

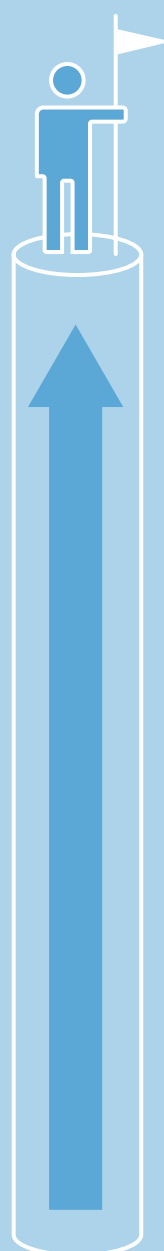
Processes and Practices of Leading Compliance Programs



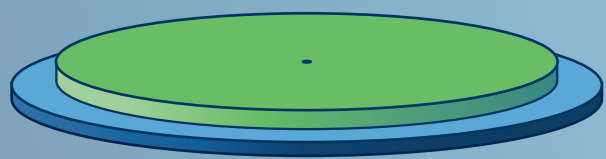
Authority & Reach Are Hallmarks of World's Most Ethical Company Programs 2013-2016

The expanding authority of Compliance program leaders

- +3 points** - have primary budget responsibility for all compliance and ethics programs - **now 95%**
- +7 points** - have primary hiring authority for all positions in the compliance and ethics function - **now 92%**
- +13 points** - have final approval authority for field compliance operations/initiatives - **now 84%**
- +12 points** - have a significant input/role in products and services decisions - **now 57%**
- +13 points** - have a significant role in product/supplier sourcing strategy - **now 76%**

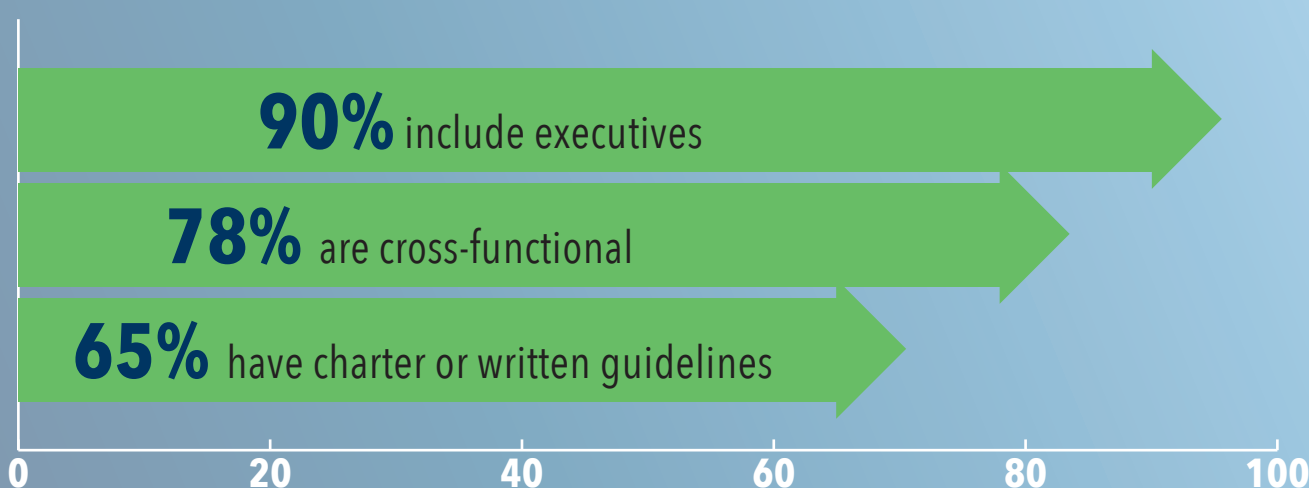


Compliance has a greater reach and role across the organization



85% now receive time at sales and marketing meetings excluding sales training

Internal E&C committees are more sophisticated and inclusive



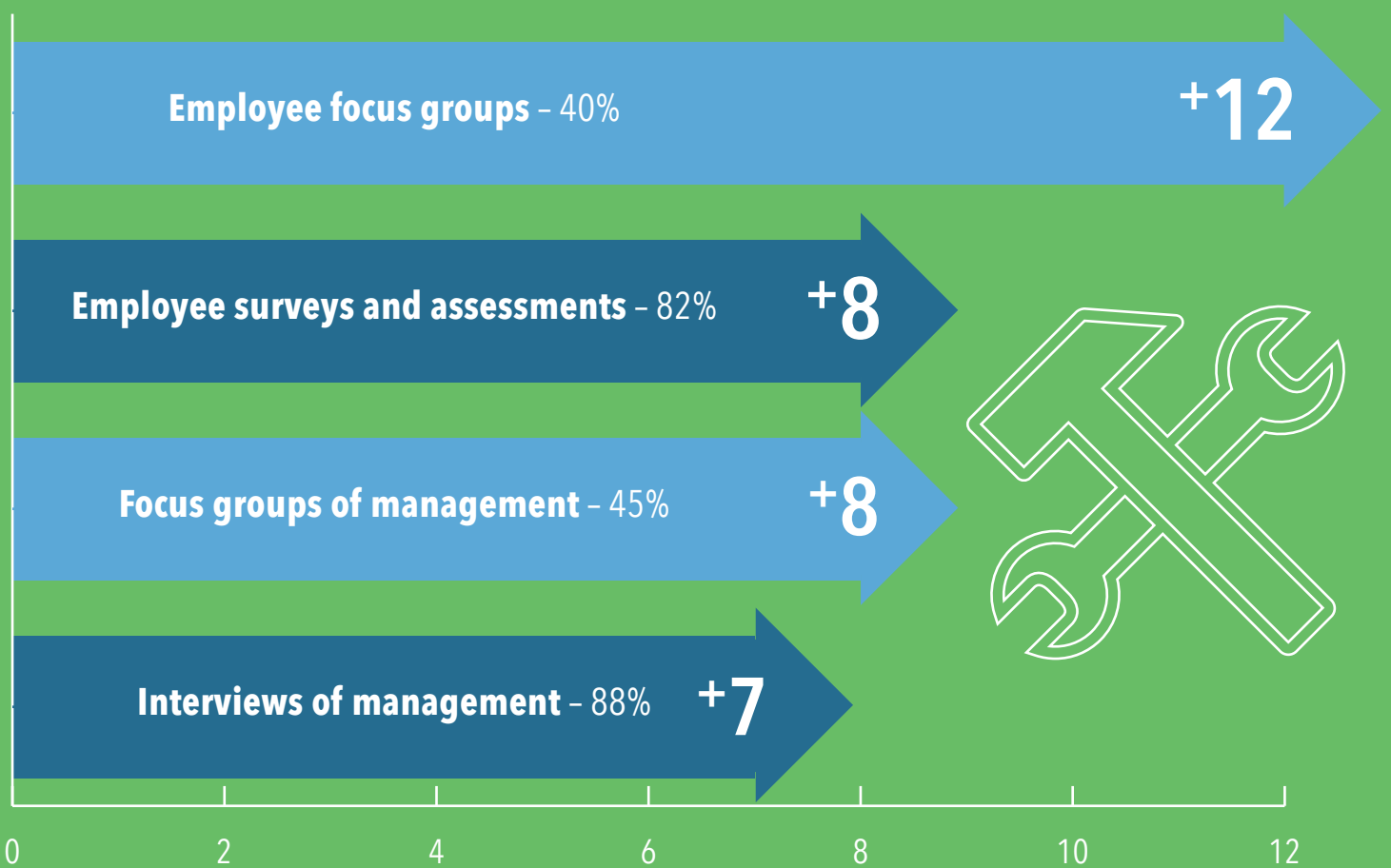


How 2016 World's Most Ethical Companies Track C&E Risks

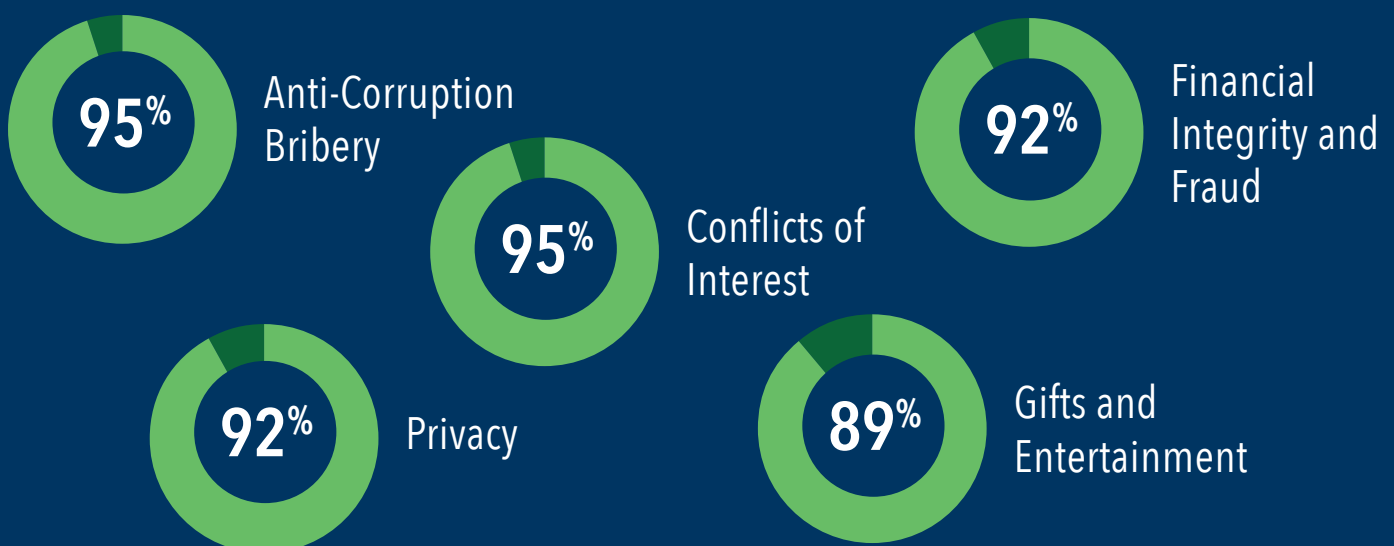
Functions Responsible for E&C Risk Assessments



Leading companies expanded their methodology in 2016 vs. 2015



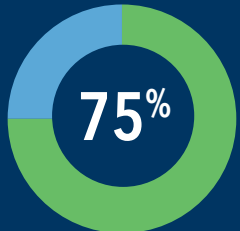
Top 5 risks reviewed during C&E risk assessments:



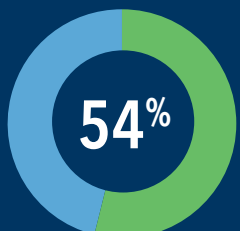


Policies, Code & Training: 2016 Shows an Increase in Planning and Results

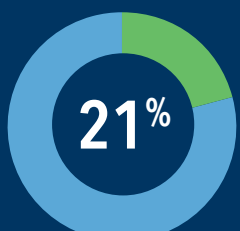
Methods to formally distribute the Code are expanding



Sending email with a link or attachment



Distributing a hard copy in onboarding or orientation



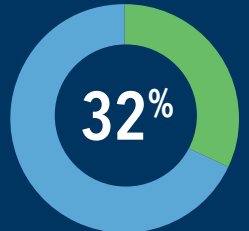
Mailing a hard copy

95%

Intranet

Methods to formally distribute E&C policies are expanding

Annual Email

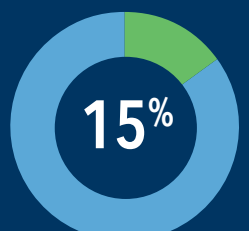


Intranet

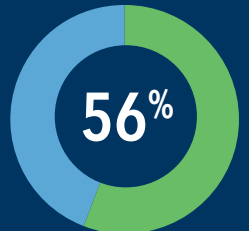
99%



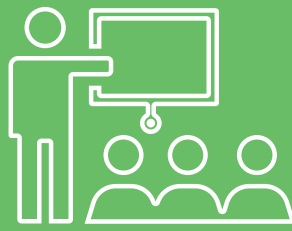
Sending a hard copy to those without computer access



Full translations



Tailoring training is still in flux



Pretests given to assess baseline up 5 pts to **14%**



Pretests given to provide 'test out' option up 3 pts to **18%**



Providing progressively more difficult courses based on job responsibilities down 2 pts to **35%**



Providing progressively more difficult courses based on employee tenure up 3 pts to **8%**



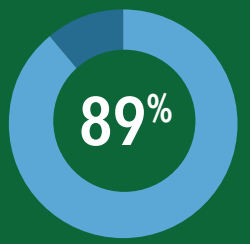
Doing nothing down 5 pts to **49%**



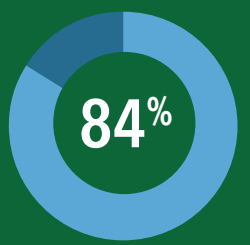
Companies that tailor training have higher Code training completion rates

% with completion rates \geq 90%

Pretests to provide 'test out' options



Progressive course difficulty based on job responsibilities



Pretests to assess baseline knowledge

