

ETHICS AND INTEGRITY REIMAGINED IN INDIA

HOW BELA SOUTH ASIA COMPANIES ARE
PRIORITIZING CULTURE IN A POST-PANDEMIC WORLD

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SPECIAL EDITION // 2022



Confederation of Indian Industry

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to Building a Robust Culture

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The Business Ethics Leadership Alliance (BELA) is a globally recognized organization of leading companies collaborating together to share best practices in governance, risk management, compliance, and ethics. BELA's membership consists of a community of 385+ companies that recognize the inherent value of promoting ethical leadership and world-class compliance culture.

BELA member organizations, inclusive of academic institutions, represent more than 60 industries headquartered in 15 different countries. It has become a pivotal platform of connected leadership dedicated to progressing company standards and practices across global and regional business ecosystems.

The annual South Asia Ethics Summit brings together one of the largest gathering of BELA members in the region, providing an opportunity to exchange views and learn from some of the world's most respected industry leaders. In 2017, BELA expanded to South Asia.

The South Asia Chapter includes a community of select Founding Member companies and "integrity partners" who have taken on a leadership role in inspiring best practices in ethics, integrity, and anti-corruption efforts across India and South Asia. Applying a similar model, BELA's chapter expansion reaches across the Americas, Europe, and Asia Pacific. Learn more about BELA below.



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BUSINESS ETHICS LEADERSHIP ALLIANCE

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Our Mission Statement

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

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BELA SOUTH ASIA ON PRIORITIZING CULTURE

The Eight Pillars of an Ethical Culture and the Foundations of Building an Effective Culture of Compliance.

Written by: Erica Salmon Byrne, President, Ethisphere

Ethical culture matters – to employees, investors, and all stakeholders. In the pages of this magazine, long-time BELA South Asia members: **The Coca-Cola Company, Johnson Controls, Uber**, and more— share examples on how they have prioritized culture over the last three years.

Research shows that companies that have strong values-based cultures are better places to work and well-poised for long-term success.

This article focuses on the foundational elements of an effective and sustainable culture, which we have consolidated into the Eight Pillars of an Ethical Culture. Ethisphere defined these key pillars with input from experts, ethics and compliance leaders from our Business Ethics Leadership Alliance (BELA), and also by considering guidance by international organizations and regulators. We distilled this into Ethisphere's Culture Quotient (CQ) assessment, a survey that has been used by top global companies to determine employee perceptions of the organization's culture of compliance. Through this work, we have insights from more than 1.7 million respondents. There are many benefits to fostering a culture in which employees feel supported when they speak up. Not only will you reduce people-driven risks, but your organization will also hear from a range of voices – sharing new ideas and other ways to make the company more successful.



Do your employees understand what is expected of them when it comes to ethical behavior?



Do they know where to go if they have questions, and if they need help or have made a mistake?



Do they trust the reporting process enough to engage in it? Or do they fear retaliation or lack of an appropriate response?

For example, across the data set:

92%

of employees know where to find the code of conduct.

93%

of employees know how to report misconduct.

90%

of employees believe their company follows its values.

Pillar One: Awareness of the E&C Program and Resources

What it is we aim to measure: Familiarity with the assets and efforts of the compliance and ethics function. In other words, do your employees understand the resources available to them? Can they find the code and applicable policies?

Topics covered in the assessment

- I know where to find our Code of Conduct
- The company has clearly communicated ethical expectations to me
- I know how to report ethical concerns or observed misconduct
- The company has clearly communicated disciplinary guidelines to me, therefore I am aware of the consequences of misconduct

Why it matters: Employee awareness of the E&C program and resources is at the heart of an ethics and compliance function's success; it is important to know if it has the proper reach with the employee base. With demographic analysis, you can also tell where employees may be struggling to locate guidance and focus resources accordingly.

What the data says: This is an area where companies tend to perform well, as a reflection of the amount of effort companies have put into developing and rolling out these aspects of their programs.

Pillar Two: Perceptions of the Function

What it is we aim to measure: Perceived quality and program effectiveness of the ethics and compliance function's efforts in communicating, training and support. In other words, are your efforts reaching the intended audience? Do they see any of the assets you have deployed or are they languishing somewhere on the

SharePoint site with no viewers?

Topics covered in the assessment

- The company's training and communication efforts about ethical responsibilities and conduct are effective
- The company's other policies effectively explain what is expected of me as I conduct the company's business
- The training I receive on ethics and compliance topics effectively explains what is expected of me as I conduct the company's business

Why it matters:

Measuring employee understanding of the messaging delivered by the ethics and compliance function is an important step towards figuring out what is – and is not – resonating with employees. These insights can factor into resource plans, communication approach, and prioritization.

What the data says: This pillar tends to be an area most companies perform well in because of the resources invested in training and communications.

In our latest Ethicast series, Erica Salmon Byrne answers questions on the eight pillars of an ethical culture and offers her own insights about what it really means to build ethics into the DNA of an organization.

Listen to the Ethicast conversation:



PILLAR THREE Observing and Reporting Misconduct

What it is we aim to measure:

This section addresses several important challenges: What is the strength of your organization's "speak-up" culture? Do obstacles exist that prevent employees from stepping forward? If so, what might they be?

Topics covered in the assessment:

- If I were to observe misconduct, I would be willing to report it.
- Over the past 12 months, have you observed unethical behavior or business misconduct at the Company?
- I reported the unethical behavior or business misconduct that I observed.
- The Company has a policy that prohibits retaliation against employees who report misconduct or participate in an investigation.

Why it matters:

Mitigating people-created risk is key to the success of any ethics and compliance program. Establishing a culture where employees are comfortable raising concerns about suspected misconduct (intentional or accidental) is critical in that endeavor. In almost every instance of consequential misconduct, "somebody knew what was going on," but many don't speak up for a number of reasons, including fear of reprisal.

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Eight Pillars of an Ethical Culture

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Culture eBook**

About the Expert

 **Erica Salmon Byrne** is the President at Ethisphere, where 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; she works with the BELA community to advance the dialogue around ethics and governance, and deliver practical guidance to ethics and compliance practitioners around the globe.

Learn more about Erica here: <https://ethisphere.com/about/our-team/erica-salmon-byrne/>



A "REFRESHING" PERSPECTIVE ON CULTURE AND MAKING A DIFFERENCE

Interview by: Aarti Maharaj, Managing Director, BELA South Asia and APAC

In this conversation, Ethisphere spoke with Anjuli Kelotra, Chief Ethics and Compliance Officer of the Coca-Cola Company about her career trajectory and how innovation drives a forward-looking compliance program.

Anjuli, you've been at Coca-Cola for almost a decade, can you tell us more about your various roles and now your new global role?

In a company as dynamic and exciting as Coca-Cola, the years go by in a flash. I joined as a traditional U.S.-focused labor and employment lawyer, and was later given an opportunity to expand by taking on the role of Business Unit Counsel in our India Southwest Asia Operating Unit, based in Gurgaon, India. Eventually, I joined the Legal Leadership team and have taken on various roles, including managing the legal team in our Japan and South Korea Operating Unit, and leading our global regulatory and digital practice. Last year, I was appointed to the role of Chief Ethics and Compliance Officer, and Associate General Counsel leading the Global Labor, Employment and Immigration practice.

How have your previous roles prepared you for a global role?

I've learned that every role, regardless of how different from the prior, is a building block for the next. With each new opportunity, I spend time taking an inventory of my skills and experiences and thinking about how they will translate to the present role. The corollary to this is also important- I spend time reflecting on things I could have done better and add this to the "lessons learned" column. I have had to leap into the unknown several times in my career, so I've become accustomed to asking a lot of questions, being patient and focusing on the big picture.

Based on your experience, could you share career advice with those looking to move into a global role?

If you are thinking about taking on a global role or a role outside of your region, you have to be ready to change. First, build a strong sense of cultural fluency and flexibility in your thinking. You will evolve, and your point of view will change - that's a good thing. Second, get comfortable asking hard questions, without judgment and with genuine curiosity. Asking good questions in the right way takes skill and practice- great questions lead to the best answers. Third, it's okay to be afraid when taking on new things. Don't wait for the fear to subside before jumping. Most importantly,

expand your network in a meaningful way – include people and widen your circle- bring people in and bring them up. Inclusion has a powerful multiplier effect and I promise you, it will come full circle.

Ethics, Compliance, and Culture

Given the size and scope of Coca-Cola's reach what tools and resources you employ to empower your employees to make the right decisions?

You can buy an ice-cold Coca-Cola almost everywhere in the world. We are very proud of that, and our compliance program is built to enable our global business through our values. We have offices in more than 100 countries, and we sell our products in over 200 countries. We strive to make our compliance program culturally fluent, and forward-looking. The approach helps to drive our competitive edge. Our employees, our shareowners, and the public care about what we and how we do it.

Our Code of Business Conduct, hotline, and annual Code training are all translated into over 20 languages, and we leverage legal capabilities across the world to bring this mission to life in ways that are most relevant to those markets.

Technology is one of our key enablers. Our entities have their own systems and networks. Despite the various platforms, our company drives digitization so that we can spot patterns, interpret data and understand the big picture. We have technology that supports our program administration and we use data to gain insights and monitor the compliance environment. For example, our hotline is available via the internet and is translated into 20+ languages. We track all allegations and assess risk through our case management tools- we are able to benchmark against industry data and do root cause analysis, including any internal control opportunities. We also use various tools for sanctions screenings, which has become particularly important as we navigate the current geopolitical environment. On the government dealings side, we use software to perform risk-based due diligence, which allows us to partner with the right vendors and third parties in the right way. These are just a few of the ways we are leveraging technology.

We always hear that culture is about involving people in different ways, how have you done this?

Our culture is embedded in all we do: Coca-Cola is a deeply purpose-driven company and it shows up everywhere.

While our purpose is to “Refresh the world. Make a difference,” our vision statement makes clear that we will make and sell products “in ways that create a more sustainable business and better shared future that makes a difference in people's lives, communities and our planet.” We drive this culture by focusing on certain leadership behaviors that all associates are encouraged to exhibit, including being inclusive, empowered, curious and iterative. It's powerful.

Coca-Cola is a household name—it is associated with fun, the Holidays, childhood memories (for some), what is about your culture that has sustained this message over the years?

When you walk the halls of Coca-Cola, you will quickly learn why each person is here- there is a fundamental attachment to our brand and our company ethos that pervades and propels the workplace. We share these stories again and again, and they all weave together to form a deep attachment to our brand and culture.

In your view, given the industry you are in—are there unique risks or challenges that others may not realize exist for a beverage company?

If the COVID-19 pandemic and the recent geopolitical crises have taught us anything, it is that none of us is so unique and all of us are navigating through the same complexities.

From a compliance perspective, how have you used innovation to drive your program? How has data influenced your work on the compliance side?

Though we have had a compliance program in place for some time, about 5 years ago, our compliance office embarked on a journey to refresh our approach to technology and data, with a strong focus on analytics capability. Our new systems were designed to deliver data-driven insights, which lead to quality analytics and risk assessments. This work also led to improvements in how we monitor and report on risk. For example, we have been able to map out risk hotspots and put together cross-functional teams to address the issues. In addition, our new systems have helped us identify key employees across the world who may have certain responsibilities in high-risk regions- these employees receive additional training that is specifically tailored to address the identified risk.

One of the key strengths of our Program is our Ethics and Compliance Committee, of which the CECO serves as Co-Chair. Our E&C Committee is comprised of highly-

placed business leaders from across the globe, and the role of the Committee is to provide insights on our program, recommend changes, and review cases. The Committee is geographically and culturally diverse – with expertise across disciplines - and strives to ensure 1) our program is aligned to the risk and business realities across the world and 2) we are adjudicating based on consistent, objective principles.

Innovation is the key driver of a solid, forward-looking compliance program- and we continue to strive to do even better.

Society & impact

What is the CECO's role in developing corporate policy on executive communication on social issues?

In today's world, many significant social issues are also business issues- especially for a company doing business in over 200 countries with a brand name like ours. In my view, a trusted CECO has a seat at the table and is a key voice in enabling the best decisions across social issues and business issues.

Our Ethics and Compliance team, as well as our Legal Function more broadly, consider ourselves to be business leaders first, with an expertise in compliance. We are always thinking about the enterprise and how to propel our business forward in a compliant and ethical manner, driven by our purpose to refresh the world and make a difference.

About the Expert

 **Anjali Kelotra** is Chief Ethics and Compliance Officer and Associate General Counsel, Labor & Employment, of the Coca-Cola Company. She has been with The Coca-Cola Company for over nine years and previously held the role of Associate General Counsel, Regulatory, Digital and Emerging, Japan and South Korea, INSWA. She began her career with the Company as Senior Counsel, Labor and Employment.

Prior to joining Coca-Cola, Anjali served as in-house counsel at a variety of companies, including Qwest Corporation in Denver, Colorado and Yale New Haven Health System in New Haven, Connecticut. She began her career as a trial attorney with the US Equal Employment Opportunity Commission. She is a graduate of Georgetown University Law Center (J.D.) and Ohio University (B.A.).



DRIVING ETHICS & COMPLIANCE @UBER

How Uber in India & South Asia continues to drive its ethics & compliance program, navigate the COVID pandemic, and steer the gig economy workforce.

Written by: Mrigank Sharma, Director, Legal – Compliance, Uber India & South Asia

In this article, Uber's Ethics and Compliance team supporting its India and South Asia operations shares how the company empowers its employees through culture and initiatives such as "Stand Up, Speak Up".

Uber, now a common verb, is a once-in-a-generation company that ignites opportunities by setting the world in motion. Although relatively young (founded in 2009 and listed in 2019), it has faced many compliance challenges, including headline grabbing news. That past, and lessons learned, has guided our present and future course, and we believe that doing things properly, acting ethically, and being compliant is the only sustainable way to grow. Uber's Ethics & Compliance (E&C) mission, accordingly, is built on one of the foundational company values: "We Do the Right Thing."

"At Uber, we do what is right over what is fast, status quo, fun, easy or comfortable," says Scott N. Schools, Uber's Chief Compliance & Ethics Officer. "We will engage in difficult conversations to ensure that we make the right call. We reflect on Uber's values and use judgment when 'the right thing' isn't obvious. We will do what we say we are going to do. And when we make mistakes, we'll own up to them. In that spirit, we believe in a speak up culture that cultivates an environment in which we hold ourselves to the highest standards of integrity."

These words guide the Global E&C team's mandate as we enable everyone at Uber to do the right thing, stay on the right side of regulations, and make it right when things don't meet expected standards. For the diverse range of compliance and ethics issues that arise across Uber, there are members within the E&C team at the headquarters and in every region to help navigate the complex regulatory and ethical landscape.

Uber's Ethics and Compliance team supporting its India and South Asia operations, provides advice, education, and monitoring of laws and company policies in various areas. These include: Anti-Corruption and Anti-Bribery; Competitive Intelligence; Conflicts of Interest; Operational Compliance with regulations and internal standards and policies; Customs Compliance and Export Controls; and Anti-Boycott and Embargo Compliance.

First and foremost, the E&C team helps enable a culture of ethical decision-making and "Stand Up, Speak Up" in which employees feel empowered to report possible violations of the law or

Drivers that tested positive for COVID and in the unfortunate event of death of a driver from COVID, we provided bereavement support to meet the immediate needs of the family.

Uber's Business Conduct Guide. The E&C team's remit includes:

- Operating and promoting the Integrity Helping for reporting improper conduct (which includes analyzing and monitoring available data to identify potential non-compliance, such as assessments of operational compliance with regulations and internal policies)
- Investigating allegations of violations of compliance policies, and overseeing and participating in investigations
- Developing corrective action for detected violations of the law and/or company policies or procedures
- Ensuring implementation of approved mitigation, remediation, and disciplinary recommendations that resulting from investigations or assessments

Navigating the Pandemic, Social Impact, and Gig Workers

The height of the COVID pandemic in 2020-2021 was a very challenging time for Uber, especially in this region. However, this adversity brought out the best in the company. Uber's global Social Impact team made funds available to the region almost overnight for unlocking emergency COVID relief measures. Aligned with its mission to #MoveWhatMatters, Uber supported innovative relief programs in partnership with government and non-government organizations with deep ties to communities that were disproportionately hurt by the pandemic.

Uber's work during the pandemic garnered support from both federal and state governments and agencies. The CEO of India's national policy think tank pointed to the 'Uberisation of oxygen concentrators' as a way to get vital medical equipment to those who needed it most. The Chief Minister of Delhi also applauded our efforts to move oxygen cylinders to desperately waiting patients. And authorities in Pune City showed

their appreciation for how we supported their 'Vaccine on Wheels' initiative.

Being a part of the transformation of the work landscape in India meant doing the right thing for drivers on the Uber platform. In addition to our commitments to various 'free rides' initiatives across the country (which provided additional earning opportunities for Uber drivers during the pandemic), Uber committed over Rs 1 billion to support drivers, including driver welfare initiatives to help drivers look after their physical and financial health during the worst of the crisis. Uber provided a one-time subsistence grant to nearly 100,000 drivers on the platform with a donation of Rs 250 million through the Uber Care Driver Fund, created in partnership with leading social enterprises. Financial assistance was provided to drivers who tested positive for COVID and in the unfortunate event of death of a driver from COVID, provided bereavement support to meet the immediate needs of the family. Uber provided cash incentives per COVID vaccination shot, which benefited 250,000 drivers. And, Uber supplied and installed—at no cost to drivers—over 400,000 safety screens in vehicles across our various product categories. We also distributed over 250,000 PPE kits to keep the driver-community safe.

India's Federal Minister for Road, Transport & Highways, Nitin Gadkari, showed his appreciation for Uber's work by highlighting:

"In these difficult times, transportation workers all over the nation have emerged as frontline workers to support essential services," said Nitin Gadkari, India's Federal Minister for Road, Transport & Highways, in appreciation of Uber's efforts. "In particular, rideshare drivers have demonstrated the power of the on-demand economy to move personnel, essential supplies, medicines, and life-saving equipment. I am pleased to note that Uber India has taken a number of welfare measures towards the health and security of drivers on their platform. In

particular, I would like to appreciate the initiative of cash incentives for drivers for two vaccine doses. I appreciate Uber India's continued commitment to the welfare of the transport sector workers."

The E&C team played an integral role in a multi-team environment in enabling these social impact partnerships during the COVID pandemic. These partnerships involved a wide range of counterparties, including governments, newly formed groups of community volunteers, and various COVID relief initiatives. Our team reviewed and mitigated the significant compliance and reputational risks that came with working with such a vast scope of sensitive relief partnerships, especially those that involved the transportation of oxygen cylinders and directly aided frontline workers.

Throughout the pandemic, gig workers emerged as frontline workers even as they suffered severe financial and medical hardships. This emphasized the need for a robust social security net for gig workers, and in response, India passed the Code on Social Security 2020, which set a global precedent for recognizing gig work as a unique form of work arrangement distinct from traditional work arrangements, and which extends regulatory protection and social security benefits to gig workers. Uber is deeply committed to this cause and is working closely with the government in its implementation.

About the Expert



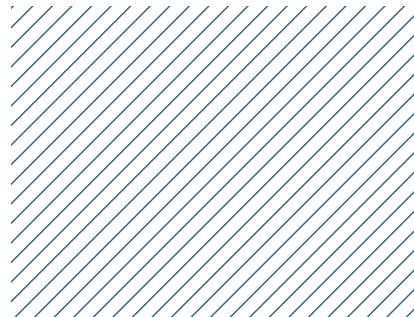
Mrigank Sharma is Uber's Ethics & Compliance lead for India and South Asia. He joined Uber in March 2019, prior to which he served in legal and compliance leadership roles at Microsoft and General Electric. He graduated from the National Law School after which he worked with KPMG and leading Indian law firms prior to his in-house career.



JOHNSON CONTROLS-HITACHI AIR CONDITIONING: UNITY IN DIVERSITY

Written by: Ai Lin Tay, Global Compliance Director, Johnson Controls-Hitachi Air Conditioning

A strong diverse and inclusive culture creates a psychologically safe environment for people to express themselves and share their concerns. When employees feel that they are treated fairly and belong here, they feel empowered to become more engaged and this feeds a virtuous cycle that results in greater “speak up” – be it for improvement opportunities or pointing out misconduct.



As a joint venture between Johnson Controls, Inc. and Hitachi Appliances, Inc. (now Hitachi Global Life Solutions, Inc.), two multinationals with equally rich 100-year-old cultures and histories was born. Today, Johnson Controls-Hitachi Air Conditioning has a unique blend of east meets west. As company cultures merged, and continues to evolve, one thing is perfectly clear; the importance and benefits of diversity & inclusion in the workplace cannot be understated. Johnson Controls-Hitachi Air Conditioning embraces our ethical responsibility to promote an inclusive culture throughout the organization. Why? Because it makes us better.

Recent regional and global events have had a serious impact on perspectives and how companies must adapt to survive and thrive. The COVID-19 pandemic exacerbated existing systemic issues relating to inequalities amid increasing calls for racial equity and social justice in the U.S. In such an environment, diversity and inclusion went from being a “nice to have” to a corporate imperative. At Johnson Controls-Hitachi Air Conditioning, we have seen a shift from diversity and inclusion programmatic efforts to deeply embedding DE&I into our organizational culture, such that it is even more integral to how we run the business. Most recently, we have increased our focus on the “Equity” component in our diversity and inclusion strategy as we continue to advance the progress we have made on diversity and inclusion.

In many ways, ethics & compliance and diversity & inclusion complement and support each other. A great ethics and compliance program need to be inclusive and equitable.

A strong diverse and inclusive culture creates a psychologically safe environment for people to express themselves and share their concerns. When employees feel that they are treated fairly and belong here, they feel empowered to become more engaged and this feeds a virtuous cycle that results in greater “speak up” – be it for improvement opportunities or pointing out misconduct.

In the past two years, a vast majority of our employees have been working remotely as a result of the COVID-19 pandemic. As such, maintaining a company culture that reaches everyone across their various locations becomes even more challenging. Our solution is to double our efforts to embed diversity and inclusion while increasing communication regarding the value of maintaining an ethical culture.

Strong Tone on the Top

The regular ethics and compliance slot at our quarterly global townhalls reflect the strong commitment and tone from the top our leadership team. Our CEO opens each townhall with a message on ethics and compliance and a different senior leader is invited each time to share his or her compliance journey, thoughts and insights. In this way, ethical expectations are clearly communicated and cascaded to the rest of the organization.

In May 2022, Johnson Controls organized an inaugural townhall wholly dedicated to diversity, equity, and inclusion. We reflected on our journey by highlighting our progress and key milestones and educated employees on what equity is, how it fits in with diversity and inclusion and why it is an important part of our strategy. Whether in the office or remote, our focus is on building a culture in which talented people want to come and stay.

The Power of Narrative

The Johnson Controls Perspectives Listening Series leverages on the power of narratives by providing a platform for honest, courageous and authentic conversations between colleagues on topics that are relevant and important to our employees, communities, and global society. Our panels cover a variety of important and impactful topics. In one session, we invited fathers to discuss fatherhood, social justice, and the impact on our world and their hopes and vision for the next generation. In another session, our panel discussed the stigma associated with visible and invisible disabilities, the determination and resiliency it takes to overcome physical/mental challenges, and how we can better understand and empathize while providing support. These conversations serve as an opportunity to highlight unique experiences, diverse mindsets and the prevailing resilience our employees bring to work each day. Talking and sharing openly normalizes people's stories. The Ethics & Compliance team demonstrates our support through

participating in such conversations with other colleagues around the world.

Believing in reaching our employees through integrated communications, our compliance newsletter *Because It Matters* addresses various ethics and compliance topics including respectful workplace and discrimination. We also share "Investigation Insights" via case studies and slides in multiple languages about real compliance cases that occurred in different parts of the company, and we have equipped managers to use these at team meetings. Why? Because we learn from each other.

Training

By embedding ethics, diversity and inclusion into the development tools and resources that support employee growth, as well as prioritizing continuous learning at all levels of the company, we enable the mindsets and behaviors that foster our culture of integrity, diversity and inclusion. We also believe that learning about ethics and compliance can be fun and engaging, and we strive to reflect the principles of diversity and inclusion in our materials.

In respectful workplaces, acting ethically and with integrity are core drivers of behavior. Individuals who act with integrity are reliable, trustworthy, apply ethical decision-making and respect the people they work with. Part of that respect involves speaking out about unprofessional behavior, inappropriate conduct and discrimination. Recognizing that employee stress levels may be amplified as a result of the pandemic, Compliance initiated a respectful workplace training campaign in collaboration with Human Resources last year. This was a proactive step even though we had not seen an uptick in workplace concerns such as bullying and harassment. Trainers facilitated discussions via scenarios that depicted unconscious bias due to Gender, LGBTQ, Disability Discrimination etc. This creates a more inclusive learning experience for all employees across the organization.

Proactive Reinforcement

We are very proud of our integrity champions—our local "eyes and ears" on the ground. They help to promote an ethical culture through local engagements in our various locations. The diverse local insights that they bring to the table is invaluable and always appreciated.

Encouraging of the right behaviors

is an important aspect of building an ethical and inclusive culture. Our BRAVO Diversity and Inclusion awards are created to recognize employees who are living our company's diversity and inclusion mission by taking an active role in creating a culture that values uniqueness, celebrates creativity and drives innovation. This award, provides recognition as well as BRAVO points for employees, who can use BRAVO points on the catalogue to redeem items/experiences. We also have on-the-spot Integrity First and Diversity & Inclusion Bravo badges which allows employees to give peer-to-peer recognition to team members who have demonstrated key integrity, diversity and inclusionary behaviors that promote our culture of ethics and inclusion.

Conclusion

An ethical and inclusive culture where our values guide our behavior and underpins every decision we make, serves as our best defense because there will never be a policy or law for every situation. The work that we do (e.g. promoting an ethical and speak up culture, educating employees on ethical behaviors) puts us in a strong position within the organization to drive real and meaningful change on diversity and inclusion, thereby making our company a more attractive choice for potential clients and for those seeking a great place to work.

About the Expert

 **Ai Lin** is a seasoned Ethics and Compliance professional with over 20 years of focused experience. With a foundation in financial services and professional advisory work, Ai Lin is experienced in a diverse spectrum of subject matter expertise, including Internal Audits, Investigations, Sarbanes Oxley (SOX) reviews and consulting on Enterprise Risk Assessment projects for multinationals across various industries such as Manufacturing, Oil & Gas and Property. Ai Lin is also experienced in establishing compliance programmes and dealing with regulators such as the United States Department of Justice, acting as the APAC liaison in a Deferred Prosecution Agreement. She is currently Global Compliance Director with Johnson Controls-Hitachi Air Conditioning and is responsible for overseeing its ethics and compliance.

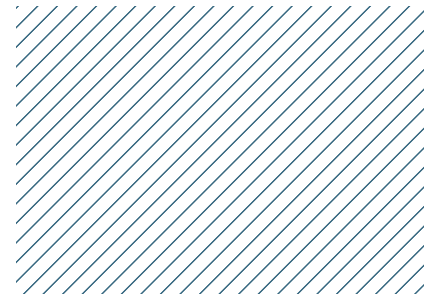


KNOW COMPLIANCE; NO COMPLAINTS – INFLUENCING CULTURE

How a commitment to continuous improvement and a culture of learning raises the ethical standards across AB InBev

Written By: Ankur Jolly, Director – Legal & Compliance, AB InBev India

We are living in a world that has become increasingly complex. It can be hard to keep your head above water with so many different moving parts. Even if you do manage to stay afloat, it can be difficult to know whether you are making the right decisions—especially when the stakes are high.



One way to ensure that your business makes the best possible decisions is by creating a culture of compliance within your company.

What does this mean? It means that everyone involved in the management of your business—from executives at the top down to front-line workers—understand what it means for a company to be compliant. However, there seems to be a general misconception about compliance—which is often seen as rules based.

Sounds good, but how do you bring a culture of ethics and compliance to life?

It begins at the top. A culture of integrity does not happen without ethical leaders taking the onus upon themselves to build that culture. It happens when the leaders acknowledge that the right thing is not the easiest, but doing it is not just encouraged—but expected. A culture of integrity is not about keeping us safe; instead, it is to ensure that we do not have to worry about anything being non-compliant.

AB InBev is built on 10 principles that act as our guiding light. Each is built on ownership, informality, candour, transparency, and meritocracy. Our cornerstone is, “We never take shortcuts. Integrity, hard work, quality, and responsibility are key to building our company and our reputation”.

We don't just say it. We live it.

This helps us become culturally competent. Cultural competence is important in viewing or interpretation of compliance; a gift may just be a gift; a gift may be a kickback. What gives it context? How do you interpret a person's actions? We do that by viewing it through the lens of culture. In a diverse organisation, multiple cultures are prevalent. Understanding each culture, values, and individual expressions help us work towards an unbiased, compliant workforce, with every member feeling represented and heard. The most important part of creating a compliance culture is understanding the values of your employees. For example, we believe that diversity and inclusion are

essential to building a corporate culture that promotes fairness and equality in the workplace. AB InBev has always been committed to these values, which is why we've made it our mission to foster an environment where everyone feels welcome and respected regardless of their gender identity, race/ethnicity, or sexual orientation.

By promoting diversity and inclusion throughout our ranks we're also able to promote a culture of compliance because every member feels represented and heard by management.

What do you think of when it comes to Diversity & Inclusion and a culture of integrity at AB InBev?

Do you imagine a place where the company's mission is "to create a future with more cheers," and its values are "integrity," "passion," and "partnership"?

Or do you imagine a place where every employee has access to training on diversity, inclusion, and unconscious bias, where employees can access resources to support their own development as leaders, and where managers are held accountable for creating an inclusive environment?

If the answer is all three, congratulations: You're thinking like AB InBev!

At AB InBev, Diversity & Inclusion is the foundation of everything we do. We are committed to fostering a workplace where everyone is included and respected and can thrive as their most authentic selves. We are constantly pushing ourselves to change the game with industry-leading policies that support our diverse workforce.

To that end, we have intensified our focus on mental well-being—both for employees who experience mental health issues and for those who want to be better equipped to help their colleagues through challenging times. We have also empowered new parents with better resources for balancing family life with work responsibilities to continue achieving at the highest levels without sacrificing one for the other.

And lastly, we have championed policies to support our LGBTQ+ colleagues and make sure they feel safe at work without fear of being discriminated against or

bullied. Diversity and Inclusion is a commitment to creating and maintaining an inclusive work environment in which people from all backgrounds, cultures, and experiences work together to make the best use of each person's talents and skills. This can be accomplished by fostering diversity in everything from hiring and promotion to retention and engagement policies. While this may seem like a "touchy-feely" concept, the biggest advantage of investing in diversity is that it leads to compliant positive business results.

At AB InBev, we are committed to continuous improvement and learning. We welcome ideas that are different from our own and support fellow teammates. The creativity that comes with diversity can help you generate innovative ideas or improve a process already in place. It can also make work more interesting, engaging, and fun. In this manner, Diversity & Inclusion are key to training and communication of compliance programs. If you do not connect with your target audience, your return will not be as desired. Training programs need to address a diverse employee base to be the most effective.

The ESG Agenda

When we take the factors mentioned above into consideration, a culture of compliance feeds into an organisation's larger ESG agenda. The ethical culture within a company is an essential aspect of the company's ESG program. An ESG-compliant culture values transparency and honesty. It is a culture that acknowledges the importance of being environmentally friendly, socially responsible, and financially accountable.

In practice, there is no single approach that will manage ESG because organisations' ESG risk profiles vary widely.

The good news is there is no single approach for ESG management; therein lies the bad news as well! That's because there are so many different ways to manage ESG. The most important thing to remember is that your organisation's risk profile will likely be very different from those of your peers and competitors, so what works for one company may not work for another.

The way you go about managing ESG depends on your organisation's specific

risk profile and the kind of impact you want to achieve.

For example, a company with a high ESG-risk profile may need to conduct due diligence on all its suppliers; it may be more important to develop an ethical culture within the organisation and ensure that employees are aware of their responsibilities. In contrast, another company with a low ESG risk profile may require fewer intensive materials and supply chain reviews.

Overall, the adoption of ethical culture is essential to drive meaningful change in ESG programs. Compliance can improve adherence to ESG by conducting due diligence, shaping corrective actions, and tracking the progress of sustainability initiatives and environmental impact.

The culture of compliance in the corporate context existed even before ESG changed how we look at businesses. Compliance is no longer something that companies consider at the end of their strategies but a key part of the plan from the preliminary stages on.

Nonetheless, ESG allows companies to excel and drive performance on top of compliance. As more and more investors focus on ESG measures, it is only natural for companies to respond as well. The risk associated with non-compliance pales in comparison with getting on the wrong side of an investment community that increasingly looks for companies that balance economic success with positive societal impact. Compliance issues are becoming an integral part of a company's strategic planning, from mandatory disclosure requirements to regulatory guidance.

It will be interesting to see how this dynamic continues to evolve going forward and which direction it takes us.

About the Expert

 **Ankur Jolly** is Director – Legal & Compliance with AB InBev India. Ankur is a legal professional with distinguished experience across industries and jurisdictions-India & Asia Pacific. His experience entails expansive Compliance, Corporate Affairs & Legal expertise to serve in the leadership capacity and on directorship on various boards overseeing both business and regulatory matters.

In the past, Ankur has worked with Danone, Oracle, Bacardi & Diageo, bringing in 22 years of experience.

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**INVESTIGATIONS,
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CULTURE OF INTEGRITY - THE KEY TO CREATING AN ETHICAL BUSINESS

Written by: Mini vandePol, Asia Pacific Head of the Investigations, Compliance & Ethics Group, Baker McKenzie (Hong Kong); Henry Chen, FenXun Partners (Baker McKenzie's joint operation platform in China) (Shanghai); and Christine Cuthbert, Baker McKenzie (Hong Kong)

A culture relying solely on “ethical compliance” is not sufficient to protect against failures. Rather, it comes down to personal integrity shown by leaders and employees to “walk the talk”.

In our experience there are four key pillars to creating a value-driven and ethical business culture: Transparency, Leadership, Communication, and Response.

1. Introduction

Environmental, Social and Governance (ESG) continues to be a key strategic priority for corporate boards. For many, the United Nations' Sustainable Development Goals (SDGs) have become a tangible means through which to move their ESG initiative. In fact, according to our report “From Strategy to Action — Advancing ESG in Asia Pacific”, 68% of respondents say they embed SDGs into their strategic planning. However, this figure varies across the region, with businesses in Japan and Australia leading the way (99% and 98% respectively), followed (closely) behind by Singapore (89%), India (83%), Hong Kong and Indonesia (each with 64%). With ethics being implicit across all 17 SDGs, companies are placing greater emphasis on being recognized as having a strong ‘ethical culture’.

In a professional context, ethical culture is characterized by honesty, fairness and equity. It also respects the dignity, diversity and rights of individuals and groups of people. However, do companies that espouse their ethical practices consistently satisfy all these criteria or is it merely a strategic aspiration? Can an ethical culture in a corporate context be measured and what is the impact on this culture when there is an integrity failure? These are the questions we consider in the context of a recent case from Australia.

2. Ethics and Integrity

In the corporate context, ethics and integrity are used interchangeably—when discussing a company's culture. It is not recommended to treat these two concepts as one and the same. A person with integrity will have the qualities of being honest and fair. This highlights that it is a personal choice. Corporate ethics, however, can be imposed on a person whether they agree or not, in the form of laws or codes of conduct—these are intended to guide the behaviour of an individual. Integrity cannot be forced upon an individual; it has to come from within. A person with integrity will be self-motivated towards the correct action, because it is the right thing to do.

The difference in outcomes between these two concepts was illustrated during the inquiry conducted by the New South Wales gaming regulator examining whether The Star Casino operated by The Star Entertainment Group Limited, an Australian listed company, should continue to hold its Sydney casino license. The 36-day inquiry has only recently concluded and a decision is yet to be delivered. The evidence provided by various senior executives and in house lawyers of Star is germane to the question of what constitutes "ethical" business practice and how it is impacted by the personal integrity failure of its most senior leaders and advisors.

The Star inquiry considered allegations that the casino disregarded anti-money laundering procedures to avoid China's strict capital flight and anti-gambling laws. While giving evidence in the inquiry, the former Star CEO acknowledged that Star repeatedly failed to manage risk and regulation, describing it as a "secretive and not transparent" company that followed the "letter of the law and not the spirit of the law". The inquiry heard evidence that the former CEO personally approved a single high-roller to withdraw more than AU\$22 million over three days without any anti-money laundering

(AML) checks. Further evidence was also submitted that Star acted "as an ATM" for some guests, falsely disguising over AU\$900 million of gaming transactions as hotel expenses such as food, beverage and room charges. The former CEO conceded that it was a "fundamental failing" of Star to allow the practice.

How a business deals with "grey areas" provides a key insight into whether it has a strong ethical culture - however this culture may be destroyed if leaders lack integrity to speak up or make tough decisions at a critical juncture to uphold the "the spirit of the law". The Star Entertainment Group holds itself as upholding and enhancing standards in ethical behaviour across all areas of their business. Counsel assisting the inquiry suggested that all three of Star's senior lawyers, who have since resigned, at times displayed unethical and dishonest conduct, singling out the former General Counsel for what she described as "deliberate obfuscation".

3. Key pillars to creating an "ethical" business culture

The evidence given by Star senior executives and in-house lawyers demonstrates that a culture relying solely on "ethical compliance" is not sufficient to protect against failures. Rather, it comes down to personal integrity shown by leaders and employees which are critical to promoting a sound ethical culture.

In our experience there are four key pillars to creating a value-driven and ethical business culture: Transparency, Leadership, Communication, and Response.

• Transparency

Transparency is a key driver of an ethical business culture. It is through transparency that a company is able to ensure its leaders and employees are accountable for their actions both personally and on behalf of the company. It also discourages secrecy and limits the opportunity to act in the shadows - the very "secrecy and not transparent" company behaviour that the ex-CEO notes was present that led to the AML issues at Star.

What does transparency look like? It does not mean that every decision made by the board needs to be open to public scrutiny. But it does require the company to ensure it has in place the policies and procedures to reinforce its values, and sufficient checks and balances on the other end to ensure nothing is slipping through

the cracks. Those responsible for administering the various components of the policies and procedures do need to be held accountable, but they also need to feel empowered to raise issues - not just policy or legal issues but also those where their personal integrity calls them out - without worrying about retaliation.

• Leadership

Tone at the top and leadership buy-in is crucial in creating and maintaining a culture of ethics.

Read the complete article on Ethisphere Magazine.com

About the Expert

 **Mini vandePol** is the Head of Baker McKenzie's Asia Pacific Investigations, Compliance & Ethics Group, after successfully completing three years as the Global Chair. Mini focuses on ESG risk management and mitigation with an emphasis on anti-bribery and corruption, trade sanctions, fraud and other senior executive misconduct investigations across Asia but most particularly in Hong Kong, China and India. More on Mini here: <https://www.bakermckenzie.com/en/people/v/vandepol-mini>

Henry Chen has more than 15 years' experience in handling cross-border compliance and investigation matters. As a US- and PRC-trained lawyer in Shanghai, he has advised many multinational corporations on compliance, risk management and investigations. More on Henry here: <https://www.bakermckenzie.com/en/people/chen-henry>

Christine Cuthbert has a particular focus on investigations involving ESG risks, such as bribery, corruption, money-laundering and other compliance matters. She has over 12 years' experience in Australia and Hong Kong in all forms of contentious work, including assisting clients with cross-border investigations and litigation, as well as other managing their compliance risks. More on Christine here: <https://www.bakermckenzie.com/en/people/c/cuthbert-christine>



EY'S ARPINDER SINGH TALKS ABOUT THE 2022 GLOBAL INTEGRITY REPORT

The EY Global Integrity Report 2022 offers insights on how companies can define and instil integrity into their culture, how to create the optimal environment for integrity to thrive, and how we can innovate and transform the integrity agenda to minimize external threats and protect value.

In brief

- More companies than ever value corporate integrity, but many professionals say the pandemic has made it difficult to carry out business with integrity.
- Organizations can utilize data and AI to pinpoint potential adverse changes in the day-to-day operations of a business unit, team, or department — these can be early warning signs of an inconsistent or eroding culture.
- Businesses are adopting new reporting methods that improve rigor and transparency and bring opportunities to leverage advanced analytics for risk mitigation.

A record 97% of respondents to the EY Global Integrity Report 2022 agree that integrity is important. Responding to societal expectations, businesses are also adopting corporate and social responsibility standards and environmental, social and governance (ESG) measures that demonstrate their

commitment to those sentiments. "The pandemic's aftershock and subsequent economic crunch have aggravated organizational challenges of working with integrity in times of crises. Management and Boards will have to lead by example, inspire an ethical culture, foster transparency, utilize technology and strengthen compliance, whistleblowing and ESG frameworks. Acting now will be key to setting up an enterprise that makes strides in the right direction and delivers on societal expectations as well," said **Arpinder Singh, India and Global Markets Leader, Forensic & Integrity Services, EY.**

[Download EY's Report](#)

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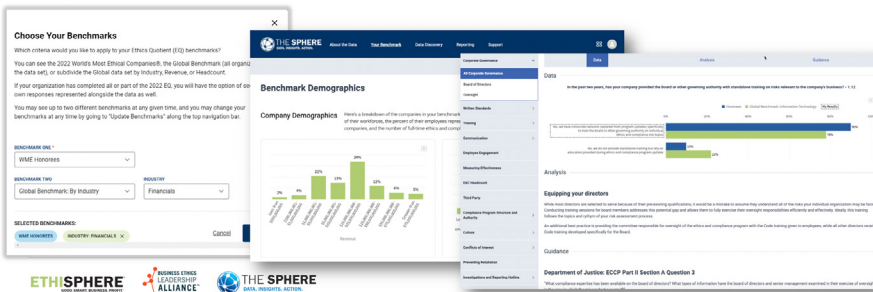
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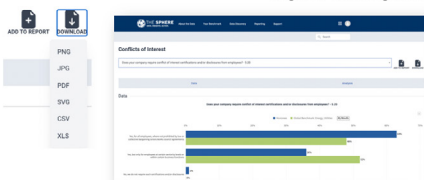
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