awareness and acceptance, we see that truly ethical companies have long been moving in this direction already. Now, more than ever, they are seeing the rewards that come with putting employees, stakeholders, community, and society alongside shareholder returns.

A significant component of ESG is Diversity, Equity, and Inclusion (DEI), and we have some encouraging data there, as well. For the first time, over 30 percent of Honoree board seats are held by women or gender non-conforming directors. Not only that, 53 percent of Honorees report between 30-45 percent of their board seats held by gender-diverse directors, and another 18 percent report that their boards are at or past gender parity. In comparison, in 2021, the Russell 5000 reported only 24.3 of board seats were held by non-male directors. Meanwhile, 87 percent of our Honorees are now tracking racial and ethnic diversity among directors, part of a swiftly growing trend that connects DEI and ESG and requires top leadership to provide hard numbers to show their progress.

Even though there is still plenty of progress yet to be made, these numbers are an exciting glimpse of better things to come. After all, this is an age of enhanced accountability, and people don't just expect platitudes from business leaders. They expect results that go beyond earnings and actually make a difference in creating a better society for everyone. What people really want to see—and what we respect most—is action.

That is why we at Ethisphere watch, score, and celebrate those companies that are making real, measurable progress to doing good: so that the companies that are exemplifying what good looks like can provide an example for others to follow. None of this is easy. But when companies dedicate themselves to building long-term integrity, sustainability, and accountability, the results speak for themselves.

These fraught times call for strong, values-based leadership. But you can't fake integrity, and you can't pull it out of thin air. You have to work hard at making sure your values can withstand the pressures and complexities of doing business in the real world.

The honorees in the World's Most Ethical Companies list do just that. After all, strategies come and go, and business priorities change. But values are constant because they reflect the best versions of ourselves, and they show the way forward through even the most complex challenges. And right now, that matters more than ever.

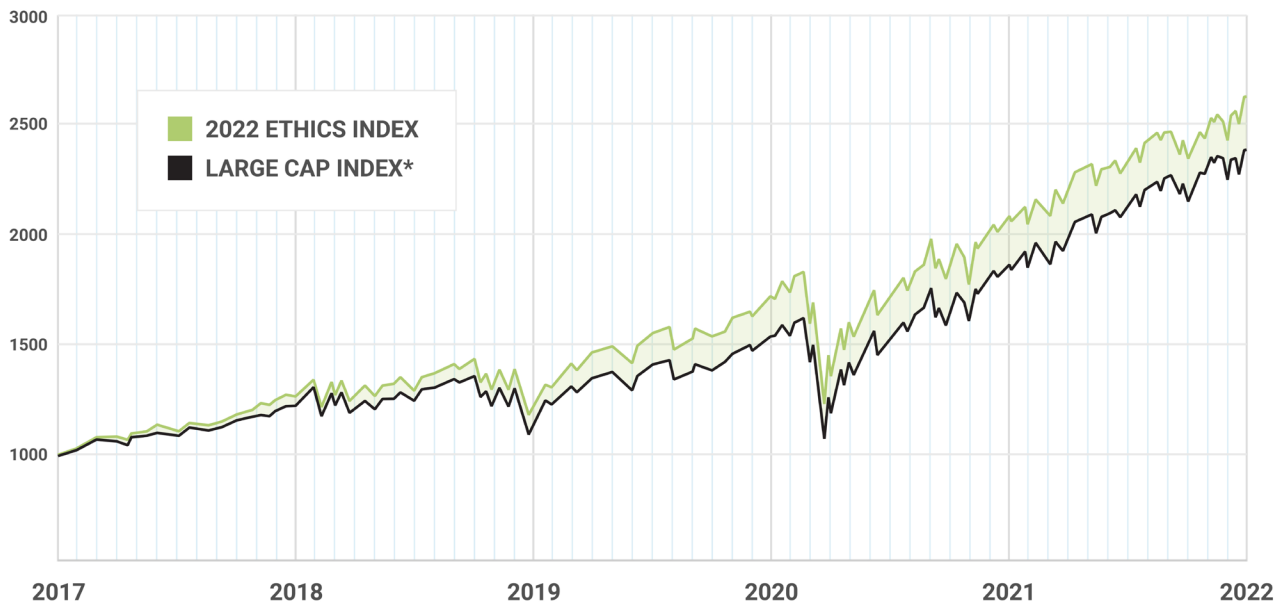
Tim Erblich, CEO, Ethisphere

## FIVE-YEAR ETHICS PREMIUM: 24.6%

According to Ethisphere's Ethics Index, the listed 2022 World's Most Ethical Companies honorees outperformed a comparable index of large cap companies by 24.6 percentage points from January 2017 to January 2022.

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\*Solactive US Large Cap Index (GTR)



## BY THE NUMBERS

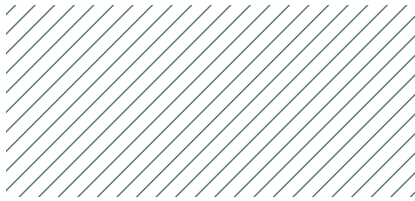
### The World's Most Ethical Companies®: 2022 Data and Trends

Douglas Allen, Vice President, Data Strategy

With each passing of our annual World's Most Ethical Companies® announcement, we are asked by participants and members of our community for the latest analysis of what the best companies are doing. Here—and throughout the year across all of our media and content platforms—we will be sharing insights gathered and lessons learned from this year's class of honorees.

#### How Ethisphere Evaluates Companies

Grounded in Ethisphere's proprietary Ethics Quotient®, the World's Most Ethical Companies assessment process includes more than 200 data points on culture; environmental and social practices; ethics and compliance activities; governance; diversity, equity, and inclusion; and initiatives that support a strong value chain. The process serves as an operating framework to capture and codify the leading practices of organizations across industries and around the globe.



In addition to completing the Ethics Quotient assessment, applicants are asked to submit documentation to provide evidence of certain aspects of their efforts. These materials are used to assess general program maturity and effectiveness, and include written standards; examples of employee training and communications; examples of impact-related reporting (such as ESG, CSR, Sustainability, or Social Responsibility disclosures); commitment to respecting human rights in the management of your business; and more.

Results from the Ethics Quotient survey are reviewed alongside an evaluation of elements of the program as evidenced through the documentation submitted. Ethisphere's assessment team then conducts a review of publicly available information with a bearing on an organization's reputation for acting ethically (e.g., public filings, regulatory activity, media review). These inputs are weighted, tallied, and a final assessment score is presented.

An organization's final Ethics Quotient score is evaluated relative to those of its

peers within the context of its structure, size, and operating environment. Those organizations demonstrating the strongest application across our methodology receive the designation of being one of the World's Most Ethical Companies. As applicant organizations come from a variety of industries with significant differences in regulatory and operating environments, the overall EQ score is used to understand an organization's performance in context of similar organizations, not to set a floor. However, reputation and legal issues are carefully evaluated. Receiving a materially deficient score in the category of Leadership and Reputation will prevent an organization from being selected as one of the World's Most Ethical Companies.

### An Evolutionary Process

The methodology underpinning the World's Most Ethical Companies program is not static. Each year, adjustments are made to how and what we measure. These changes come from observing new leading-edge programs and practices from the best companies around the world; feedback from previous participants and Ethisphere's broader community of engaged organizations; changes in regulatory guidance; along with input from academics, professionals, subject matter experts, and leading thinkers.

The resulting program is one that grows and develops in tandem with the companies that remain engaged with the process. Together, we strive to create a rising tide for all boats

through improvement, recognition, and most importantly, community.

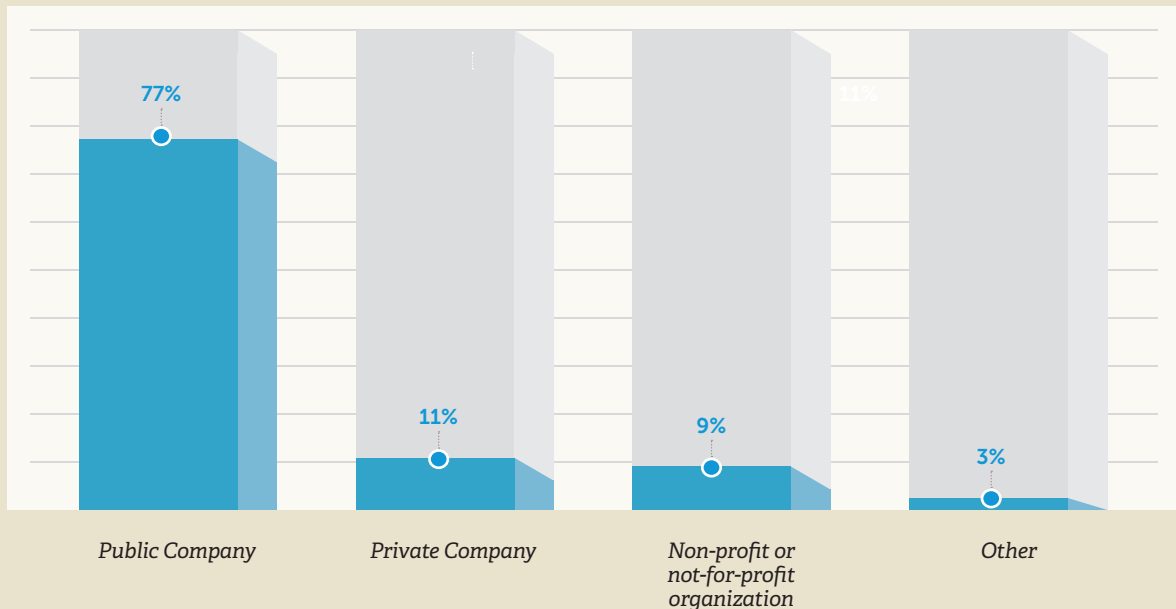
For the 2022 application year, the evaluation was updated to include questions inquiring about programmatic changes made in response to the continuing COVID-19 pandemic. It also included a new area around risk assessment, to better address the U.S. Department of Justice's recent focus on effectiveness of a company's risk assessment efforts. There were more detailed questions around key impact assessment processes. And there were a range of other updates to reflect the evolving landscape as it relates to those in ethics, compliance, and governance.

### About the Data

What follows are a set of key trends and insights observed among the organizations recognized. But first, an overall look at the 136 companies recognized as Ethisphere's class of the 2022 World's Most Ethical Companies honorees. More than three quarters of those companies recognized are publicly traded, half have workforces that exceed 25,000 employees, and 80 percent have at least a portion of their workforce represented by a union or work council. Nearly three quarters of all honoree countries are from the United States. The next most common honoree country of origin is Canada, but it comprises less than four percent of the total. Nearly 50 different industries are represented.

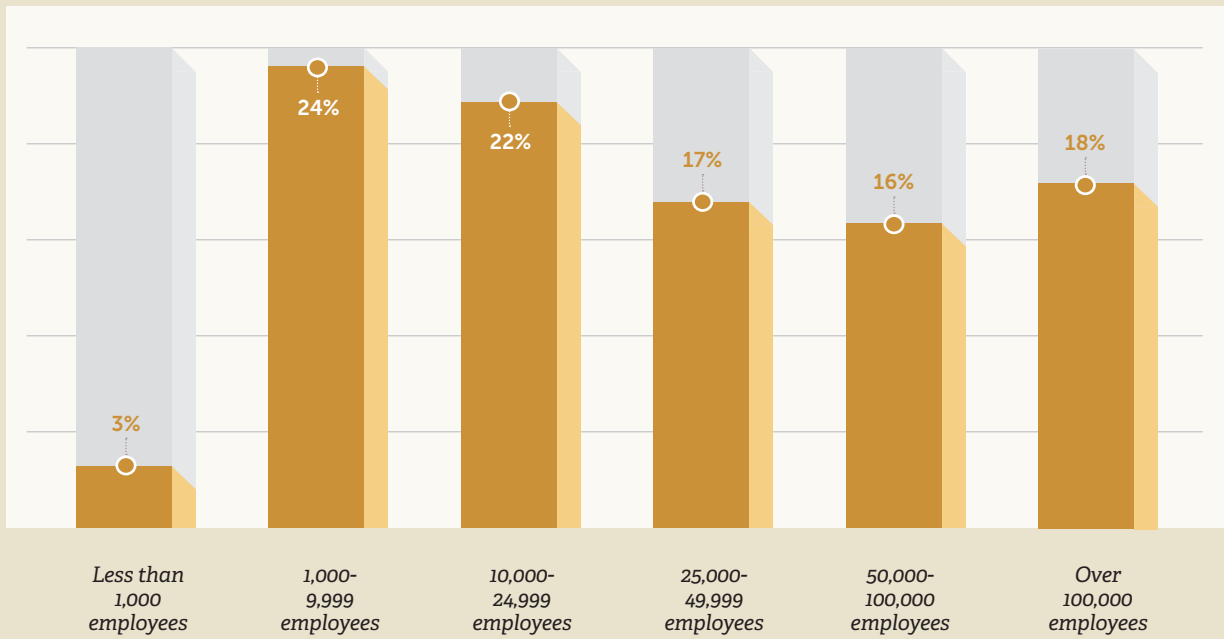
## Facts & Figures

Exhibit 1: 2022 Honorees by Organization Type



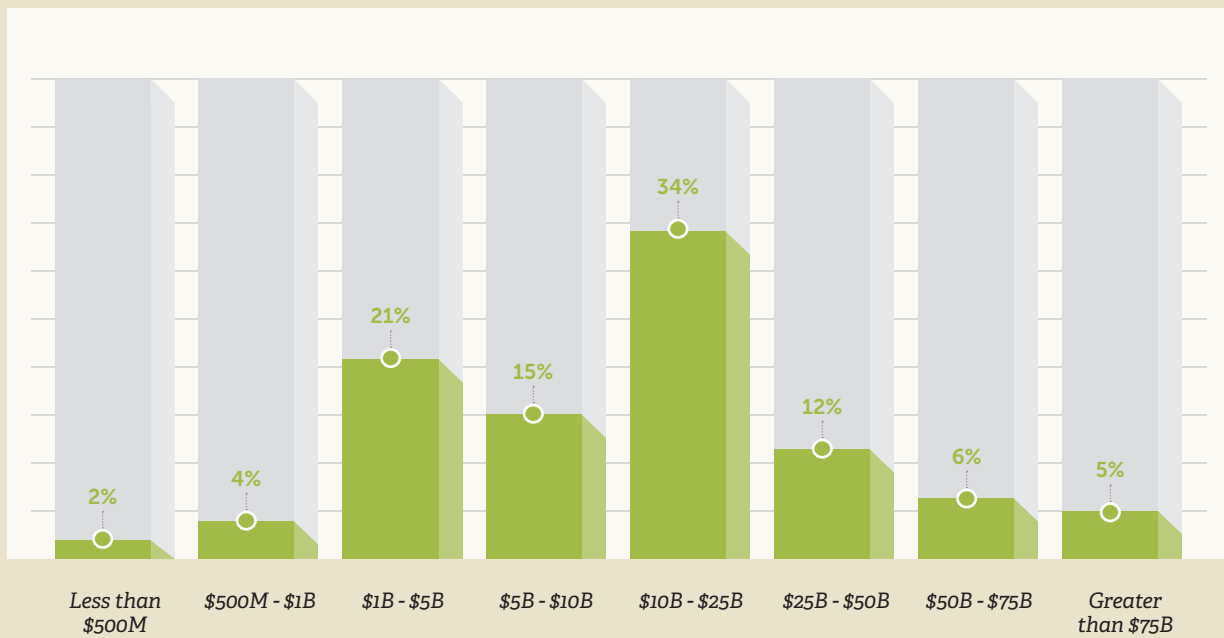
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**Exhibit 2: 2022 Honorees by Size of Workforce**



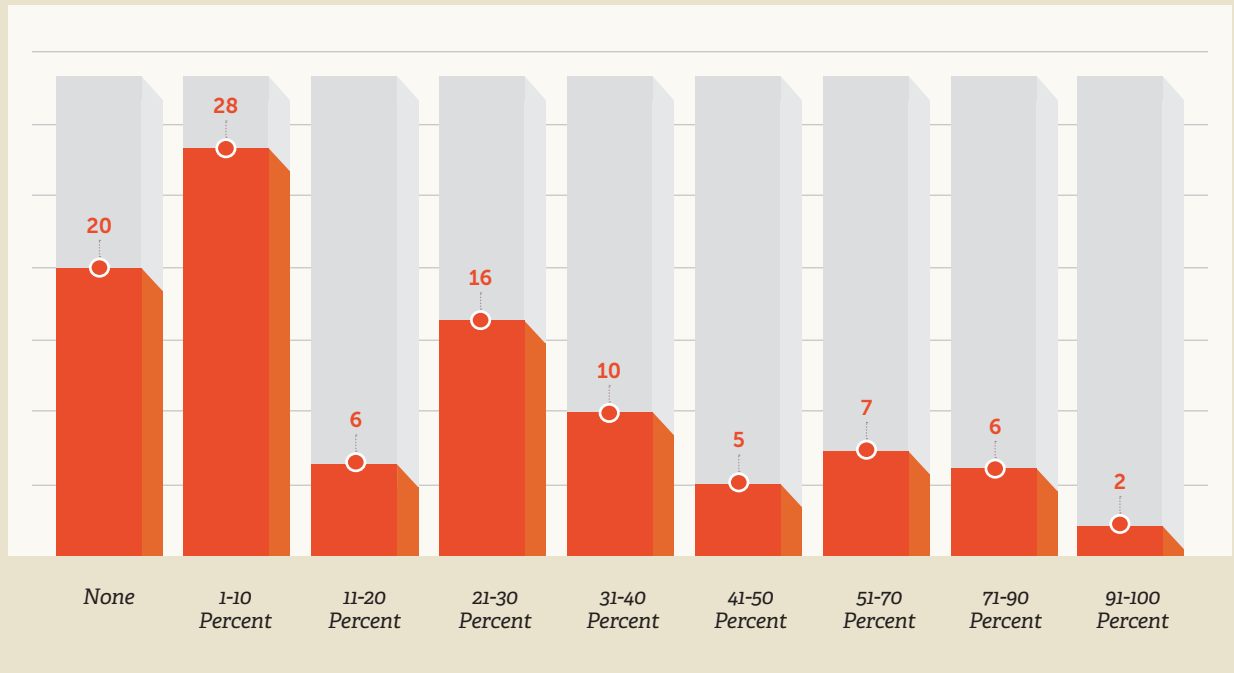
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**Exhibit 3: 2022 Honorees by Annual Revenues (in U.S. Dollars)**



**Facts & Figures**

**Exhibit 4: 2022 Honorees by Percentage of Represented Workforce (e.g., Unionized, Members of Work Councils)**



**Facts & Figures**

**Exhibit 5: 2022 Honorees by Industry**

Industry Category	Percent
Energy & Utilities	7%
Food, Beverage & Agriculture	5%
Healthcare Providers	5%
Industrial Manufacturing	5%
Technology	5%

**Key Trends and Insights**

**E&C Risk Assessments.** A new area evaluated as part of the 2022 application process was ethics and compliance risk assessments, in an attempt to better address the U.S. Department of Justice’s recent focus on effectiveness of a company’s risk assessment efforts. The data shows us that every honoree is evaluating ethics- and compliance-related risk, with 84 percent indicating they do so through a distinct process, often in addition to a broader company-wide process (88 percent).

Not surprisingly, the ethics and compliance function is most commonly assigned primary responsibility for conducting the risk assessment, often times with support from internal audit and legal teams.

The information considered in that process is broad, with the average honoree including at least six evaluation points in their process. Honorees that report having in place a distinct, ethics- and compliance-specific risk assessment process have more robust processes (as reflected in the number of considerations selected) compared to processes where ethics and compliance-related risks are assessed as part of a broader, enterprise-wide effort to measure risk.

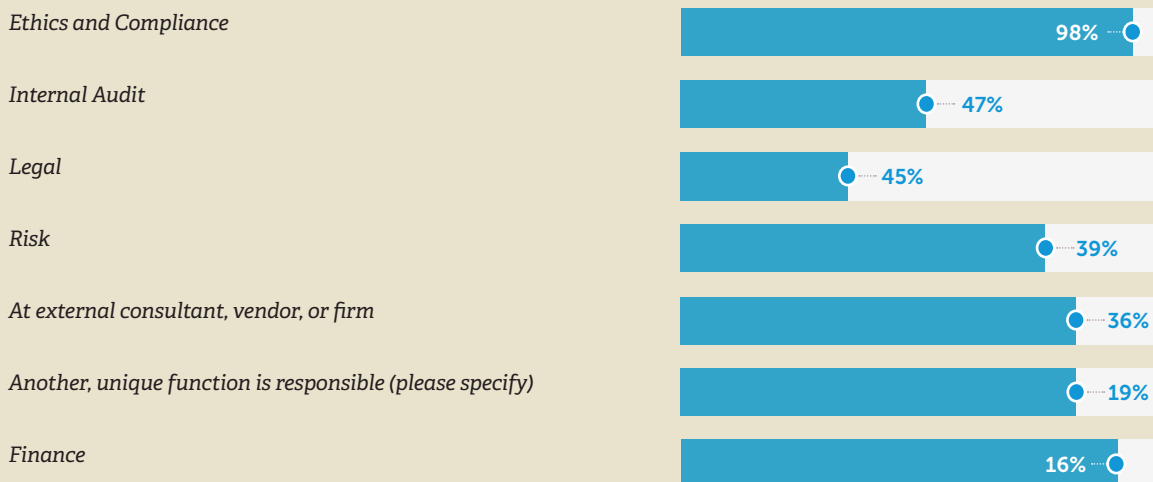
**Facts & Figures**

**Exhibit 6: 2022 Honorees by Country**

Country	Percent	Responses	Country	Percent	Responses
United States	73.70%	101	Colombia	0.70%	1
Canada	3.60%	5	Croatia	0.70%	1
France	2.20%	3	Finland	0.70%	1
Ireland	2.20%	3	Greece	0.70%	1
Switzerland	2.20%	3	Guatemala	0.70%	1
United Kingdom	2.20%	3	Hong Kong	0.70%	1
Japan	1.50%	2	India	0.70%	1
Mexico	1.50%	2	Italy	0.70%	1
Thailand	1.50%	2	Portugal	0.70%	1
Australia	0.70%	1	Singapore	0.70%	1
Brazil	0.70%	1	Spain	0.70%	1

**Facts & Figures**

**Exhibit 7: What guidance does your policy on policies provide to policy drafters?**



**Exhibit 8: What is considered when ethics and compliance risks are being assessed**

<b>Consideration</b>	<b>Honorees Using Company-Wide RA Process</b>	<b>Honorees Using Distinct E&amp;C RA Process</b>
Recently passed regulations	98%	96%
Significant changes to the business (e.g., geographic footprint, acquisitions)	97%	96%
Information provided via employee focus groups	46%	45%
Audit report findings for ethics and compliance-related audits	92%	94%
Recent enforcement activities	91%	96%
Trends or developments in the compliance and ethics field	90%	95%
Information provided via employee interviews	68%	73%
Review of current policies, procedures, systems, and controls	91%	97%
Investigation results and root cause analysis	83%	91%
Information gathered during site visits	62%	71%
Usage statistics for compliance resources (e.g., click metrics on intranet postings, open rates for links in communications materials, downloads of manager toolkits)	33%	42%
Use of third-party intermediaries	79%	89%
Information provided via employee surveys	74%	84%
Hotline report trends	79%	90%
Interaction with state-owned enterprises	60%	78%

**Facts & Figures**

**Exhibit 9: How honorees set goals for, assess, or measure impacts and the effectiveness of impact-related programs**

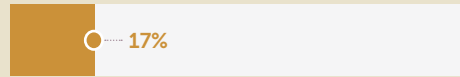
We set public-facing goals or targets around some or all of our impact initiatives (e.g., listing a goal for volunteer efforts over time, setting energy reduction goals, setting employee safety incident reduction goals)



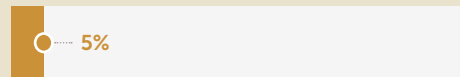
We use public-facing key performance indicators (KPIs) to measure progress towards some or all of our impact goals or targets



We measure or track impact-related initiatives or programs but do not publicly report out these measurements



We measure or track our impacts and initiatives (e.g., counting volunteer hours, energy meter readings, greenhouse gas emissions, or employee safety data) but do not set KPIs, goals, or targets relating to them

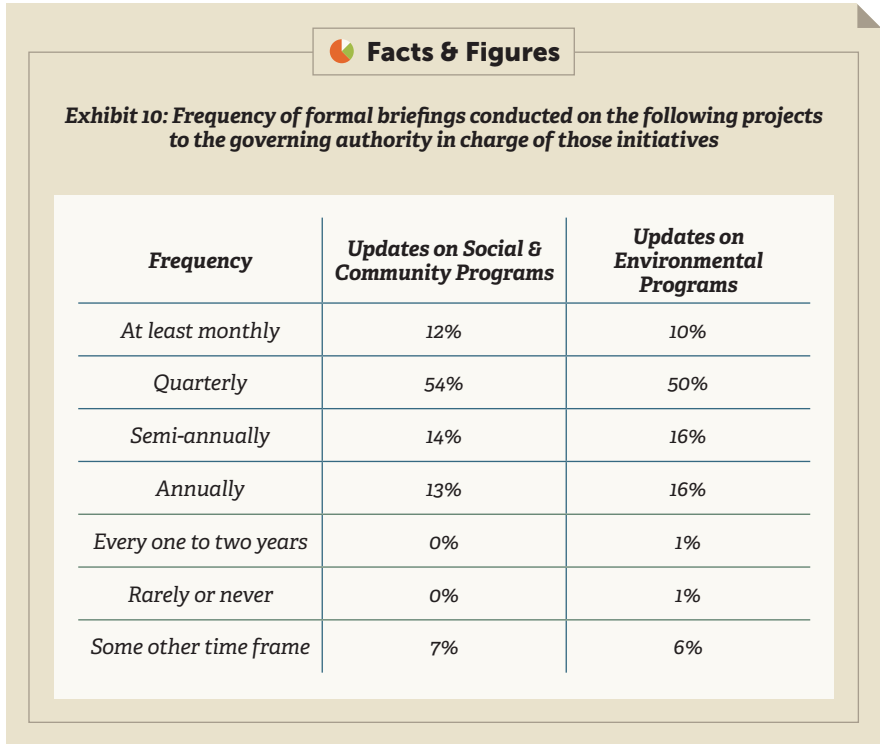


A quarter of honorees are using risk topics to guide their assessment process, and of that quarter, the most common risk-related assessment was on anti-bribery (84 percent). A third are using usage statistics on compliance resources as part of their company-wide process, and 42 percent are using them as part of a compliance-specific process.

**Ethical and Societal Impacts.** Companies with effective and robust impact programs employ the following practices to measure and address impact-related risks and opportunities:

- Utilizing frameworks to consistently evaluate and report on their impacts on the world
- Performing interactive exchanges with stakeholder groups both inside and outside of the company
- Identifying risks and opportunities related to areas that are materially important to the company and its stakeholders
- Establishing public goals and targets around these risk and opportunity areas
- Demonstrating progress toward those goals and targets

More companies are working to formalize their stakeholder engagement processes. Eighty-two percent of honorees report formalizing the way they initiate engagement with stakeholder groups, and 82 percent saying they use active solicitation methods such as dedicated surveys and ESG-focused conversations



to solicit feedback. Eighty-eight percent of honorees noted they used a continuous (or at least periodic) method of re-engaging their stakeholder groups to address issues and changes to company impacts.

Ethisphere has also begun tracking if and how social-, environmental-, and community-related programs are overseen at the Board level. Half of the honorees in 2022 indicated that the body

bestowed with oversight responsibility is updated formally on a quarterly basis.

As in years past, Honorees are reaching a diverse group of stakeholders for important conversations about impact areas. Every single honoree consults with employees as part of stakeholder evaluations. Vast majorities of Honorees also consult local communities (96 percent), shareholders/owners (88 percent), suppliers (95 percent), clients or



customers (95 percent), and outside CSR/sustainability evaluation organizations (93 percent) in these conversations, and each of these stakeholders has become notably more common year-over-year.

**Measuring a Culture of Compliance and Integrity.** A company is better protected from the risks of misconduct when its culture is ethically strong. Measuring culture addresses the question of whether the ethics and compliance function's efforts are working. Furthermore, recent regulatory guidance explicitly mentions the need to measure the culture of an organization. The 2020 DOJ Guidance places additional emphasis on the importance of evaluating the company's culture of compliance, asking specifically:

- How and how often does the company measure its culture of compliance?
- Does the company seek input from employees at all levels on their perceptions of senior and middle management's commitment to compliance?
- What steps has the company taken in response to its measurement of the compliance culture?

With an increasing proportion of the employee population transitioning to full time remote work, it is no surprise that surveys remain ubiquitous among honoree companies as a tool for capturing broad employee perceptions. Similarly, nine out of ten honoree companies (91 percent) review social media sites for indicia related to perceptions of their ethical culture.

But not all surveys are the same. Broad-ranging engagement surveys, often spearheaded by Human Resources teams, were once again the most common type of survey used (by 88 percent of 2022 honorees, a five-point rise from 2021). The largest year-over-year response change came from a significant increase in the number of honorees that reported the use of employee exit questionnaires as a vehicle for capturing employee perceptions of ethical culture on their way out of the organization (68 percent of 2022 compared to 53 percent of 2021 Honorees). No doubt this increase is, at least in part, compliance teams reacting to the widespread rise in employee turnover.

For the 2022 application year, we put increased focus on what companies are doing with data on ethical culture, including a request for documentation to support how companies are translating efforts to measure their ethical culture into improvements. We observed large variation between applicants here. Some provided detailed action plans with clear tasks, roles, responsibilities, and timing,

## Facts & Figures

**Exhibit 11: Stakeholder groups honorees routinely engage with regarding their organization's impacts**



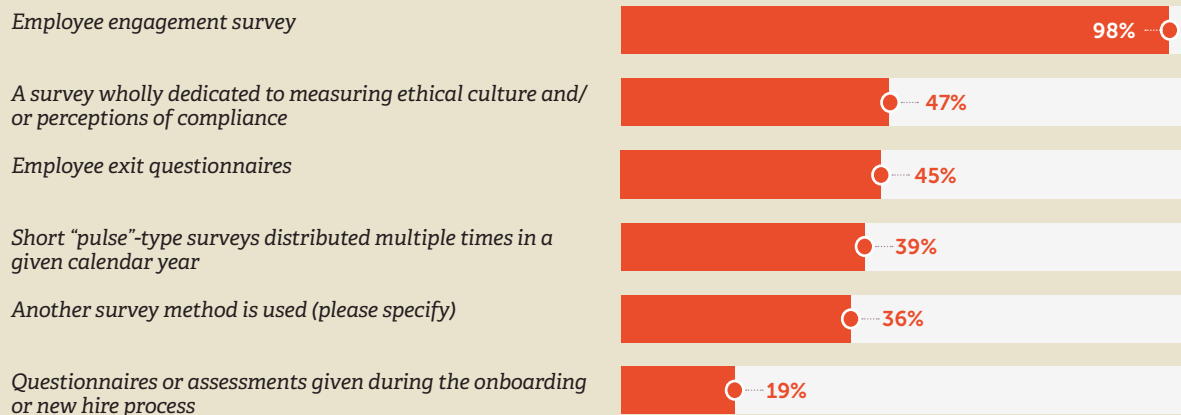
**Facts & Figures**

**Exhibit 12: Methods used by honorees to measure employee perceptions of ethical culture and/or perceptions of the compliance program**

Employee survey(s) that includes questions specific to the ethical culture of your company	99%
Visits by ethics and compliance personnel to sites outside of headquarters (if in-person site visits by ethics and compliance personnel were initially conducted but discontinued on account of the COVID-19 pandemic, please select this response)	94%
Reviewing social media (e.g., Twitter, Facebook) or other websites that include feedback or comments about the company (e.g., Glassdoor.com)	91%
Monitoring a real-time, direct-to-employee feedback system or tool (e.g., Salesforce Feedback app, Yammer comments, intranet site comments) that allows for comments, suggestions, or input	74%
Management interviews to assess ethical culture and employee perceptions	69%
Employee focus groups (either in-person or using virtual gatherings on Zoom, etc.)	65%
Employee interviews (non-managers) to assess ethical culture and employee perceptions	57%
Surveys of external stakeholders, such as clients, customers, vendors, or partners, that include questions specific to the ethical culture of your company	42%

**Facts & Figures**

**Exhibit 13: Type(s) of Survey Used**



all tied to specific insights resulting from survey efforts. However, most others adopted a more informal process for taking advantage of opportunities arising out of their culture measurement data.

Included in the review of how organizations are acting on what they find is how they are communicating culture data to key stakeholders. Every honoree reported that their Board or a committee of the Board is charged with overseeing the health of the organization's culture. Human Resources and the ethics and compliance program owner were commonly selected as the parties responsible for providing these regular updates (93 and 89 percent, respectively).

### Conclusion

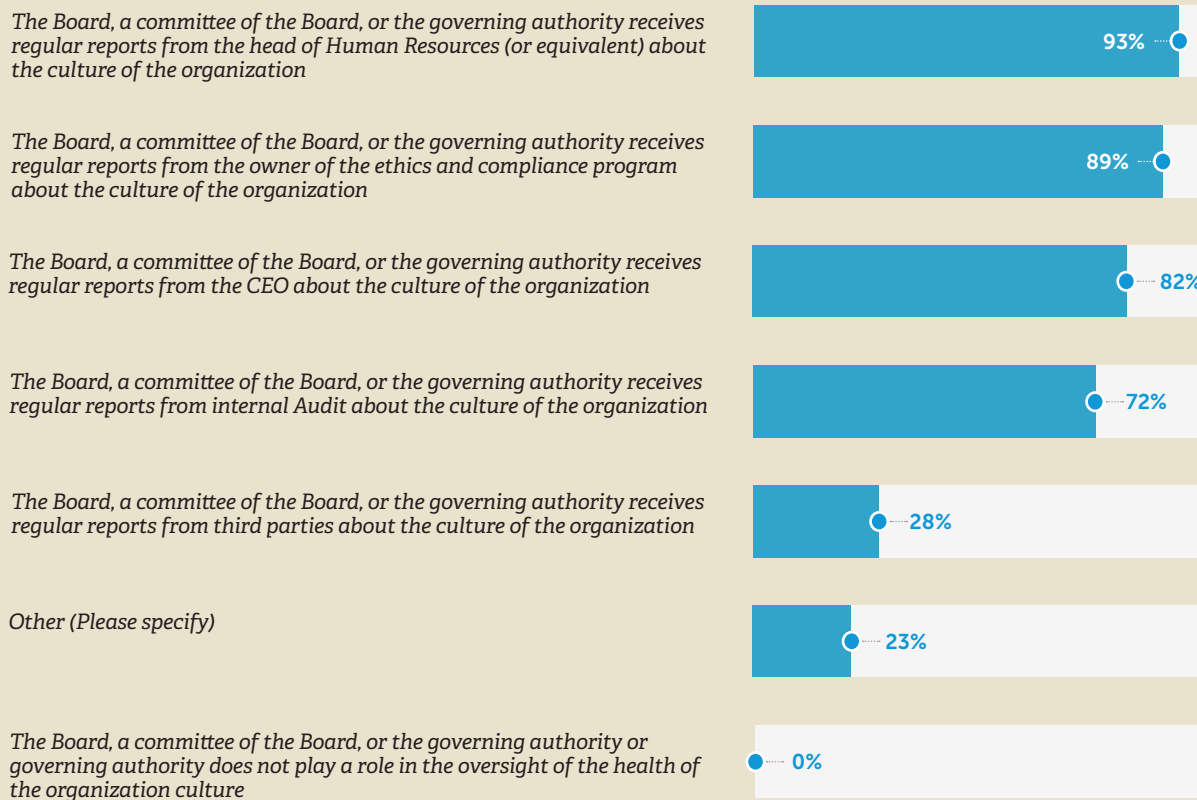
The 2023 World's Most Ethical Companies submissions window will open this summer. For many companies, the submissions process is an exhaustive, months-long endeavor, one which often prompts program and process improvements among applicants. The ethics and compliance field is becoming an increasingly data-driven one, and it is our hope that the broader and deeper the data we have to examine, the better we can understand how ethics and compliance programs are performing, and the more companies can become better organizations with stronger cultures of integrity.

### Expert Biography

**Douglas Allen** is Vice President, Data Strategy for Ethisphere, where he leads benchmarking, certification, and partnership efforts. Previously, Douglas spent six years with providing compliance- and ethics-related advisory services, including developing compliance and ethics risk assessments, codes of conduct, corporate policies and procedures, and communication and training curriculum plans.

### Facts & Figures

**Exhibit 14: How do honoree company governing authorities (e.g., Board or committee of the Board) oversee the health of the organization's culture?**





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# THE 2022 WORLD'S MOST ETHICAL COMPANIES® ROLL CALL

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In 2022, Ethisphere recognized 136 organizations for their unwavering commitment to business integrity. These organizations have been honored by their place on this year's list of The World's Most Ethical Companies®.

This year's honorees represent a rich example of what world-class ethics and compliance programs look like. The honorees span 22 countries, drawing from almost every continent. They represent 45 industries, from agriculture to aerospace, and from insurance to industrial manufacturing.

Fourteen of this year's honorees are here for the first time. This marks a watershed moment for their ethics and compliance programs. A half-dozen of this year's honorees have been recognized 16 times, every year since the inception of this award in 2007. Upholding a perfect record showcases an uncommon dedication to business integrity, even among their fellow 2022 honorees.

Every company on the pages that follow has earned its place here through vision, discipline, diligence, and commitment. Collectively, they exemplify Ethisphere's deepest belief: that strong ethics is good business.

Congratulations to the 2022 World's Most Ethical Companies honorees. We hope to see you next year.

9  
TIME

**3M** Science.  
Applied to Life.™

**3M**  
INDUSTRIAL MANUFACTURING  
*United States*

3  
TIME



**Allianz Life Insurance Company of North America (Allianz Life)**  
ACCIDENT & LIFE INSURANCE  
*United States*

15  
TIME

  
**accenture**

**Accenture**  
CONSULTING SERVICES  
*Ireland*

1  
TIME



**Apple**  
TECHNOLOGY  
*United States*

3  
TIME



**ADM**  
FOOD, BEVERAGE & AGRICULTURE  
*United States*

10  
TIME

**• APTIV •**

**Aptiv PLC**  
AUTOMOTIVE  
*Ireland*

6  
TIME

**AECOM**

**AECOM**  
ENGINEERING SERVICES  
*United States*

3  
TIME

**arm**

**ARM**  
SEMICONDUCTORS  
*United States*

16  
TIME

**Aflac** 

**Aflac Incorporated**  
ACCIDENT & LIFE INSURANCE  
*United States*



3  
TIME



**AT&T**  
TELECOMMUNICATIONS  
*United States*

10  
TIME



**Blue Shield of California**  
HEALTH INSURANCE  
*United States*

4  
TIME



**AVANGRID, Inc.**  
ENERGY & UTILITIES  
*United States*

5  
TIME



**BMO Financial Group**  
BANKS  
*Canada*

3  
TIME



**Avista**  
ENERGY & UTILITIES  
*United States*

3  
TIME

**Booz | Allen | Hamilton®**

**Booz Allen Hamilton**  
CONSULTING SERVICES  
*United States*

12  
TIME



**Baptist Health South Florida**  
HEALTHCARE PROVIDERS  
*United States*

1  
TIME



**BROWN-FORMAN**

**Brown-Forman**  
FOOD, BEVERAGE & AGRICULTURE  
*United States*

8  
TIME



**Best Buy Co., Inc.**  
RETAIL  
*United States*

5  
TIME



**Cambia Health Solutions**  
HEALTH INSURANCE  
*United States*

6  
TIME



**Canon U.S.A.**  
IMAGING TECHNOLOGY

*United States*

1  
TIME



**Cementos Argos**  
CONSTRUCTION & BUILDING MATERIALS

*Colombia*

10  
TIME



**Capgemini**  
CONSULTING SERVICES

*France*

9  
TIME



**Cementos Progreso**  
CONSTRUCTION & BUILDING MATERIALS

*Guatemala*

4  
TIME



**Capital Power**  
ENERGY & UTILITIES

*Canada*

2  
TIME



**Charoen Pokphand Group**  
FOOD, BEVERAGE & AGRICULTURE

*Thailand*

10  
TIME



**CareFirst BlueCross BlueShield**  
HEALTH INSURANCE

*United States*

12  
TIME



**Cleveland Clinic**  
HEALTHCARE PROVIDERS

*United States*

9  
TIME



**CBRE Group, Inc.**  
REAL ESTATE

*United States*

12  
TIME



**Colgate-Palmolive Company**  
CONSUMER PRODUCTS

*United States*

3  
TIME



**Cooper Standard**  
AUTOMOTIVE  
*United States*

4  
TIME



ADDING VALUE  
IN EVERYTHING  
WE DO

**DTGO Corporation Limited**  
REAL ESTATE  
*Thailand*

7  
TIME



**Covenant Health**  
HEALTHCARE PROVIDERS  
*Canada*

11  
TIME



Powering Business Worldwide

**Eaton**  
INDUSTRIAL MANUFACTURING  
*Ireland*

15  
TIME



**Cummins**  
AUTOMOTIVE  
*United States*

16  
TIME



**Ecolab**  
CHEMICALS  
*United States*

15  
TIME



**JOHN DEERE**

**Deere & Company**  
INDUSTRIAL MANUFACTURING  
*United States*

11  
TIME



**EDP – ENERGIAS DE PORTUGAL, S.A**  
ENERGY & UTILITIES  
*Portugal*

10  
TIME



**Dell Technologies**  
TECHNOLOGY  
*United States*

6  
TIME



Edwards

**Edwards Lifesciences**  
MEDICAL DEVICES  
*United States*

4  
TIME



**Elbit Systems of America, LLC**  
AEROSPACE & DEFENSE  
*United States*

2  
TIME



**Frontera Energy**  
OIL & GAS, RENEWABLES  
*Canada*

6  
TIME



**Eli Lilly and Company**  
PHARMACEUTICALS  
*United States*

12  
TIME



**Gallagher**  
INSURANCE BROKERS  
*United States*

3  
TIME



**FIFTH THIRD BANK**  
**Fifth Third Bank**  
BANKS  
*United States*

3  
TIME



**General Motors Company**  
AUTOMOTIVE  
*United States*

1  
TIME



**Firmenich SA**  
CONSUMER PRODUCTS  
*Switzerland*

4  
TIME



**Genpact LLC**  
CONSULTING SERVICES  
*United States*

3  
TIME



**Fresnillo plc**  
METALS, MINERALS & MINING  
*Mexico*

6  
TIME



**Grupo Bimbo**  
FOOD, BEVERAGE & AGRICULTURE  
*Mexico*

2  
TIME

## HANES Brands Inc

**Hanesbrands Inc.**

APPAREL

*United States*

4  
TIME



## Hewlett Packard Enterprise

**Hewlett Packard Enterprise**

TECHNOLOGY

*United States*

11  
TIME



**Hasbro, Inc.**

CONSUMER PRODUCTS

*United States*

7  
TIME

## Honeywell

**Honeywell International Inc.**

INDUSTRIAL MANUFACTURING

*United States*

12  
TIME

## HCA Healthcare®

**HCA Healthcare**

HEALTHCARE PROVIDERS

*United States*

3  
TIME



**HP Inc.**

TECHNOLOGY

*United States*

7  
TIME

## HCSC

Health Care Service Corporation

**Health Care Service Corporation**

HEALTH INSURANCE

*United States*

1  
TIME



**Hrvatski Telekom**

TELECOMMUNICATIONS

*Croatia*

11  
TIME



**Henry Schein, Inc**

HEALTHCARE PRODUCTS

*United States*

2  
TIME



**Hubbell Incorporated**

ELECTRONICS & COMPONENTS

*United States*

9  
TIME



**IBERDROLA**  
ENERGY & UTILITIES  
*Spain*

16  
TIME



**International Paper**  
FORESTRY, PAPER & PACKAGING  
*United States*

4  
TIME



**IBM**  
INFORMATION TECHNOLOGY SERVICES  
*United States*

15  
TIME



**JLL**  
REAL ESTATE  
*United States*

10  
TIME



**illycaffè spa**  
FOOD, BEVERAGE & AGRICULTURE  
*Italy*

15  
TIME



**Johnson Controls**  
INDUSTRIAL MANUFACTURING  
*Ireland*

2  
TIME



**Infosys Ltd.**  
SOFTWARE & SERVICES  
*India*

4  
TIME



**Kaiser Permanente**  
INTEGRATED HEALTHCARE SYSTEM  
*United States*

12  
TIME



**Intel Corporation**  
SEMICONDUCTORS  
*United States*

16  
TIME



**Kao Corporation**  
HEALTH & BEAUTY  
*Japan*

14  
TIME



**Kellogg Co**  
FOOD, BEVERAGE & AGRICULTURE  
*United States*

1  
TIME



**Lincoln Financial Group**  
FINANCIAL SERVICES  
*United States*

7  
TIME



**Kimberly-Clark**  
CONSUMER PRODUCTS  
*United States*

4  
TIME



**Linde plc**  
CHEMICALS  
*United Kingdom*

4  
TIME



**Kohl's**  
RETAIL  
*United States*

7  
TIME



**LinkedIn**  
TECHNOLOGY  
*United States*

13  
TIME



**L'Oréal**  
HEALTH & BEAUTY  
*France*

2  
TIME



**LONZA**  
PHARMACEUTICALS  
*Switzerland*

5  
TIME



**Leidos Holding Inc.**  
INFORMATION TECHNOLOGY SERVICES  
*United States*

1  
TIME



**Magna**  
AUTOMOTIVE  
*Canada*

13  
TIME



ManpowerGroup®

**ManpowerGroup**  
STAFFING & OUTSOURCING SERVICES

*United States*

16  
TIME



**Milliken & Company**  
INDUSTRIAL MANUFACTURING

*United States*

1  
TIME



**Marsh McLennan**  
INSURANCE BROKERS

*United States*

12  
TIME



**natura&co**

**Natura & Co**  
HEALTH & BEAUTY

*Brazil*

7  
TIME



**Mastercard**  
PAYMENT SERVICES

*United States*

6  
TIME



**Nokia**  
TELECOMMUNICATIONS

*Finland*

1  
TIME



**Micron Technology**  
SEMICONDUCTORS

*United States*

11  
TIME



**Northumbrian Water Group**  
ENERGY & UTILITIES

*United Kingdom*

12  
TIME



**Microsoft Corporation**  
TECHNOLOGY

*United States*

7  
TIME



**Northwell Health**  
HEALTHCARE PROVIDERS

*United States*



1  
TIME



**NW Natural Holdings**  
ENERGY & UTILITIES  
*United States*

5  
TIME



**Owens Corning**  
CONSTRUCTION & BUILDING MATERIALS  
*United States*

11  
TIME



**Old National Bank**  
BANKS  
*United States*

5  
TIME



**Pacific Life**  
INSURANCE  
*United States*

7  
TIME



Intelligent Technology. Better Future.

**onsemi**  
SEMICONDUCTORS  
*United States*

13  
TIME



**Parsons Corporation**  
ENGINEERING SERVICES  
*United States*

7  
TIME



**Oshkosh Corporation**  
INDUSTRIAL MANUFACTURING  
*United States*

14  
TIME



HR | Payroll | Benefits | Insurance

**Paychex, Inc.**  
STAFFING & OUTSOURCING SERVICES  
*United States*

2  
TIME



**OTE - Hellenic Telecommunications  
Organization S.A.**  
TELECOMMUNICATIONS  
*Greece*

16  
TIME



**PepsiCo**  
FOOD, BEVERAGE & AGRICULTURE  
*United States*

1  
TIME



**Pfizer Inc**  
PHARMACEUTICALS  
*United States*

7  
TIME



**Royal Caribbean Group**  
LEISURE & RECREATION  
*United States*

15  
TIME



**PREMIER**  
**Premier, Inc.**  
BUSINESS SERVICES  
*United States*

5  
TIME



**RTI International**  
SCIENTIFIC & TECHNICAL SERVICES  
*United States*

8  
TIME



**Prudential Financial, Inc.**  
FINANCIAL SERVICES  
*United States*

13  
TIME



**Salesforce**  
SOFTWARE & SERVICES  
*United States*

11  
TIME



**REALOGY**  
REAL ESTATE SERVICES  
**Realty Holdings Corp.**  
REAL ESTATE  
*United States*

11  
TIME



**Schneider Electric SE**  
DIVERSIFIED MACHINERY  
*France*

14  
TIME



**Rockwell Automation**  
DIVERSIFIED MACHINERY  
*United States*

8  
TIME



**Schnitzer Steel Industries, Inc.**  
METALS, MINERALS & MINING  
*United States*

9  
TIME



**Singtel**  
TELECOMMUNICATIONS  
*Singapore*

1  
TIME



**Tenneco**  
AUTOMOTIVE  
*United States*

4  
TIME



**Sony Group Corporation**  
CONGLOMERATE  
*Japan*

13  
TIME



**Teradata Corporation**  
SOFTWARE & SERVICES  
*United States*

14  
TIME



**Starbucks**  
RETAIL  
*United States*

9  
TIME



**The AES Corporation (AES)**  
ENERGY & UTILITIES  
*United States*

8  
TIME



**TE Connectivity**  
ELECTRONICS & COMPONENTS  
*Switzerland*

8  
TIME



**The Allstate Corporation**  
PROPERTY & CASUALTY INSURANCE  
*United States*

9  
TIME

**TEACHERS MUTUAL  
BANK LIMITED**

**Teachers Mutual Bank Limited**  
BANKS  
*Australia*

13  
TIME



**The Hartford**  
PROPERTY & CASUALTY INSURANCE  
*United States*

3  
TIME



**The MetroHealth System**  
HEALTHCARE PROVIDERS

*United States*

10  
TIME



**University Hospitals**  
HEALTHCARE PROVIDERS

*United States*

11  
TIME



**Thrivent**  
FINANCIAL SERVICES

*United States*

2  
TIME



**Unum**  
INSURANCE

*United States*

8  
TIME



**TIAA**  
FINANCIAL SERVICES

*United States*

4  
TIME



**UPMC**  
INTEGRATED HEALTHCARE SYSTEM

*United States*

8  
TIME



**U.S. Bank**  
BANKS

*United States*

6  
TIME



**VF Corporation**  
APPAREL

*United States*

1  
TIME



**United States Steel Corporation**  
METALS, MINERALS & MINING

*United States*

10  
TIME



**Visa Inc.**  
PAYMENT SERVICES

*United States*

9  
TIME



**Voya Financial, Inc.**  
FINANCIAL SERVICES  
*United States*

13  
TIME



**WM**  
ENVIRONMENTAL SERVICES  
*United States*

4  
TIME

**Western Digital**

**Western Digital**  
TECHNOLOGY  
*United States*

2  
TIME



**Workday**  
SOFTWARE & SERVICES  
*United States*

1  
TIME



**Western Union**  
FINANCIAL SERVICES  
*United States*

3  
TIME



**Xcel Energy**  
ENERGY & UTILITIES  
*United States*

13  
TIME



**Weyerhaeuser Company**  
FORESTRY, PAPER & PACKAGING  
*United States*

11  
TIME



**William E. Connor & Associates Limited**  
SOURCING SERVICES  
*Hong Kong*

“The moment is now, and the data is clear – companies must lead on sustainability, social issues, and governance. Congratulations to the 2022 honorees for their dedication to advancing business integrity, for leadership on tough issues, and demonstrating that doing good is key to successful, long-term performance.”

- Timothy Erblich, Ethisphere CEO



## WORLD'S MOST ETHICAL COMPANIES DEEP DIVE: MILLIKEN & COMPANY

Interview by Bill Coffin

Milliken & Company is a global company whose expertise in research, design, and manufacturing is seen in some 18,000 different products around the world. Drawing on thousands of patents and a portfolio with applications across the textile, flooring, chemical and healthcare businesses, the company harnesses a shared sense of integrity and excellence to positively impact the world for generations. It is also one of the few companies that has been a World's Most Ethical Companies® honoree every year the list has existed. **Halsey Cook**, Milliken's President and CEO, talks about the power of a culture of integrity, how "the air gets thinner" for a world-class ethics and compliance program, and how alignment is everything.

**Can you talk about some of the specific ethics and compliance challenges or opportunities that are present within your industry and how Milliken's ethics and compliance program addresses them?**

I've been here almost four years, and this award was important in my decision to come to Milliken. When we talk about what it means to be part of Milliken, this award is a shorthand way for us to describe our culture. Staying in that winner's circle for sixteen years is a great source of pride for us, and I think over time it has really helped us sharpen who we are from a values standpoint.

Sustaining a compliance culture takes constant vigilance, and that's a big challenge. You can get some fatigue in the organization around doing the amount of training that we must do, for example. And the application process itself can be exhaustive and a lot of work. Yet, in maintaining focus on these activities, we get better year-in and year-out. We find new ways to reach the levels of excellence that we want.

The networking that goes on around the application process is also a huge benefit. Our compliance organization matches our compliance culture and consists of a federated approach. It doesn't just come from command and control at the top. It bubbles up naturally because associates from each functional area in each of our main businesses serve on a corporate-wide council we call the Compliance Federation, where issues, policy, and process improvements are discussed and assigned for implementation.

I think that, ultimately, the thing that makes it all work is that we are able to create a high level of trust between our associates and the company. In our culture, we emphasize five values. The first one is integrity, by which we mean simply to do the right thing. We also have a strong emphasis on excellence, particularly around our operations, safety, and financial reporting. We also have sustainability, innovation, and

*As an ethics and compliance program matures, you set higher and higher goals. Part of our commitment to our associates, for example, is not to have a data breach. We've never had a data breach, so as you try to be perfect, zero is what success looks like. We have the same goal for safety – zero injuries. That's where the air gets thinner, and it becomes more challenging to live up to your own standards.*

people as strong values. Those five values define us, but we always start with integrity and doing the right thing.

There's always a risk that people get punished for doing the right thing. Their boss might tell them it's a bad idea, that they're not practical and P&L-focused enough, that it's going to cost the company too much money.

I've worked in those types of cultures, and it becomes difficult for people to feel like they can take the risk to always do the right thing and not be put in the penalty box. As a chief cultural officer as well as a Chief Executive Officer, I really try to protect that trust factor. Little decisions along the way make a big difference in how people perceive the culture. Every time you make a decision, there is always a silent test about whether you are serious about doing the right thing.

As an ethics and compliance program matures, you set higher and higher goals. Part of our commitment to our associates, for example, is not to have a data breach. We've never had a data breach, so as you try to be perfect, zero is what success looks like. We have the same goal for safety – zero injuries. That's where the air gets thinner, and it becomes more challenging to live up to your own standards. It pushes us to really try and achieve excellence at the highest level.

Once you get outside of core Milliken, where we've got a whole process and a system working around compliance and excellence and doing the right thing, and into your supply chain, things become even more difficult. We must continually expand the circles of compliance into our supplier base, business partners, downstream dealers and people selling our products. We can't compromise on what we're doing because that is the extended enterprise, and we do not have as much control. We must constantly be vigilant.

**You mentioned that Milliken's culture of integrity was a factor in your decision to join the company in 2018. We often hear about how a strong culture helps to**

**attract and retain talent, but rarely from a CEO. Could you talk a little more about that?**

I have some 30-plus years in business. And along the way, you decide on the types of jobs you want to do, and the types of companies you want to work for based on how they fit your personal value structure. I went to a high school, a college, and a graduate school that all had honor codes. Very simply stated, you don't lie, cheat, or steal. And if you do, you're expelled from the community. I always found that to be really powerful, because it meant you could leave your doors unlocked, and you knew that it was a level playing field because people were not cheating on tests. And that was the type of environment I wanted to be in.

Through various parts of my career, I was in some great organizations that operated like that. But others didn't. In the organizations that didn't, not only did it become uncomfortable because you weren't sure exactly how the game was being played, and shortcuts would get rewarded in the short-term. You see, though, that bad behaviors ultimately turn into bigger issues. At one company I worked with, a group of competitors got caught for systematic price collusion at trade shows, and the penalties by several European governments went into the hundreds of millions of dollars. There is a huge potential cost to lack of compliance, and it is so much better if you do not have to learn that lesson the hard way.

My early lessons around honor codes played out for me in business, as I saw that the businesses that were built to last were built on ethics and a strong level of trust between the company and the associates. Milliken seemed like that type of company to me, and I think the Ethisphere award was a quick way for me to confirm that. It has absolutely been as advertised. You can talk about compliance and doing the right thing and being a purpose-led organization. But if people sniff a disconnect between how things actually happen and what you're saying, it can destroy your authenticity and trust.

**Looking back at the last year or so, what ethics, compliance, or culture achievements are you particularly proud of?**

As we looked at our product portfolio, we revisited our mission statement. It was not a short process. We really dug into the history: all the documents we could find, 157 years of purpose and value statements and right back to the some of the original letters written by the first owners of the company. We came up with a 14-word statement: *Together, we strive to positively impact the world around us for generations to come.* And each one of those words means something important to us.

As we started the sausage making of deep strategy inside of our four divisions and our 24 different business units, we found that developing products in alignment with that purpose statement was really something that people wanted to do.

For example, we did some sustainability goal setting as part of our strategic plan. And people were quoting the purpose statement and saying they've got this great new product that is circular that uses more natural inputs and could be right in line with where the market is moving. We started judging the sustainability of our acquisitions by virtue of how they would help us move forward for generations to come. Is the sustainability quotient in this acquisition exactly where it needs to be? Will it make us better in those areas? Does it make our values come alive?

In organizations, people generally put purpose and strategy in different boxes. The way that they emerged together for us at Milliken was a surprise and very powerful. It's still going on. And it's so much fun for me to watch because the research scientists and the business leaders are way out in front of what I imagined we could do in that time frame. That's the ideal scenario: for the CEO to feel a little bit like they're catching up with people who are out in front of them.

**We have seen a recent call for greater**

*You can talk about compliance and doing the right thing and being a purpose-led organization. But if people sniff a disconnect between how things actually happen and what you're saying, it can destroy your authenticity and trust.*

**corporate accountability and more ethical business leadership. How does a company's behavior position itself for the leadership role it plays in society?**

That's a great question, and, I think, one of the more difficult questions facing CEOs as time goes on.

CEOs are expected to make comments on a whole range of issues. I released a statement after the George Floyd murder because what we saw there was not in alignment with our values, and we absolutely stand against that kind of violence. On other issues, we've chosen not to make a public statement.

I think it is increasingly difficult for CEOs to not to give an opinion as the social and political environment gets more extreme. We've all seen the Edelman Trust Barometer, and as a lot of social institutions seem to be on the decline, people are looking to businesses to take a bigger role on social issues. That can be a little intoxicating for CEOs who want to take the stage and use it as a bully pulpit on political issues. But, I think, it is not always appropriate to take a public stance on every issue. Instead, I try and keep it in the context of our values and our business.

When I was in business school, there was a big debate about the purpose of business. There were the people who

said the purpose of businesses was to earn profits for the benefit of the people who own the business, period. End of the story. And there were the people who said, wait a minute, businesses operate in communities. They use water from the river. There are soccer teams that their children play on. We need to take a much broader stakeholder approach to the way we think about business as an institution inside of a community. Over time, in this era of ESG, that latter outlook has certainly become more the norm than the exception. There's a clear consensus around a stakeholder view, and I think it works.

Look at the financial returns for the World's Most Ethical Companies. Milliken tracks against the S&P 500, and we consistently outperform those numbers on a 10-year basis by trying to focus on doing the right thing. CEOs are in a lot of different forums where their opinions are being sought out. I think you've got to be absolutely convinced and in alignment with your values on everything you say, but if it's not within the purview of the markets you serve and the products you make, or those values, I generally will opt out of a statement because I feel it is too far afield.

**Milliken has been recognized as a World's Most Ethical Companies honoree 16 times, which is quite extraordinary. If another company looking to get on this list for the first time reached out to you and asked what your secret is, what would you tell them?**

It is more perspiration than inspiration. I think the one of the great things about the Ethisphere award is that the process of applying makes you a better company.

Recently, we noticed that one of our lowest scores from the application process was for our director training program. That caused us to focus on that program and revamp it, which will now make us stronger because our directors are going to be better at asking the right questions of our teams.

Another important factor is a total commitment from the top, which not only includes management but also the ownership. The engagement of Milliken's private ownership is one thing that I think has really helped us excel. They celebrate with us. They want to win. They want to know that their company is recognized for doing the right thing.

An example of this is a decision we made not long ago for our Blacksburg, SC facility. Our lowest-cost option was a furnace that would generate the steam we needed but would burn either coal or fuel oil. Through the lens of our greenhouse gas reduction goals, though,

a much better solution was a complete transformation of the whole system into a modern and efficient one powered by natural gas, one that could also drive a turbine to supply our largest industrial site with its own electricity. Basically, off the grid. It cost 30 times more, which made the payback on the project much longer and put pressure on management to keep earnings growth on target, but it immediately dropped our greenhouse gases globally by over 10 percent.

When we brought it forward, the support from the ownership was absolute and immediate. This was the right solution for the environment and for the company on a multi-year, multi-generational basis, and we should move forward. Management felt the same way. You need complete alignment around the concept of doing the right thing for the long-term even if it means a longer payback, which is not always an easy thing to agree on. But we did it, and that system went into operation at the end of last year. Our dashboard on the amount of CO2 we are producing shows a massive drop. It's wonderful to see, and now everyone is enjoying the benefit.

Milliken™

#### About the Expert

**Halsey Cook** is the CEO of Milliken & Company. He assumed the role in 2018. Cook's 30-year career leading a wide range of large, diversified global businesses with significant manufacturing and distribution networks has prepared him to lead family-owned Milliken. His leadership roles in sales, marketing and product development have included international- and U.S.-based assignments across a variety of companies such as United Technologies and Legrand North America. Prior to becoming Milliken & Company's CEO, Cook was the president and CEO for Sonepar USA, a family-owned global distributor of electrical products and related solutions. These experiences provided opportunities for Cook to drive growth through organic innovation programs and strategic acquisitions.





Sharon Pacheco



Patricia Thompson

## WORLD'S MOST ETHICAL COMPANIES DEEP DIVE: PACIFIC LIFE

Interview by Bill Coffin

Pacific Life Chief Compliance & Ethics Officer **Sharon Pacheco** and Deputy Chief Compliance Officer **Patricia Thompson** discuss how a mission-driven culture and business model at one of the world's leading life insurance and retirement solutions companies creates a virtuous circle for an ethics and compliance program that is always looking for ways to improve.



**How would you say your work on ethics and compliance reflects Pacific Life's broader culture, mission, vision, and values?**

**Sharon Pacheco:** Pacific Life's mission is to provide financial security through products and services that stand the test of time. Our vision is to be the company of choice for providing financial security and well-being. Those are very broad and aspirational things, but they speak to how the life insurance industry provides a great value to society.

And it's not just an overnight, flash-in-the-pan type of industry. Our customers place their well-earned money with us for paying a life insurance benefit at time of death, and to provide for financial security through things like annuity products. They're giving us their money so we can make payments to them in their retirement years. Trust and



reputation are very important to Pacific Life, so we need to make sure we have a solid compliance and ethics program that promotes integrity and trust throughout the organization.

**Building a best-in-class ethics and compliance program requires a significant time and energy. How has Pacific Life maintained steady progress on advancing your program?**

**Sharon Pacheco:** We started this program maybe 18 or 19 years ago, when the Pacific Life board of directors approved the Chief Compliance Officer position. From there, we have had the necessary support and resources from our executive leadership to build, maintain, and enhance the program. Without that kind of support, I don't think any company would be able to build a world-class ethics and compliance program.

So it starts there, but it also has to be a dynamic program. It can't be a static risk and compliance program. It has to be able to evolve and change quickly, so you have to keep your eye on the ball of what's happening inside and outside of the company and make necessary changes and enhancements.

**Life insurance is a very long-term business. It's a marathon, not a sprint. As you mentioned, sometimes the ethics**

**and compliance world requires you to move quickly, and insurance companies in general have a hard time with that. They're not necessarily built for rapid reaction or agile movement. How has your program addressed that particular pain point?**

**Sharon Pacheco:** Great question. The thing I've been very lucky with at Pacific Life is that there's credibility and trust in the compliance function that we will be reasonably balanced in our approach. That gives me the ability to continually evolve the program where I feel it's needed and most appropriate.

With trust and the support of your leaders, you can do things quickly, versus having to go through the chain of command or through an inefficient approval process. So I think that's been very a fortunate thing here at Pacific Life.

**Patricia Thompson:** Our success comes a lot from the top down but also has a grass roots element to it. Our culture, and the compliance program are both customer-centric and focused on what is the right thing to do, not just what is required. When challenges, tensions or gaps come up, that focus on what is right empowers individual employees to make their own ethics and compliance decisions within that context of trust that Sharon was talking about.

Building and maintaining credibility is so important to our program, but also to our company and our industry as well. It's what really guides those decisions every step of the way, and at every level within our organization.

**Not every company enjoys that level of trust with its ethics and compliance department. What did it take to build that trust over time? And now that you have it, what would you say to companies that might look at your experience and want to try to replicate your success?**

**Sharon Pacheco:** Trust doesn't happen overnight. And it really comes down to the people. And your intentions need to be very clear that you're not doing all of this for your own benefit—you're doing it for the company's benefit and for who we serve. We're looking out for the best interests of Pacific Life and its customers. Transparency is key.

**The life and retirement business can be a deeply personal one. There's an old saying, for example, that a life insurance policy isn't really in force until it's been signed by a spouse's tears. So how has Pacific Life's interactions with its customers helped to inform your overall culture and approach to things like corporate citizenship and integrity?**

**Sharon Pacheco:** Pacific Life has seven

core values: people, accountability, customer focus, integrity, financial success, innovation, and community. We live and breathe those core values every day.

Community has always been a big part of the Pacific Life culture—volunteer efforts, donations, and so forth. That is becoming even bigger in this new environment with a greater focus on the importance of corporate social responsibility. That wasn't a drastic change for us because those things have always been part of Pacific Life's values. But I think it's a prominent thing that is getting even bigger.

Employees want to work for a good, ethical company, and that is where we're finding the payoff in this. It's a very heated job market, and people want to work for a good company that they are proud to be a part of. Having this great ethics culture within Pacific Life is sometimes a factor for employees and customers on making that decision, because they have choices out there. And we want to promote that we are a great company. We have a great reputation. We have been in business for more than 150 years, and you don't have that longevity if you're not a strong, ethical company.

**What have the last few years been like for your ethics and compliance function, especially in terms of strategic initiatives?**

**Sharon Pacheco:** I don't think there has been a huge change in our strategic initiatives, but it's been influenced by looking at how can we promote and sustain the culture we have built over time, now that we are in a hybrid work environment. We were fortunate that we went into COVID with such a strong culture both from an engagement as well as an integrity standpoint. But you

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*"The Ethisphere recognition allows us to tell people who we are and what we believe in. And it allows us to do it without bragging, because it's an external recognition."*  
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can't just be asleep at the wheel. Today, we have to reach out to employees in a different manner.

**Patricia Thompson:** Sharon is right, and some of it is trial and error, to be honest. Take training and awareness for example, there are things we tried in an in-person, office environment that we have found greater traction and interest within the work-from-home environment. I think the trick to any engagement is to be deliberate and consistent and to try to meet staff and colleagues wherever they need us to be.

We have put lots of materials on our intranet site, such as manager toolkits and employee visuals that help them think about decision making as a thought processes that includes compliance and ethics. We spent a lot of time on that, but we have also taken a deliberate stand at being personally available and trying to drive conversations around compliance and ethics related topics.

The most impactful messages that employees listen to come from their direct leader. They don't come from splashy art or an Internet article. It doesn't even come from the CEO. The most impactful conversations or messages come directly from your closest relationship in the workplace, which is often your direct leader. So we are trying to engage leaders in a way that makes them comfortable with having conversations about things that might be uncomfortable, and being open and honest about saying, "I may not have all of the answers."

**What are some of the things your program has achieved that you really take pride in?**

**Patricia Thompson:** The company wide engagement and enthusiasm for the this honor. When we first started engaging with Ethisphere and looking at the World's Most Ethical Companies® application, it was really a compliance and ethics driven initiative. Now, in 2021 & 2022 we have people knocking on our doors and suggesting things that we can do to mature our programs. Or suggesting things we can use in the World's Most Ethical Companies® application process. The thing I'm most proud of is that our employees across the organization are engaged when we ask, and also excited to offer their suggestions and help. I think that's really notable.

**Sharon Pacheco:** It's great seeing employees embrace this award and putting it in their email signature line, or their Zoom background. Five or six years ago, when we started this journey, it was a corporate compliance initiative, and there wasn't as much enthusiasm for it. But it grew over time into a collaborative

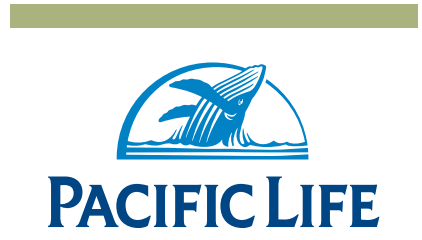
effort, and I've been extremely pleased to see that engagement.

**Is there anything else you'd like to share?**

**Sharon Pacheco:** It's just such a pleasure to work for such a great company. Nothing really keeps me up at night because I know what we have built here. We have a great program. We have great leaders that support us in what we need to do. I have been with Pacific Life for close to 20 years in the chief compliance officer role. It hasn't always been easy, but it sure hasn't been difficult either, because of the support from the company.

**Patricia Thompson:** We're incredibly proud and honored to be one of the World's Most Ethical Companies®. It's an affirmation and confirmation of the hard work that we do at Pacific Life and the investments we've made. But to me, the real value of the recognition is the journey that we go through on an annual basis, where we take previous benchmark information, compare ourselves to it, and ask ourselves, what do we want to do differently? What do we want to do next? How do we think we can be better and improve the experience of our employees, our third parties, and ultimately, our customers? How do we engage and make decisions that are good business decisions? I think that journey is really the biggest value that we've gotten out of this entire process.

**Sharon Pacheco:** The journey never ends, right? We realize that our compliance and ethics program must continuously evolve. Our board is extremely pleased by this honor and we continue to iterate our program to keep it fresh and relevant.



**About the Experts**

**Sharon Pacheco** is VP and Chief Compliance Officer for Pacific Life Insurance Company, Pacific Select Fund, Pacific Funds, and Pacific Life Fund Advisors. She is also responsible for the company-wide compliance and ethics programs.

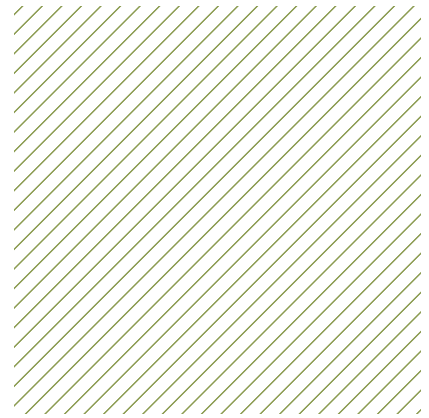
**Patricia Thompson** is Assistant Vice President Compliance, Deputy Chief Compliance Officer at Pacific Life.



## WORLD'S MOST ETHICAL COMPANIES DEEP DIVE: GENPACT

Interview by Bill Coffin

Genpact is a global professional services firm that offers a wide range of services, driving digital innovation and running digitally enabled intelligent operations for our clients in areas including finance and accounting, supply chain management, and more. For Associate General Counsel **Jillian Rennie Stillman**, the key to building a great program and keeping it great is all about a focus on fundamental values and refusing to let great be the enemy of good.



**What are some of the specific ethics and compliance challenges or opportunities present within your industry and how your company's own ethics and compliance program has addressed them?**

We have a global employee base of about 100,000 people across 30 countries, so we are regulated by many different systems of laws—some of which are overlapping and contradictory. That's a reality we manage daily, and that challenge really defines a lot of my team's work.

We address those challenges by hiring talented subject matter experts and investing in continuing education. For example, in the last year we had five additional members of the legal team get their International Association of Privacy Professionals privacy certification to improve their skills and to demonstrate to clients that we are making investments in areas of common importance.

We're a professional services firm and we have deep expertise in finance and accounting and other highly regulated areas. What that means is that our clients place an immense amount of trust in us, because they are sharing their most sensitive and confidential data with us. To earn and maintain that trust we must have a code of conduct and a culture of ethical conduct that resonates with our employees and influences their daily conduct.

Last year, we did a significant rewrite of our code of conduct to bring fresh energy and messaging into it. We reorganized it around the concept of commitments at an individual, company, and global level to demonstrate what it means to be committed to the ethical values that we ascribe to as a company. We also translated the Code into nine languages to make it more accessible than ever.

**Given the breadth of Genpact's employee base and global nature, did you encounter any particular challenges in terms of communicating a unified set of**

*“Being known as the company where integrity is non-negotiable, where there is an unyielding bedrock of trust, helps us win business. That’s the reputation that we have established in the marketplace and it does differentiate us.”*

**expectations in such a way that nothing was lost in translation—literally or figuratively—when it got to the local level?**

It was more universal than I expected it to be.

We are publicly listed on the New York Stock Exchange, so there are standards that apply to our code of ethical conduct. That was the guiding framework. In the countries where we operate, there are mostly similar expectations around things like conflicts of interest and bribery and corruption. Our code of conduct may be more stringent than the local requirements, and if that is the case, then the Genpact rules apply. That is the way the company has been run for a long time—employees know that the Code governs their conduct. We deal with any nuances in local and regional policies as necessary; the code of conduct is still the foundational framework.

**What other recent program achievements are you especially proud of or reflect a strategic focus for Genpact?**

Historically, a lot of our training was very tightly tailored to Genpact policies. Over time, that created an obstacle to updating either the training or the policies, because of this idea of “which do you fix first, the chicken or the egg?”

Last year, we took the leap and did both. We completely overhauled our mandatory code of conduct and cyber security training, moving from training that marched in lockstep with specific Genpact policies, to something that’s more modular, interactive, and modern. That allowed us to revisit a lot of other aspects of the training. For example, last year, we created a single week-long iComply training event, during which we challenge everyone in the company—more than 100,000 people—to complete their training within the same week. That way, we can focus a lot of energy and communications around it and get

our operations leaders to set aside some time for their team to do the training in a way that was not possible when every employee was doing the training on their own timetable.

**Do you find that having everyone do their training in the same compressed time frame mutually reinforces the overall training experience?**

That’s the goal. The training was brand new last year, so there was a lot of conversation around how different it was and how the content was presented differently from prior training programs. This year will be the second time that we’ve done it, and we hope to see even more conversations around the content.

The other thing that we have been working on is making ethics and compliance resources more available to our employees. We are so big and so geographically dispersed, and the way human resources works is quite regional. It was confusing for employees trying to find a basic set of policies that apply to their conduct. So, we created Policy Central, an Intranet page where the global policies that apply to all employees are located. We are also doing a lot in terms of putting our communications and our training material where our employees are already spending time. We have a continuous learning platform called Genome that we use for all kinds of training. This year, we are going to move a lot of our training content there.

**To what degree have the successes of your program opened doors for your team to pursue new initiatives?**

Going really big with the Code and the training brought a lot of visibility to our team and the work that we do. That gave us a level of credibility to keep reaching for big things and making ourselves more visible within the company. We’ve worked very hard at making these projects thoughtful, useful, and engaging, and the wins that we’ve achieved have given us the boost to pull for that next thing. We

just try to be ambitious about the mission of our team and get it out there in the best way we can.

**Apart from the obvious connection to building and maintaining trustworthiness with your clients, how else would you say your ethics compliance program reflects Genpact’s mission, vision and values?**

Genpact has four core values, and integrity is one of them. I love the way that the company articulates integrity as a value: we talk about “unyielding integrity” and that everything we do is built on a bedrock of integrity. That has been part of the company culture for years and our way of talking about ethical decision making as being a fundamental and unmovable part of who we are really does affect the culture.

The other thing is that Genpact is all about innovation and helping our clients do whatever they do better. We try to infuse that same energy into the ethics and compliance program. Instead of focusing on specific rules in our code of conduct, for example, we focus a lot on how to make ethical decisions and be an active part of an ethical culture. A prominent feature in the updated Code is a decision tree to help guide an employee in how to make an ethical decision how to get support if they need it.

**Ethical companies are more successful companies. Can you point to an area where your ethics and compliance program, culture, and values have helped to contribute to Genpact’s broader success?**

We win business based on our clients’ trust. They need to believe that we will be a responsible steward for their financial data, personally identifiable information, and all of their other sensitive data.

Being known as the company where integrity is non-negotiable, where there is an unyielding bedrock of trust, helps us win business. That’s the reputation that

we have established in the marketplace and I really think it does differentiate us.

Also, having an effective compliance team helps limit our risk of certain types of litigation or regulatory exposure. By having a really effective program, we limit the downsides. Our program doesn't always help the top line profit number. But mitigating risks and limiting the downside is a way that we contribute to the overall financial health of the company.

**You mentioned how integrity is a fundamental value at Genpact. Can you speak to how a company's behavior positions it to succeed not just in the marketplace, but in the unique leadership role society expects it to fulfill?**

We announced our company purpose within the last year, and we talked a lot internally and externally about who we are and why we do what we do. We define our purpose as: *the relentless pursuit of a world that works better for people.*

I think that really highlights how we help our clients do what they do better. But it's beyond our clients.

For the past several years, our Corporate Social Responsibility program has focused on hunger, and on ways that we, as a company, can address food insecurity beyond contributing financially or going to a warehouse and packing boxes of food. I mean, we do all those things. But for me, one of the most interesting things that we are doing is our relationship with this company called Not Impossible. They

have an app called Bento, which is a text-based app that connects people who are food insecure, and in need of a healthy meal, to restaurants in their local area where they can get food free of charge. It is a perfect partnership for Genpact because we can use all of the digital analytical experience that we have honed over the years with our clients to improve the analytics and operation of this kind of program. Bento's founder spoke at a Genpact conference recently about how hunger is really an information problem—there is all this excess food and it's just not getting matched up to the people who need it. That kind of process improvement and analysis of large quantities of data is exactly what we do. That partnership is one that reflects what the company believes and shows what we can do for the world in a way that's meaningful for us.

**You seem like you really like your job. What do you like most about it?**

I love my job. It is intellectually interesting every day. The number of legal issues that arise in a company with our footprint is endlessly varied, and we serve clients in so many different industries that sometimes compliance issues that affect them affect us. So, there is this environment of constant learning.

That was something I didn't want to lose when I left private practice as a litigator, when every case was a fresh universe of things to learn. And that is more true than ever in a company like Genpact

The other thing is the company is really open to people just having ideas and

trying stuff. There is a faith in people, that a person will come up with something interesting and do the work to make it succeed, and if you fail, you fail. That has really allowed my team to look at things in a fresh way and ask what we need to break, what we need to fix, and how else we might approach our mission.

**This is not Genpact's first time as a World's Most Ethical Companies® honoree. Any thoughts on what it takes not just to create a great ethics and compliance program, but to sustain that high level of excellence?**

Genpact has had a mature ethics and compliance function for a long time. Because our regulatory environment is continuously changing, though, we also need to change. Personally, one of my biggest challenges has been letting perfect be the enemy of good. That mindset can get in the way of getting started. Instead of defining an end goal that is perfect, we have adopted a mindset of continuous improvement. Just starting with any baby steps creates momentum, and identifying and pursuing "quick wins" helps gain support outside of the team, which allows you to build on your successes.



*"I love my job. It is intellectually interesting every day. The number of legal issues that arise in a company with our footprint is endlessly varied, and we serve clients in so many different industries that sometimes compliance issues that affect them affect us. So, there is this environment of constant learning."*



#### About the Expert

**Jillian Rennie Stillman** is Vice President and Associate General Counsel, Litigation and Compliance for Genpact.

She leads an experienced global team of attorneys and compliance professionals responsible for the company's legal and regulatory compliance (including data privacy, regulatory licensing, third party compliance management, trade controls and AML, whistleblower obligations, and in certain jurisdictions, labor and employment and corporate secretarial responsibilities), policy and Code of Conduct compliance and investigations, and the company's ethics program.

In addition, she manages and supervises the handling of significant commercial disputes on behalf of the company (litigation and ADR).



## WORLD'S MOST ETHICAL COMPANIES DEEP DIVE: GRUPO BIMBO

Interview by Bill Coffin

As one of the world's most beloved baking companies, Grupo Bimbo knows what it means to live up to expectations. **Mavín Domínguez Arroyo**, Global Compliance Manager offer their insights on what it takes for Grupo Bimbo to export its own culture of integrity along its vast network of third parties, and what it means to be a Latin American World's Most Ethical Companies honoree.



**What are some of the ethics or compliance challenges specific to your industry, and how does Grupo Bimbo address them?**

Our compliance program started in 2014, since that, we developed several initiatives to build a strong compliance program for Grupo Bimbo at the global level.

One of our biggest challenges is the culture of the country we are operating in because not all countries have the same awareness and understanding of compliance. So we have to do several trainings, processes, and policies which help us to increase the awareness and comprehension between several stakeholders such as associates, vendors, etc.

I think with the actions that we've implemented in the last couple of years, we've become an actual player inside the company for any decisions that need to be made for procurement, M&A, you name it. For every process, people come to us first now.

Also, in the beginning, training was a challenge because not all the associates have access to our internal training university. So how did we reach these associates who are on the front line, delivering on the streets, or are at the plants? That was our main challenge, so we created the program train the trainers with a web-based program that started with us and our People team (HR), and the trained leaders and supervisors, and so on. Now it's been seven years, and every year, we are consistently training over 90% of our associates.

**Compliance programs are not necessarily structured to make rapid, dramatic adjustments. Did the years of work you put in before enable you to move more quickly when you needed to?**

Absolutely. We have been working in the last few years not only to get the daily things out, but to plan ahead. Our periodic risk assessments help us respond to any type of situation where we do business. I think the experience we achieved globally and with our compliance champions throughout our different business units and in different countries also has helped us to have a very effective compliance program.

# WE ACT WITH INTEGRITY



**What other achievements in the last 12 months are particularly significant for your program, besides being named one of the World's Most Ethical Companies for a sixth year in a row?**

We have several programs inside the company related to compliance. One that was recently carried out was a global internal integrity survey, whose main objective is the measure the associate's perspective of the companies' ethics and integrity culture; as well as to identify areas of opportunity to keep strengthening the our program. In the last edition we had incredible results with very high participation of associates.

Another example is our progress is our data privacy program, where we have managed the relationship of our data very closely. It is very important to our relationships with our clients, and several stakeholders. As the company started to understand the importance of our information, we analyzed all of our process risks and brought our associates and business units under the same awareness around data compliance.

**Grupo Bimbo, from its very beginning, has had a culture of ethics and integrity. But in what ways do you feel that your ethics and compliance program exemplifies that culture?**

First of all, Grupo Bimbo has a unique humanistic philosophy where the people are the most important for the company. It's a company that places the person at the center and never the means, and that humanistic approach to the business is what makes us special.

One of the most important things in compliance system is to understand the vision of our founders and try to think about where the company will be in twenty, thirty, or fifty years. In that way, we implement our compliance and ethics process with a sense of sustainability, to be aware of any regulations the company needs to comply with.

**How does Grupo Bimbo's ethics and compliance program, and its culture of integrity, contribute to the company's broader success?**

I think when we expose our clients to the culture of our company, they realize that our company is a sustainable one. It complies with the law, and all of the different kinds of regulations we are subject to. But also, we can bring them delicious products with this mindset of ethics. So for me, I think that it's a strong message to our clients and our third parties to be part of the World's Most Ethical Companies, because it is part of our culture... In Grupo Bimbo we Nourish a Better World.

Also, our compliance and ethics program has helped the reputation of the company to grow; especially in these hard times, where reputation is such a soft line with social media and how everything is perceived, and I think that's amazing.

**Grupo Bimbo is not just a big and well-respected company. You're producing something that people bring into their home and put on their table. There is a personal connection there. Does that create greater expectations for the company to behave a certain way?**

All the Grupo Bimbo's associates work to contribute to the company's purpose: Nourish a Better World.

Our purpose guides us every day. As part of our beliefs, we bake every product with a high sense of quality to satisfy all consumer's needs.

And of course, people have high expectations regarding Grupo Bimbo's actions to Nourish a Better World. So, having a strong compliance program inside the company at the global level helps to manage and maintain high expectations.

**Given the vast number of brands that your company produces, and the amount of work that your department does to**





**uphold Grupo Bimbo's reputation as a good company, do you feel that your work makes people more likely to buy your products?**

Absolutely yes. Building and maintaining a good reputation depends on different factors. Consumers demands transparent and purpose drive brands. In Grupo Bimbo, all our brands are aligned to our belief to Act With Integrity.

Consumers recognize this, they are aware of our high-quality process every time we bake our products and many of them know the initiatives the company does to procure nature or help communities around the world.

The culture and values related to the brand are very important because every

time an associate of Grupo Bimbo sells our products, or when you see a Grupo Bimbo truck in the street, you feel happy. You know you're part of what we call the Bimbo family; and that also replicates anywhere; in Argentina, Brazil, India, Europe, or the United States. You feel the proud about being part of Grupo Bimbo and its values, and it is our responsibility to take care of all of that.

We are also a reference point for ethics and compliance in Mexico and Latin America. That is such a huge responsibility. We have always tried to look out not just for us, but to assure our clients and third parties that they can establish their own compliance programs and then they can grow in terms of ethics and compliance. We are part a community, and if they're doing better, that means that we're doing

*"We are also a reference point for ethics and compliance in Mexico and Latin America. That is such a huge responsibility. ... We are part a community, and if they're doing better, that means that we're doing better."*

better. If they are transparent, that replicates to us.

**This is not Grupo Bimbo's first time on the World's Most Ethical Companies list. What advice would you give for companies seeking this designation?**

Be resilient. A compliance program is not made in a day. If you want to be successful, you have to apply every year, measure your process, and keep working hard to meet new standards. Also, you have to see best practices in other companies with very effective compliance programs and replicate them in your own company. Compliance is not a competition.

Also, you need support from C-suite, the board and the leadership to have an effective program. It's very hard to work up. You need to work from the top down. For a new or small compliance program, you need to have that. It needs to be part of the culture. Your culture needs to be based on ethics and integrity. Then you can start with policies, risk assessments and or all the other elements of the program.



**NOURISHING A BETTER WORLD**



### About the Expert

*Mavin Domínguez Arroyo is the Global Compliance Manager for Grupo Bimbo.*



Terry Stringer



Ellen Jackowski

## WORLD'S MOST ETHICAL COMPANIES DEEP DIVE: HP

Interview by Bill Coffin

As one of the world's most influential information technology and hardware companies, HP occupies a unique place at the intersection of business, society, and sustainability. Terry Stringer, Head of Ethics, Integrity Policy, and Operations, and Ellen Jackowski, Chief Impact Officer and Head of Sustainable Impact, speak about HP combining integrity with sustainability to drive an ambitious agenda across its organization, its value chain, and the planet.

**Terry, why was it important for you to have Ellen participate in today's interview?**

**Terry Stringer:** I have been at HP for about four years. When I started, one of my first projects was to determine if it was feasible for HP to apply for the World's Most Ethical Companies award. That first year I performed due diligence, completed the application, and I also did a lot of research on the company based on all the things that Ethisphere asks about. What I was most impressed with was HP's devotion to social responsibility. It really defines who HP is and how HP demonstrates its values in action.

Every time I have been in Ellen's company or attended something that she has promoted ... some of the things we do as a company brings tears to my eyes. The work that Ellen does really weaves into what we do in the ethics and compliance space, and we consider her group to be a really viable partner for us within the company.

Ellen Jackowski: I would echo that partnership between Terry's team and our team. It is amazing to have such strong, supportive partners who help advocate for everything we can accomplish together. They are incredible partners to us.

**Ellen, could you discuss HP's history of sustainability and why it is so important to the organization?**

**Ellen Jackowski:** When Bill Hewlett and Dave Packard founded our company, they created a list of eight corporate objectives. And one of the objectives that they put on that list, next to revenue and profit, was global citizenship. Today, we call that sustainable impact. But they had a clear sense of the responsibility of a corporation to society.

And that only continues to get stronger as the company has grown, so we can thank Bill and Dave for embedding those values and our focus on sustainability at an early age.

When HP separated from Hewlett Packard Company, that was another moment in time where our CEO and board at the time really doubled down on our focus in this space. This past year, HP announced some of its most comprehensive and ambitious goals across each of our sustainable impact pillars—climate action, human rights, and digital equity—so we now have an ambitious agenda in front of us. We are always raising the bar, not just on ourselves but on our industry as well, to provide value in this space to all the communities that we serve around the world.

**What is digital equity?**

**Ellen Jackowski:** It's the aspect of solving the digital divide, which during, of course, the pandemic we've seen increase more than ever before, so making sure that we're focusing on identifying the marginalized communities—women and girls, people with disabilities, people of color—and ensuring that they have the right technology tools and access to education, health care and economic opportunity.

**Can you talk about specific initiatives of HP's sustainability program that are helping to move the needle within the organization?**

**Ellen Jackowski:** Even though sustainability is in our DNA, there is more pressure on this from our customers than ever before, and that is important. In fact, this past year, we saw \$3.5 billion in new sales due in part to our actions on sustainable impact. That is up from about a billion dollars the year before. That tells you how important sustainability is

to our customers, investors, and all the different markets we serve.

We know that our consumers are making choices based on the sustainability benefits of our products and services. We calculate that at the enterprise level through our RFP process. We establish metrics where, if an enterprise RFP customer is asking about our carbon footprint, or the energy efficiency features of our products, or our human rights record, or whatever it may be, we can tick the boxes in our system that say this customer is interested in our sustainable impact actions. If we win that deal, then that goes into that calculation. We are working on automating how to understand our customer sentiments changing in this space, and our metrics and measurements there are certainly getting better.

We set ambitious climate goals this past year, and now we are deep into how we are going to actually achieve all those goals. When HP comes out with a big, bold statement, like to be net-zero across our value chain by 2040 or to eliminate 50% of our absolute carbon footprint by 2030, we know these are big, ambitious, difficult tasks. For us, it requires a lot of innovation and to do that we have partnered across the entire company to establish sustainability objectives. All of our direct reports to our CEO have sustainable impact goals and objectives on which they are measured. The entire company is shifting toward achieving those goals; we changed our performance management system this past year that empowers all 55,000 HP employees to set a sustainable impact goal in their job role. Our aim is to change the culture in the structure of HP so that every single employee is part of our sustainability solution. That is a big evolution for us; the sustainable impact team is at the center of our corporate strategy, and every single employee is part of that solution.

**Could you give an example of how HP's sustainability efforts made a local impact somewhere?**

**Ellen Jackowski:** There are a lot of really strong examples across the company, but there is a program that we started back in 2016.

HP has been doing a closed-loop recycling process with our ink cartridges for 20 years, and as part of that process, we take back our ink cartridges, disassemble them, shred the plastic, mix it with other recycled materials like recycled bottle plastic to strengthen it back up, make a new cartridge, fill it with ink, and put it back out on the market.

In 2016, we had an opportunity to think critically about what else we could do to

increase the environmental and social impact of that process. An opportunity came about where we could change where we were purchasing those recycled plastic bottles, so we decided to source them out of Haiti. At the time, we had been sourcing them off of the North America plastic market.

That decision to move a portion of our purchasing power to Haiti seemed like a risky decision. But we did it for a couple of reasons. In Haiti, there is no municipal garbage collection. I live in California; a garbage truck comes around once a week and picks up my recyclables and my waste. That does not happen in Haiti. When someone consumes a beverage, the plastic bottle goes on the ground or into a canal that washes out to the ocean, helping to create part of the significant ocean plastic pollution problem that we are all facing. By sourcing from there, we are stopping those bottles from flowing into the ocean.

But we are also creating livable wage jobs that are sustainable for the long term. We make a lot of ink cartridges. We use over a million plastic bottles a

*"This past year, we saw \$3.5 billion in new sales due in part to our actions on sustainable impact. ... That tells you how important sustainability is to our customers, investors, and all the different markets we serve."*

day. These are sustainable, long-term jobs. Haiti is the poorest country in the western hemisphere, and to date, we have created over 1,100 income opportunities by upcycling over 100 million bottles into our products.

We have scale at HP. When we decide to buy from somebody, it is a meaningful purchase. Now we have more than 300 HP products that are using this material, so by challenging ourselves in our procurement decisions, what we see in Haiti is that we are absolutely changing lives. And not just of the collectors but also their children. We have been able to put over 150 children of our plastic



collectors in school since we launched that project. We are helping to support those schools with HP PCs and printers. We see the children in one of those classrooms, using an HP printer, and what is inside that printer is the ink cartridge that their parents helped build. That brings dignity to the work of plastic collection, which is increasingly important for a company like HP as we move to a circular, regenerative economy.

**That is a terrific story of global scope and local impact. Terry, how do you create a centralized ethics and compliance program that is global in scope, but local in execution?**

**Terry Stringer:** I have folks in Mexico, India, and here in the U.S. I am in Houston, and I also have team members that are in California. Try putting a good meeting time on the calendar that works for everybody, and you get a flavor of what we have to go through whenever we are trying to introduce anything to the company. My team actually provides a good opportunity both to test things from a cultural perspective as well as to address the logistical challenges that we are likely to face because of the global nature of the company.

**What particular ethical challenges to your industry does your program seek to address?**

**Terry Stringer:** Privacy and data stewardship are focus areas for the tech industry. At HP, we view privacy as a fundamental human right. We are also constantly monitoring our data usage, artificial intelligence and machine learning tools to ensure compliance with regulations and that the data generated by these innovations continues to produce intended results. This diligence is important for us to enable trust with our customers, partners, society, our employees and all stakeholders in the way that we protect and use data. To ensure our understanding of what data is

and how it should be used and protected, we are all required to take a data privacy course. The course culminates in a pledge in which we affirm the principles and procedures to which we will adhere to enable trust and good stewardship of all the data under our control.

**Ellen, you mentioned how the founders established global citizenship as an organizational value. How does the work that you and Terry do reflect HP's mission, vision, and values today?**

**Ellen Jackowski:** It is really tightly aligned. What fundamentally underlies Hewlett and Packard's intentions around sustainable impact, as well as ethics and compliance, is how we, as a company, take our responsibility as an actor in society and make sure that we hold ourselves to the highest standard.

The ethics and compliance office and the sustainable impact team share that ethos. But that all stems from the serious responsibility our founders felt that the company has to society.

**Terry Stringer:** You often hear from regulators and others to strive to produce a culture of compliance within an organization. I prefer to reframe or approach a culture of compliance from a different perspective. I like the way we do it at HP: we strive to create a culture of purpose and integrity.

If everyone is pulling in the same direction, if everyone is aiming for the same vision, the same goal, the same purpose, you will inevitably and invariably get a culture of integrity or compliance, one that looks out for the best interest of the least powerful, one that ensures that we are compliant and that we win the right way at HP. We call this the HP Way.

**Apart from the data that Ellen provided, do you see any proof points of how HP's ethics and compliance program, and its culture of integrity, contribute to the company's financial success?**

**Terry Stringer:** We are currently working on improving the metrics that demonstrate the effectiveness of our ethics and compliance program. In fact, that is one of the reasons we applied for the World's Most Ethical Companies. We were impressed with the historical tracking of the Ethics Premium. We value being in the company of the honorees that make up the Ethics Premium population. We know that customers, employees, investors, and other companies want to do business with companies that demonstrate high ethical standards.

**What are some initiatives, programs, or achievements from the last 12 months of which you are particularly proud?**

**Terry Stringer:** We are very proud of the fact that we won the World's Most Ethical Companies honor for the third year in a row. The feedback that we receive after the award is announced helps us to continuously improve our program. For instance, we learned about the importance of not just communicating, but connecting with employees. Therefore, we assessed our communications and trainings and sought out ways to reframe, redesign our communications.

When we talk to employees, by "we," I mean ethics and compliance professionals. We often talk to them as if they are ethics and compliance experts or as if we are going to train them into being ethics and compliance experts. Of course, that is not what they need to do their daily work. We worked to change our communication to provide the "why" for compliance. We focused our communication on what we wanted them to do, why it is important, as well as unintended consequences that could occur for non-compliance – such as how a wrong decision or action could have negative impacts on the least of us in society. We launched several tools that were developed by a compliance vendor that uses imagery and rhyme to communicate compliance concepts in an engaging way. We also refreshed our Code

of Conduct, Integrity at HP and recently launched an interactive code.

This new approach to communicating, and particularly launching these tools, have resulted in resoundingly positive feedback. We have had employees at all levels, including executives, relate how this approach has impacted them. Employees who have been at HP for 20 years told us this is the best communication or best training that they have had. We have had new employees say that they now understand why compliance is important through seeing the unintended impacts that non-compliance can create.

**How does a company's behavior translate to the larger role it plays in society?**

**Terry Stringer:** If there has ever been a time for employees to see how relevant our companies are or for our leadership to tell just how important their leadership and the company's brand is, it is now.

Our CEO, Enrique Lores, is very mindful of the importance of the role HP plays.

*"If everyone is pulling in the same direction, if everyone is aiming for the same vision, the same goal, the same purpose, you will inevitably and invariably get a culture of integrity or compliance, one that looks out for the best interest of the least powerful."*

During these last few years with COVID and all the changes and tragedies we have all experienced, our leaders have been out front leading ways that HP could make an impact. For instance, when George Floyd was killed, within hours, our CEO sent us a heartfelt email in which he acknowledged the pain he felt and that our Black and African American employees are likely to feel as well. This resulted in several town halls in which leaders and employees reflected on changes we needed to make

as a company internally and to be a leader for change in our industry. Some of the numerous efforts underway include

- Formation of a Racial and Social Justice Equality Task Force
- Pledged \$500,000 through the HP Foundation to social justice organizations to combat systemic racism
- Supporting efforts to make voting easier and more accessible
- Advocating for the defeat of anti-LGBTQ+ legislation
- Partnering with police organizations such as the Houston Police Department in the development of immersive Virtual Reality tools to facilitate training and testing of the use of force policies in unarmed civilian situations

The HP Foundation, in line with HP's vision to create technology that makes life better for everyone everywhere, extends that commitment to help those in under served communities acquire the skills, resources, and opportunities to succeed. Through the HP Foundation's program, HP Life, free online training is offered aimed at providing baseline business skills development for aspiring entrepreneurs, students, and small business owners.

As part of our COVID response efforts, HP produced 3D-printed essential parts for medical responders and hospitals with our global digital manufacturing partner network. We mobilized our print service provider network to donate HP bioprinters for treatment and vaccine research

There are so many different things that we do at HP so that we do not sit on the sidelines. We do not always toot our horn about what we are doing, but you can bet your bottom dollar that if there is a social issue that we feel really impacts society and that aligns with our values, HP is getting involved.

**The last couple of years have been hard on people, and the workplace has become a place for people to seek the help they need to maintain their wellness. HP is proud of its culture. As a chief steward of that culture, how much of an impact do you think it has on the people of HP that when they go to work, they might feel a sense of relief, rather than anxiety?**

**Terry Stringer:** We have all seen the effect this pandemic has had on the mental health of our society as a whole. From the beginning of the shutdown, HP implemented several initiatives to

address the well-being of our employees and their families. We had sessions with various doctors who provided us with information about the pandemic, as well as mental health professionals who provided us with tips on dealing with stress and feelings of isolation. As managers, we attended sessions to help our employees cope with the new stresses they were experiencing. We were encouraged to be more flexible, empathetic, start conversations and then listen to our employees.

This time also opened the door to having even more courageous conversations about mental health challenges. One of our senior leaders who is passionate about mental health and works with several mental health organizations, shared her experience with mental health in her family, as well as her personal diagnosis. She expressed that it was HP's culture of inclusiveness that enabled her to be authentic. She shared that mental health is just like any other health condition. She continues to advise HP managers on ways they can reduce the stigma and create an inclusive work environment. After reading her story, numerous employees shared their appreciation of her openness and stated that she created a safe space for them to open up about their experiences.

We try to make sure that we prioritize our mental health as well as our physical health. I am really proud of that.



**About the Experts**

**Terry H. Stringer** is the head of the Ethics Office and the Ethics and Compliance Office Center of Excellence at HP and is renowned for her work in enabling leaders and organizations foster cultures of integrity. She and her team serve as catalysts for integrity to build and promote HP's culture of integrity and the HP Way.

**Ellen Jackowski** is the Chief Sustainability and Social Impact Officer at HP. In her role, Ellen leads a global team that oversees the HP Sustainable Impact strategy and programs that focus on making positive, lasting impact on the planet, people, and the communities that HP serves.



## WORLD'S MOST ETHICAL COMPANIES DEEP DIVE: UNUM

Interview by Bill Coffin

As a leading provider of disability, critical illness, accident, and life insurance, Chattanooga, Tennessee-based Unum has a keen sense of how many people look to it to do the right thing. And for **Beth Simon**, Unum's Chief Compliance and Ethics Officer, doing the right thing is as much a matter of a good internal compass as it is institutional muscle memory developed over time.

Can you talk about some of the specific ethics and compliance challenges specific to your industry and how your company's program addresses them?

One of our primary responsibilities is keeping our customers' information protected. Our compliance and ethics program has really focused on that in a few ways.

We set very clear expectations in our code of conduct on how to treat sensitive information. It is every employee's responsibility to do whatever they can to keep that information safe.

We also have a very robust training program for our employees and contractors. We have 10,000 global employees and we track everyone's training obligation. We have a very close partnership with our privacy and information security team, and recently increased our compliance oversight over issues related to IT security and data privacy to make sure the compliance team has a line of sight into those areas. We also report any privacy or information security related issues to our board of directors on a quarterly basis.

Our leadership team helps set the expectation that everyone is responsible for compliance. Our CEO, Rick McKenney, is our biggest champion. During compliance training season, he encourages everyone to complete the mandatory training. He sets the tone for executive leadership.

Insurance companies rely on 3rd party distribution networks to get their products out to their clients. A lot of companies have third party risk to deal with, but it's especially large for any insurance company because of the way their distribution networks are structured. Do you do anything special with your distribution partners to make sure they understand your code and expectations?

We have to be really careful in this space because we don't want to cross the line and create a co-employment situation. We do provide them with training where it's legally required and set clear expectations in their contracts.

Could you speak to some of the program's recent achievements that you are especially proud of or that reflect area of strategic importance for Unum?

Being named an Ethisphere World's Most Ethical Companies® honoree is a big achievement. Our employees are proud of this designation because it highlights



the visibility of our compliance and ethics program within, and outside of, the company.

Last year we spent a lot of time on continuous improvement. We refreshed our code of conduct. We benchmarked all of our compliance policies against best practices. We enhanced our communication plan and strategy to make sure we are getting ethical messaging in front of people on a regular basis, in particular our managers, who we know are probably the most influential stakeholders in the employee experience.

We have worked hard to demonstrate to our business partners just how important it is to keep compliance and ethics top of mind. This is important because we look to be included at the table on new initiatives. I think we've been able to demonstrate our value and have seen a shift at our company in ethics and compliance being part of everybody's responsibility in their day-to-day work.

**How does Unum's ethics and compliance program reflect the company's broader mission, vision, and values?**

It's embedded in everything that we do. Our company's purpose is to help the working world thrive throughout life's moments. Many times, we are helping people when they're most vulnerable.

We want to make sure we're living up to our commitment to our customers. From a compliance perspective, we try to be consistent, treat people fairly, and be professional in all of our communications.

Our employees, customers and regulators are stakeholders. Our company talks a lot about operating with integrity. We also take the responsibility we have to our customers very seriously. This includes going beyond what is legally required and instead asking, "what's the right thing to do?" It's a part of who Unum is.



**Strong ethics is good business. Where would you say Unum's ethics and compliance program has contributed most directly to improving the company's overall performance?**

Our customers, stakeholders, and employees expect more from the companies they engage with and what we're seeing is that compliance and ethics are top of mind for them.

We get questions from our customers asking us very specifically about Unum's compliance and ethics program. They want to see our code. They want to know we are very intentional about training employees on ethics.

One of the ways we create value is when companies are making their decisions around employee benefits, they want to do business with a company that has a really strong reputation as a World's Most Ethical Companies® honoree versus a company that might not have those strong values.

We've also done a lot of work to attract candidates and retain employees in this tight labor market. People research the companies they are interested in. Potential employees see our environmental, social and governance initiatives. No one wants to work for a company that has a bad reputation.

**What are your thoughts on how a company's behavior positions it for the larger role it plays in society?**

I love this question. I could talk about it all day.

Your house must be in order before you can make a difference elsewhere. Unum has done a fantastic job allowing us to be a good corporate and world citizen.

Unum makes positive contributions in the communities we serve. We are located

in smaller markets so our outreach and giving to the communities that we live in is such an important pillar of our company. It's who we are, and the company makes numerous opportunities available, including volunteering, giving to a social justice fund, and matching charitable contributions. It is amazing how the company really encourages employees to exemplify a caring spirit. The stronger the community is, the better it is for everybody.

We started a campaign to raise money to provide food and hygiene products to local food banks and community kitchens. Hundreds of employees – including our executives – packed thousands of snack bags and hygiene kits for community members in need. Our company really takes that seriously.

**Over the last two years, everybody has been carrying a lot of extra mental and emotional weight, and it's taken a toll on wellness. Do you think having a great ethics and compliance program, to the extent it helps to build a better corporate culture, and maybe shows how the company is serving a greater good, take some of that weight off of employees' shoulders?**

That's the way I feel about it, so I hope so.

We talk about things being right or wrong, like it's black and white, and it's not always so easy. I think having a strong, ethical culture serves as a compass to help people navigate those gray areas.



**About the Experts**

*Beth Simon is the Chief Compliance and Ethics Officer at Unum where she is responsible for managing the company's corporate ethics and compliance program. A 20+ year Unum employee, Beth has worked in a variety of roles in the Unum law department, including Government and Regulatory Affairs and Business Operations Law. Beth is a current Board Member of the Women's Fund of Greater Chattanooga and the former Board Chair of Chattanooga Goodwill Industries.*



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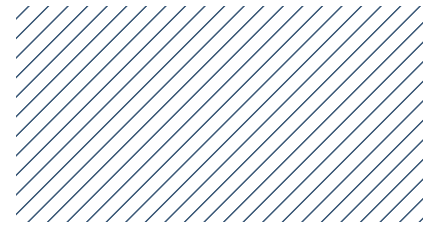
## THE GREATEST JOB IN THE WORLD

Interview by Bill Coffin

**Erica Salmon Byrne** is one of those people who seems to be everywhere: always on, always ready, always aware.

Since 2016, she has been one of the foremost figures at Ethisphere, and in January, she took on the role of President, where she will continue to lead from the front of the organization, and most importantly, to serve as the face and voice of Ethisphere.

We spoke with Erica about her professional journey, how ethics shapes her on a fundamental level, and why she thinks she's got the greatest job in the world.



### **How has your role at Ethisphere changed over time?**

When I came back to Ethisphere in early 2016, my original remit was to look at what else we could bring to the BELA community, and also to build out the team of folks working with our data, which documents the practices of the World's Most Ethical Companies and other leaders. And that is what I have spent the last five or so years doing.

A lot of people engage with the Ethisphere team because we so consciously curate what we bring to the BELA community. The BELA team has also grown tremendously over the last several years, and they're doing a lot of that work. Here, at Ethisphere, we have a series of experts who put eyes on everything before we post it. Everything we bring to the BELA community has the Ethisphere stamp of approval; someone has verified that what we're sharing really is a good practice. That gives people a level of trust and confidence in us, and that's reflected in the way in which the BELA community has grown.

The thing I'm most proud of over the last five years is the culture work that we do. If you look at where we were at the end of 2016-2017 from a data set perspective compared to where we are now, the level of insights we can give companies into the micro cultures they have across their organization and what kinds of risks they present to the company is enormous. It is the most rewarding piece of work that we do: help compliance officers make a tangible change in the lived experience of an employee.

### **Why do you have the greatest job in the world?**

I do have the greatest job in the world! (laughs) This is a cliché, but it's because of the people. And not just the ones I get to work with. The people I interact with are a community of really great people bonded by shared values, and it's really fun to be around really smart people who are trying to do really good work.

I really believe that good ethics and compliance programs make companies better places to work. There is no competition in compliance. If somebody has figured out how to address an issue in real estate or retail, people are people

no matter where there go. You might not be able to use all of that idea in your organization, but you'll be able to use a piece of it. And that way, we get to keep standing on each other's shoulders in a way that is incredibly gratifying. That cross-pollination of concepts and good ideas, that's a really rewarding thing, because at the end of the day, we're all managing people-created risks. And there just aren't that many different ways people are going to be people.

### **Has ethics and compliance gained the critical mass to drive trends, or is it still reacting to trends?**

I don't know I can say confidently that we're driving trends yet. As a function, ethics and compliance has only been around for 20 years, since Sarbanes-Oxley in 2002. That's when people got going on this concept of having an effective program in place that teaches employees not to break the rules, what to do when they have questions or concerns, and assisting the company in getting out of trouble in the event that an employee engages in misconduct.

As a space, we are still chasing some of those more established control functions. If you're a company with a lot of safety risk, you'll have a lot of robust and integrated safety programs, and that will drive trends instead of chase them. We still have a lot to learn. As a profession, we should look at safety and quality and risk management and pull lessons from that. Because ultimately, we are trying to impact behavior.

The one place where we are leading the charge is around culture. There is a growing recognition that culture is about bringing your whole self to work and being comfortable using your voice. If you look at a lot of the dialogue right now around authenticity, compassion, and transparency in the workplace, the ethics and compliance team is right there in the mix and has a lot to offer.

### **What bothers you the most about the E&C landscape today?**

The people who still see the function as the "department of no." Part of that is the way that we talk about our work. There's still a little bit too much of the compliance baggage of "I'm gonna tell you what the rule is, and you're gonna follow it." My experience has been that you don't ever change behavior without explaining to somebody the why. You've got to start there. Why does the FCPA exist? Why are there anti-bribery and anti-trust laws? And why do these things matter to us as a company? That's where I would love to see more compliance officers take off their lawyer hat and put on their employee hat. Because the point of all

of this is empowering people to make choices that align with the company's values and then being there to help them when they make a mistake.

### **What is an experience that helped shape your ethics outlook?**

When I was a young associate, I had the good fortune of doing some work for Senator George Mitchell (D-Maine) when he was in private practice. He was consulting for BP, which at the time had a large natural gas processing facility in Papua New Guinea. He was running an advisory board to help BP develop this facility with the greatest amount of environmental safety and respect for the native population as possible. It was an early exposure for me to what is now an ESG analysis.

One of the things the company ended up doing was develop a safety brochure that was a graphic novel without words to try to help the community understand what the facility in their space meant to them from a safety perspective. I watched them develop that with local community input, especially when the local community had its own diverse points of view on how BP was impacting them. So there was this balancing act of trying to make sure these different voices got heard as much as possible.

I wasn't making any decisions in that circumstance, but the process of watching that get untangled was impactful on me early in my career and informs the various pieces that I think about now. From an ESG perspective, how do you listen to the symphony of stakeholder voices and still come out with something valuable and meaningful? As Sen. Mitchell said to me at the time, "Look, we're going to disappoint people. The thing we have to figure out to do is how to disappoint people as equitably and as equally as possible." How do you spread the disappointment across all of the stakeholder groups? Because no one's going to get everything that they want from that situation. I think that was a valuable piece of advice.

### **Who is your ethics hero?**

Tom O'Neil, who was my primary mentor at DLA Piper. He was a person who fundamentally showed me the human element of all the work we were doing. It's very easy to forget the people piece of it, but he never did. In all the work that I did with him over the years, our client was always the company, not a person. And Tom was good at making sure we didn't lose sight of the fact that the work we did really was people-focused.

### **What's your favorite thing you do for fun that draws upon or impacts your work at Ethisphere?**

I'm an avid gardener. Gardening is my happy place. The process of nurturing something to watch it come back year after year, stronger and stronger, is something I draw on all the time at work. As a manager, as a BELA leader, as a thinker, this idea that we are setting roots, that those roots matter and that we need to make sure to nurture and feed them is a good reminder for me.

### **What's something you wished everyone knows about ethics but doesn't?**

My wish for people within the ethics and compliance circle is that they had a voice in their ear that was the average employee. Your people are, hands-down, your best defense against anything going wrong. If you've got a robust feedback channel with the people inside of your organization, then you are in really good shape, professionally. That voice is also super-important because it is so easy to assume that everyone knows what we know and as a result, miss a communication opportunity. Too many compliance professionals deliver the message the way they would want to hear it as opposed to the way their employee base needs to hear it. That is a regularly missed opportunity that I would love to see us all move away from. There is only so many times that you can send a message out to employees that shows you have no idea what they actually do before they stop listening. And once they stop listening, it's really hard to get them back. That's my wish for people inside the circle.

Outside the circle, I wish that more business leaders understood that their long-term societal license to operate, to use Larry Fink's language, is not guaranteed. And that they need to look at the compliance function as a strategic partner that can help them maintain that societal license to operate.



### **About the Author**

*Erica Salmon Byrne is the President of Ethisphere and is a Sponsor of the Ethisphere Equity & Social Justice Initiative. She has responsibility for the organization's data and services business and works with Ethisphere's community of clients to assess ethics and compliance programs and promote best practices across industries. Ms. Salmon Byrne also serves as the Chair of the Business Ethics Leadership Alliance (BELA), where she works with the BELA community to advance the dialogue around ethics and governance and to deliver practical guidance to ethics and compliance practitioners around the globe.*



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# BY THE NUMBERS

## THE WORLD'S MOST ETHICAL COMPANIES

### LET'S PLAY A GAME

As the world's biggest companies command ever-greater influence, the temptation to compare them to sovereign nations becomes hard to ignore. Companies aren't countries, of course, and will never be. But as a thought experiment, if the World's Most Ethical Companies® were a country, how would they compare to the other nations of the world? Surprisingly well, it turns out.

5

At **US \$3.1 trillion**, the World's Most Ethical Companies' 2021 GDP would make it the world's fifth largest economy, somewhere between Germany and the United Kingdom.

30

If the World's Most Ethical Companies spent **30%** of its GDP on government spending (as the U.S. does), it could afford to cover Italy's entire 2021 governmental budget.

44

Comprised of **44** industrial sectors, the World's Most Ethical Companies would likely rank as one of the world's most economically complex economies, on par with Singapore or Germany.

103

With a total (employee) population of a little more than **8 million**, the World's Most Ethical Companies would rank 103rd in size, somewhere between Hong Kong and Switzerland.



Source: 2022 World's Most Ethical Companies. For more data on this subject, see our Data and Trends story on p.8.

# THE FINAL WORD

## THE POWER OF INCLUSION



I have played the tabletop role-playing game *Dungeons & Dragons* since I was nine years old. In this game, players create heroic alter egos and run them through adventures that use a mixture of war gaming and theater of the mind to see how things turn out. Did our heroes save the kingdom and defeat the dragon? Or did they fail and end up in a dungeon somewhere?

Unlike a novel or a movie, role-playing games like *Dungeons & Dragons* invite the players to become part of the game itself, adding their own imaginations, interpretations, and innovations, so that the game feels more like a campfire storytelling session than a trip around the Monopoly board. It is also a personal kind of entertainment—that alter ego you play always reflects you to some degree. This is why representation matters. If the game only presumes a certain kind of person saving the day, it sends a terrible message to any players who don't fit that model: we can imagine elves, magic, and dragons, but we can't imagine you as a hero.

This bedeviled the wider role-playing game industry for a long time. Games, and their players, were not always welcoming of women, BIPOC, and LGBTQ+ players. This discouraged a lot of new players from getting into the hobby, which deflated sales. The publishers had to be solution here: Why not write a greater sense of inclusivity in the games themselves? Why not

show heroes who are Black, LGBTQ+, in a wheelchair, to show that imagination has no barriers?

When the latest edition of *Dungeons & Dragons* released a few years ago, the game was much more progressive and inclusive than previous editions. It embraced gender fluidity. It acknowledged neurodivergence. And it vastly widened its representation of women, BIPOC, and disabled adventurers in the text and artwork. The message was clear: we see the hero in everyone.

The latest *D&D* game book, *Journeys Through the Radiant Citadel*, comes out this June. It is written and illustrated entirely by Black and brown creators, drawing upon fantastic elements of their own cultural heritage. This kind of inclusivity is a big reason why the current edition of *D&D* is by far the most financially successful one in many years. It has encouraged huge numbers of new players to try the game by speaking to their experience, making them feel seen and respected, and removing a pain point from their exploring their imagination. This hobby is now a safe and welcome place for more people than ever before. What a wonderful thing.

*Dungeons & Dragons* is published by Wizards of the Coast, which is owned by Hasbro, which is a 2022 World's Most Ethical Companies® honoree. I personally do business with about 40 companies currently on this list. This one feels the most personal to me, since I have played this game since I just a kid, and even wrote games like *Dungeons & Dragons* for a living, once upon a time. And this also touches on one of the many reasons why this list is so important.

It's easy to think of these large organizations as faceless monoliths. But the cultures of integrity they create matter. They percolate all the way down to the customer and can make a very real impact upon them. Just ask any kid playing *D&D* for the first time because they finally see themselves in the game, and that helps them get a handle on whatever other challenges they're facing in life. They will tell you. None of this is for show.

Congratulations once again to each of the 136 organizations of the 2022 World's Most Ethical Companies list. You deserve this. You earned it.

**Bill**

**Bill Coffin**  
Editor in Chief

**Baker  
McKenzie.**

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