



## COMMUNITY HIGHLIGHTS & PRIORITIES

Business Ethics Leadership Alliance



# YOUR COMMUNITY: EXPERTS & EXPERTISE



## How We Did Against Our 2016 Priorities:

- ➔ Benchmarking, Identifying and Distributing Best Practices
- ➔ Proving Culture is a Sustainable Business Advantage
- ➔ Sharing Resources and Tools to Engage the C-Suite and Board
- ➔ Bringing Together Experts and Expertise Globally and Locally

# THE TOP 5 BENEFITS OF BELA

According to You: 2016 Member Survey

#1

## Benchmarking Services

Against the WME Companies Data Set

#2

## Global Events

Complimentary passes around the world

#3

## Bespoke Research

Available on the member website

#4

## Ethisphere Magazine

Subscriptions to quarterly magazine

#5

## Member Roster

To facilitate communication with members

“

*We can compare ourselves against a gold standard of leading companies and we become aware of areas that we can change or enhance.”*



Katherine A. Lawler  
Chief Ethics Officer  
U.S. Bank

# **BENCHMARKING, IDENTIFYING & DISTRIBUTING BEST PRACTICES**

# MEMBER-DRIVEN RESEARCH & CENTERS OF EXCELLENCE



## Leading Practices of The 2016 World's Most Ethical Companies

The 2016 results proved sobering, however, when it came to the two lowest performing pillars - pressure to compromise company standards to achieve business goals and perceptions of organizational justice.

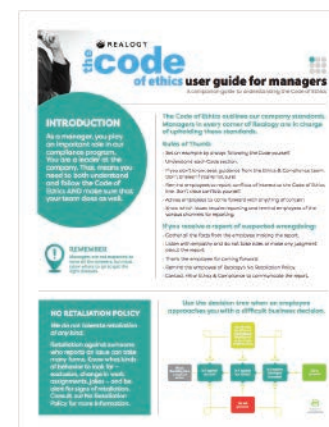
**DOWNLOAD**



## The State of Compliance Training

At the request of the BELA community, we conducted research into the training practices of BELA members and released a report in September covering many issues. Research like this was ranked as the third most important benefit.

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## Center of Excellence: Engaging Middle Managers



## Center of Excellence: Global Trade Control

# BELA MEMBERS CONTRIBUTE EXPERTS & EXPERTISE

In 2016, we had **30+ contributions** from BELA members in *Ethisphere Magazine*:

**Wilson R. Jones**

President & CEO  
Oshkosh Corporation

**Richard A. Smith**

Chairman, CEO & President  
Realogy Holdings Corp.

**Richard D. Fain**

Chairman & CEO  
Royal Caribbean Cruises Ltd.

**Ilene Gordon**

Chairman, CEO & President  
Ingredion Inc.

**Roger Ferguson**

President & CEO  
TIAA

**Dick Moeller**

Chairman of the Board  
Thrivent Financial

**Ellen C. Wolf**

Member of the Board  
Premier Inc.

**Niel Ellerbrook**

Chairman of the C&D Committee  
Old National Bancorp

**Katherine B. Quinn**

Chief Strategy and Reputation Officer  
U.S. Bancorp

**Greg Radinsky**

VP & CCO  
Northwell Health

**Mark J. Ohringer**

GC, Chief Ethics Officer  
Jones Lang LaSalle Inc.

**Melissa Stapleton Barnes**

SVP, Ent Risk Mngmt & COO  
Eli Lilly & Co.

**Peggy Maguire**

SVP, Corporate Accountability and  
Performance, Cambia Health

**Alan C. Sauber**

Chief Ethics & Compliance Officer  
Premier Inc.

**Erin Lewin**

SVP & General Counsel  
Avnet, Inc.

**Audrey Boone Tillman**

EVP, GC  
Aflac

**Don Sinko**

Chief Integrity Officer  
Cleveland Clinic

**Nancy Laben**

EVP & Chief Legal Officer  
Booz Allen Hamilton

**Ben W. Heineman, Jr.**

Chief Legal Officer (former)  
GE

**David A. Golden**

SVP, CLO, Corporate Secretary  
Eastman Chemical Company

**Ken Daly**

President of New York Business  
National Grid

**Mark Roellig**

EVP, General Counsel  
MassMutual

**Carolyn Herzog**

CCO & VP  
Symantec

**Tom Tropp**

Corp VP for Ethics & Sustainability  
Arthur J. Gallagher & Co.

**Catherine Blades**

SVP, Corporate Communications  
Aflac

**Jon A. Sullivan**

Corporate Communications  
Aflac

**Daniel Trujillo**

SVP, CECO  
Walmart

**Tony West**

EVP of Government Affairs, GC  
& Corporate Secretary, PepsiCo

**Amyn Thawer**

VP, Global Compliance  
LinkedIn Corporation

**Sonny Cave**

EVP, GC, CECO, CRO  
ON Semiconductor

# BELA MEMBER SHOWCASES THE BUSINESS CASE FOR INTEGRITY

## Dell's Custom Issue of *Ethisphere Magazine*

In late 2016, Ethisphere partnered with BELA member Dell to produce a custom issue of *Ethisphere Magazine*. The issue, distributed internally to Dell employees was deemed a great success.



**DOWNLOAD THE CUSTOM ISSUE**

# **PROVING CULTURE IS A SUSTAINABLE BUSINESS ADVANTAGE**

# ETHISPHERE'S EIGHT PILLARS OF CULTURE

In partnership with the BELA community, 2016 saw the launch of our Ethical Culture and Perceptions Assessment. The survey-based assessment is built off of our Eight Pillars of Culture, which are the culmination of what we have seen to be key to an ethical culture over the past decade. The Ethisphere team built a robust data tool that supports our qualitative assessment of the results and opportunities for improvement, which has proven exceptionally useful to the companies that have gone through our Assessment process.

## Awareness of the Program & Resources

How familiar are employees with the resources available to them through the compliance and ethics function to help them make decisions?

## Perceptions of the Function

What do employees think of those resources? Do they feel like the policies give good guidance and the training is effective?

## Observing & Reporting Misconduct

Are employees comfortable raising concerns? Why - or why not? And when they have questions, where do they go with them?

## Pressure

Are employees experiencing pressure to compromise company values or policies to achieve business goals? How strong is that pressure - and where might it be coming from?

## Organizational Justice

When things go wrong, do employees believe the company takes that seriously? Do they see all employees being treated the same?

## Manager Perceptions

What do employees think of their supervisor? Are they comfortable going to her with questions? Do they see her as a good ethical role model?

## Perceptions of Leadership

What do employees think of senior leadership? Do they believe the leadership team is committed to doing business the right way?

## Perceptions of Peers and Environment

How do employees see their peers? Do they believe their coworkers are committed to the company's values?

# THE AGGREGATED 2016 RESULTS: ETHICAL CULTURE

## The Good News

- ✓ **Written Standards**
- ✓ **Training & Communications**
- ✓ **Observed Misconduct**

Aggregated 2016 results provided some good news for compliance officers; the places they put most of their energy - written standards, training and communications - performed very well. Employee perceptions of those efforts, measured by our first two pillars, were overwhelmingly positive. Most employees say they would raise a concern if they observed misconduct, both because it was the right thing to do and because the company and their manager would support them doing so. Of employees who said they would not do so, the reason given was most commonly "nothing would happen" - a surprising departure from fear of retaliation, which was the second most common choice. Those who did witness misconduct and report it overwhelmingly went to their manager, with less than three percent utilizing a hotline or web reporting mechanism.

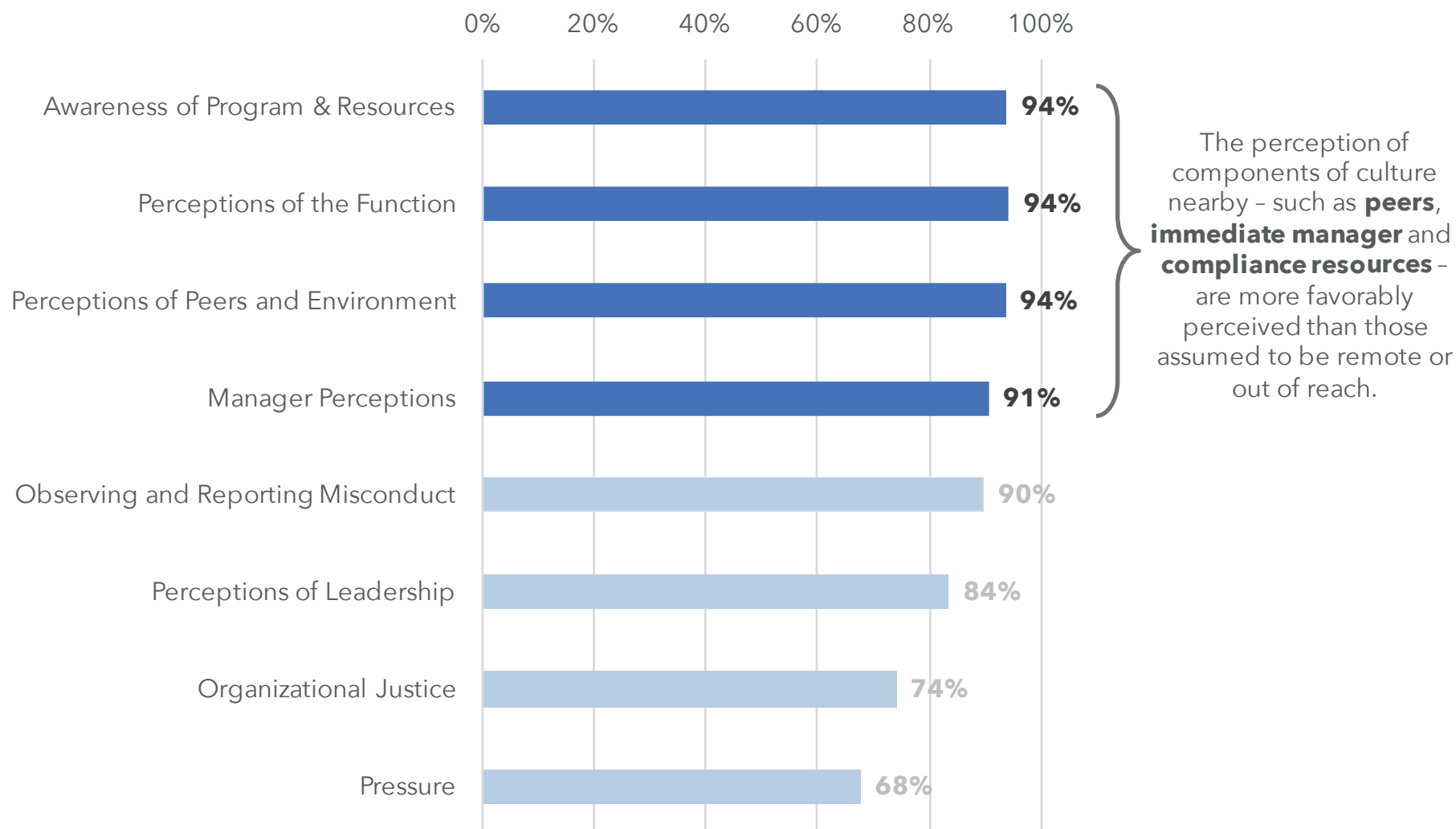
## Areas of Improvement

- ◇ **Pressure to Compromise Standards**
- ◇ **Perceptions of Organizational Justice**

The 2016 results proved sobering, however, when it came to the two lowest performing pillars - pressure to compromise company standards to achieve business goals, and perceptions of organizational justice. A quarter of the employees in our dataset are at least occasionally experiencing pressure to compromise company standards in the service of business objectives. Fortunately, the majority report that pressure as weak; but the most common source of pressure is leadership (middle managers, immediate managers and senior leadership). In addition, a third of employees overall do not believe that disciplinary rules are enforced and 40 percent do not believe that they are enforced equitably.

# THE PERCEPTION OF CULTURE

*Proportion of **Favorable Responses** of Overall Respondents*



n = 23,948

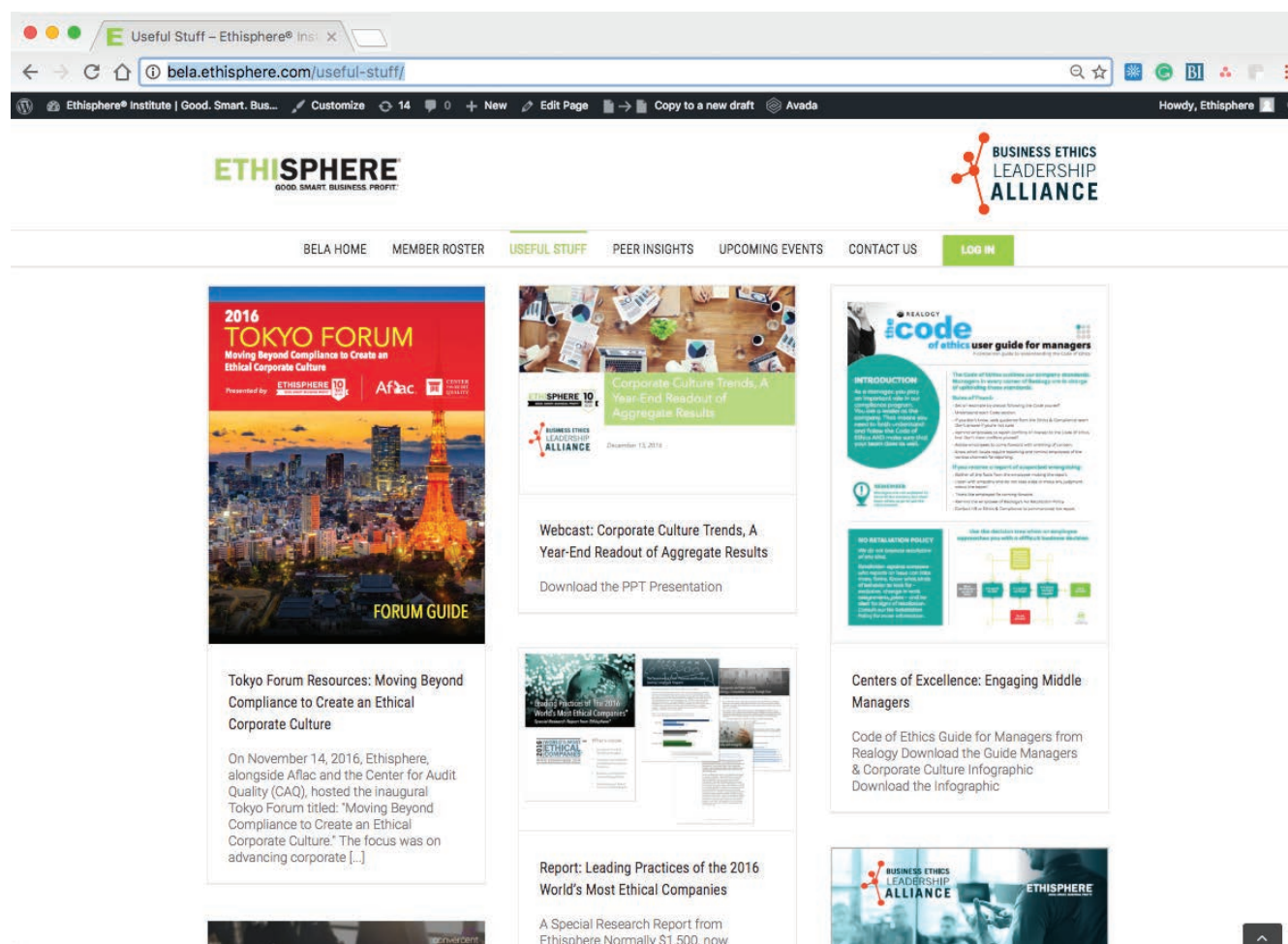


# **SHARING RESOURCES & TOOLS TO ENGAGE THE C-SUITE & BOARD**

# TAKE THE CONVERSATION ONLINE

## THE BELA ONLINE COMMUNITY

In an effort to gather and share tools and resources, in 2016 we launched a community website. Now members can search and access all presentations, event resources and recordings and research from a section we titled, for a lack of a better word, "Useful Stuff."



# THE BUSINESS CASE FOR COMPLIANCE

In April of '16, we released the compilation of a decade's worth of research in PowerPoint format. The deck was intended as a resource for compliance officers when presenting to management or business unit leaders about why the program mattered.



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# THE ETHISPHERE INSIGHTS APP

All the latest content and past issues of *Ethisphere Magazine*





# Global Ethics SUMMIT

**BRING TOGETHER EXPERTS  
& EXPERTISE GLOBALLY & LOCALLY**

# 2016 EVENTS YEAR-IN-REVIEW

In 2016 we launched programs in Tokyo, Hong Kong and Paris to provide a platform for local executives of BELA member companies to connect with each other around the world, along with our larger summit events in Sao Paulo, Singapore, London and the UAE. Coupled with our flagship event, the Global Ethics Summit in New York, these events provided tremendous opportunities our community to come together. Our recent BELA Benefits Perception Survey results showed how valuable the membership finds these programs; they were ranked as the second-most important BELA benefit overall.

We also hosted a dozen roundtables in different states and cities across the US. These interactive forums, some of which were co-hosted by top performing firms in the industry, featured General Counsels, Chief Ethics and Compliance Officers, CEOs and other members of the executive management team.

The BELA community is made up of companies who are intent on ethics and compliance as a differentiator - and they aren't afraid to share what has worked for them. The openness in the rooms across the US on what has worked and what hasn't was remarkable.



# 2016 SUMMITS, FORUMS & ROUNDTABLES

January 14	<b>Chicago Leadership Luncheon</b>	Chicago, IL
January 28-29	<b>BELA Executive Leadership Roundtable</b>	GE Headquarters
February 3	<b>BELA Atlanta Roundtable</b>	Voya Financial
March 8	<b>World's Most Ethical Companies Gala Dinner</b>	New York, NY
March 9-10	<b>8th Annual Global Ethics Summit</b>	New York, NY
April 27	<b>Silicon Valley Compliance Forum</b>	LinkedIn Headquarters
June 8-9	<b>4th Annual Latin America Ethics Summit</b>	Sao Paulo, Brazil
June 13-14	<b>BELA Executive Roundtable Series</b>	Dell Headquarters
June 29	<b>BELA Twin Cities Compliance Roundtable</b>	CHS Headquarters
July 26	<b>BELA Corporate Ethics Roundtable</b>	San Francisco, CA
August 18	<b>BELA Indianapolis Roundtable</b>	Eli Lilly Headquarters
September 20-21	<b>Middle East Ethics &amp; Compliance Summit</b>	Abu Dhabi, UAE
October 11	<b>London Ethics &amp; Compliance Forum</b>	London, UK
October 13	<b>Paris Ethics &amp; Compliance Forum</b>	Paris, France
November 1	<b>Compliance Networking Workshop</b>	New York, NY
November 3-4	<b>BELA Executive Leadership Roundtable</b>	U.S. Bank Headquarters
November 14	<b>Tokyo Ethics Forum</b>	Tokyo, Japan
December 6	<b>4th Annual Asia Ethics Summit</b>	Singapore
December 8	<b>Hong Kong Ethics &amp; Compliance Roundtable</b>	Hong Kong

# EVENTS AROUND THE WORLD

## MIDDLE EAST ETHICS & COMPLIANCE SUMMIT 2016

Middle East E&C Summit  
**PARSONS**



**Latin America Ethics Summit**



**London E&C Forum**



**Asia Ethics Summit**



**Paris E&C Forum**  
**BOEING**



**Tokyo E&C Forum**  
**Afrac**



**Hong Kong E&C Roundtable**

# ARTHUR J GALLAGHER & JLL HOST BELA ROUNDTABLE

Roundtable Highlight

## C-Suite's Take on Board Communications

Board of Directors have encountered a host of problems within the past year. With a volatile global economy, directors are starting to zero-in on more pressing risks that can lead to serious financial and reputational losses. This was emphasized at one BELA roundtable hosted by Arthur J. Gallagher and Jones Lang LaSalle (JLL), where business leaders shared insights on how some members of the C-Suite have built strong cultural frameworks that promote sound ethical values across the company. Amid the recent string of scandals that have gripped corporate America, directors are also placing a renewed focus on transparency and due diligence.



Arthur J. Gallagher & Co.



# GE HOSTS EXECUTIVE COMPLIANCE ROUNDTABLE

Roundtable Highlight

## Compliance Should Be Simple Yet Effective

There are multiple layers of complexities that can make compliance seem like a herculean task. During 2016 it seems that document retention, cybersecurity, third-party risk management, training and development or promoting integrity have all been a challenge. In an executive compliance roundtable hosted by Al Rosa, Chief Compliance Director and Senior Executive Counsel, GE, at the company's headquarters in Fairfield, CT, attendees were focused on the idea of simplification - a step by step process that coordinates all the moving parts in compliance. According to the participants, simplification can help bring employees up to speed and it can also add benefit to a company's corporate culture.



**Alex Dimitrief**  
General Counsel  
GE



# HOUSTON-BASED NOBLE ENERGY HOSTS BELA ROUNDTABLE

Roundtable Highlight

## How Automation Drives Overall Performance

Co-hosted by Houston-based Noble Energy, a global independent oil and natural gas exploration company, this BELA roundtable focused on how companies are using technology to create a streamlined approach to its annual Code of Conduct certification and Conflict of Interest disclosure process. Topics included how to reduce compliance costs without increasing risks through the use of cost-effective technologies and leveraging in-house resources.



# THANK YOU.



What a year it was for the Business Ethics Leadership Alliance; we are delighted to share with you this look back into 2016. In January, we developed a list of priorities for what we were going to bring to the BELA community. While our work is never done, we did some fantastic things as a community to further these priorities and picked up some new ideas and priorities along the way. Our intention is to continue to inform and help shape leadership behavior and culture, expand the understanding of how data about ethical performance can enhance improvement and provide value-add tools that you can implement to create more value for your company. We're working hard to ensure 2017 is even better.

Kind regards,

*Ethisphere*

