

Ethics & Compliance Program Maturity Index

REPORT PREVIEW

This redacted report provides a sample of the framework, types of questions, observations, recommendations, and resources offered when completing the Ethics & Compliance Program Maturity Index. The actual report is 50+ pages long and is tailored to specific answers and level of maturity.

The **Ethics & Compliance Program Maturity Index** enables companies to identify strengths, gaps, and the maturity of key program elements, benchmarked against an unparalleled dataset of the practices of leading companies around the world. Companies receive not only immediate feedback but also expert-curated resources to help them improve programs.

The **Ethics & Compliance Program Maturity Index** focuses on three key areas – *Resources, Structure, and Oversight; Training and Communications; and Monitoring, Auditing, and Risk Assessment.*

The questions are maturity-based and map to actual practices rather than opinion-based responses (e.g., agree, strongly agree, etc.). This approach provides a more accurate view of the program and enables consistent benchmarking across an enterprise.

Highlights:

- **Select Questions Vetted by Experts** over the past decade, with input from leading practitioners and corporate ethics teams
- **Tailored Observations and Data** yield contextual insights grounded in Ethisphere's extensive data and expertise
- **Recommendations** to help your organization prioritize compliance program improvements
- **Benchmarking** against data from the leading companies around the world
- **Resources, examples, and work product** from leading companies to address gaps and guide improvements

ASSESSMENT COMPLETED BY:

Company ABC

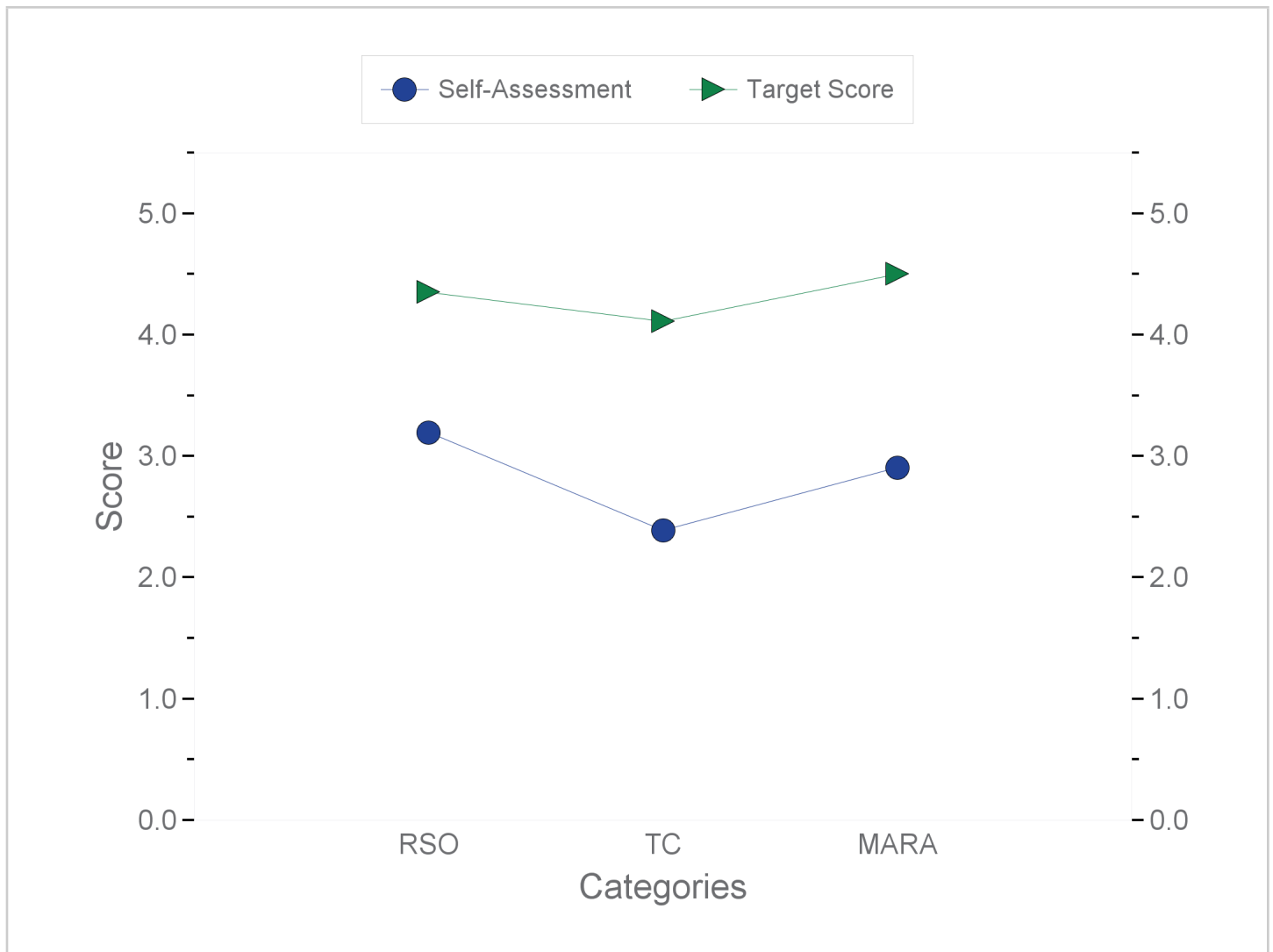
Headquarters
Compliance

United States
Respondent: Ben Banneker

Requested By: Computer Manufactures
Administrator: Mary Rhodes
Internal Code: CM.CS
Self-Assessment Completion: 7/17/2019

Scoring Summary / Comparative Chart

Target Score: 4.3 **Self-Assessment: 2.8**



RSO-5 Specify all job titles held by the person assigned overall ownership of the ethics and compliance program.



SA	Minimum: 2.0 Self-Assessment: 1.8 Target: 4.0 Benchmark: 1.4
	None of these apply
<input checked="" type="checkbox"/>	Chief Compliance and/or Ethics Officer
	Chief Executive Officer
	Chief Human Resources Officer
<input checked="" type="checkbox"/>	Chief Risk Officer
	General Counsel or Chief Legal Officer
	Compliance and/or Ethics Officer
	Head of Internal Audit
	Privacy or Chief Privacy Officer

PRIMARY REFERENCE:

CONTRIBUTOR:

RELATED DOCUMENT:

RSO-5 Advice

OBSERVATION:

Ethics and compliance programs have been growing in scope and authority. This development is most clearly reflected in the percentage of 2019 honoree companies that give the individual assigned overall ownership of the ethics and compliance program the title of “Chief Compliance and/or Ethics Officer.” Seventy-six percent of the 2019 honorees designate a “chief,” and only 26 percent maintain the familiar “dual-hatted” structure of giving the program owner both “General Counsel” and “Chief Compliance and/or Ethics Officer” titles.

RECOMMENDATION:

Assigning the head of the ethics and compliance program a Chief Ethics and Compliance Officer title is a leading practice. While titles alone mean little, they do signal the importance of the ethics and compliance function within the organization.

RESOURCE:

Focused Fact – Trends in Program Authority

[link to the resource]

Focused Fact – E&C Reporting Structure

[link to the resource]

Leading Practices and Trends from the 2019 World’s Most Ethical Companies® Volume 2: Structuring and Resourcing Your Ethics and Compliance Program Effectively

[link to the resource]

Key: SA = Self-Assessment | IE = Independent Evaluation | TRG = Target Score | MIN = Minimum Score

Code: ■ = Target Not Achieved or Below Min | ± = Outside Standard Deviation | ■ = Comment | ■ = Skip Logic

RSO-11 Identify which of the following authorities, if any, are granted to the ethics and compliance function.



SA	Minimum: 2.0 Self-Assessment: 3.8 Target: 4.0 Benchmark: 4.5
	None of these apply
<input checked="" type="checkbox"/>	Ability to author and/or recommend new business conduct policies
<input checked="" type="checkbox"/>	Ability to revise the Code of Conduct (with Board approval if required)
<input checked="" type="checkbox"/>	Primary budget responsibility for all ethics and compliance programs
<input checked="" type="checkbox"/>	Primary hiring authority for all positions in the ethics and compliance function
	Input on hiring/firing decisions regarding positions of authority which may affect ethics and compliance functions (e.g., Audit, Finance, HR)
<input checked="" type="checkbox"/>	Significant input/role in the process for organizational strategic business development decisions such as mergers and acquisitions, new market entry, expansion, business partnerships/alliances, and joint ventures
	Significant input/role in product or services decisions such as product or services development, launch, or discontinuation
<input checked="" type="checkbox"/>	Significant input/role coordinating with relevant business functions (e.g., procurement) to ensure ethics and compliance risks/interests are included in product/supplier sourcing decisions

PRIMARY REFERENCE:

CONTRIBUTOR:

RELATED DOCUMENT:

RSO-11 Advice

OBSERVATION:

Over the last few years, we have seen a growing set of authorities granted to the ethics and compliance program. Most honorees count on their program to engage in expected activities such as drafting new Code or policy language (100 and 99 percent of 2019 honorees, respectively), primary budget responsibility for all ethics and compliance programs (97 percent), primary hiring authority for all positions in the function (96 percent), and ensuring ethics and compliance risks/interests are included in product and supplier sourcing decisions (95 percent).

RECOMMENDATION:

Effective ethics and compliance programs are well integrated into the organization and afforded broad abilities to provide input into business activities and partner with other shared services groups. This instills ethics and compliance into everyday operations.

Ethisphere recommends comparing your results to the WMEC benchmark to determine possible areas where the responsibilities of the program can be expanded in line with leading organizations.

RESOURCE:

Focused Fact – Trends in Program Authority
[link to the resource]

Leading Practices and Trends from the 2019 World's Most Ethical Companies® Volume 2: Structuring and Resourcing Your Ethics and Compliance Program Effectively
[link to the resource]

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RSO-20 Does your company require conflict of interest certifications and/or disclosures (separate from a Code of Conduct acknowledgement) from employees?



SA	Minimum: 2.0 Self-Assessment: 4.0 Target: 4.0 Benchmark: 4.4
	Yes, for all employees
<input checked="" type="radio"/>	Yes, but only for employees at certain seniority levels or within certain business functions
	No, but we do require ALL employees to certify that they will follow our Code of Conduct and the certification specifically includes language (in addition to any included in the Code of Conduct) regarding disclosing or avoiding conflicts of interest
	No, but we do require SOME employees to certify that they will follow our Code of Conduct and the certification specifically includes language (in addition to any included in the Code of Conduct) regarding disclosing or avoiding conflicts of interest
	No, we do not require such certifications or disclosures

PRIMARY REFERENCE:

CONTRIBUTOR:

RELATED DOCUMENT:

RSO-20 Advice

OBSERVATION:

All but three honorees in 2019 (98 percent) indicate using some method of certifying or disclosing conflicts of interest for at least some part of their employee population. Furthermore, fifty-nine percent of 2019 honorees require conflicts of interest certifications or disclosures for all employees.

RECOMMENDATION:

It is a best practice to periodically deploy a standalone COI certification to all employees, asking targeted questions regarding common conflicts that an employee may face. While it is possible to add COI questions to an overall Code certification, combined certifications often contain a limited number of questions about conflicts of interest, making a standalone certification preferable.

RESOURCE:

Focused Fact – Trends in Conflict of Interest Disclosures

[link to the resource]

BELA Resource: Hilton – Conflicts of Interest Toolkit including guidance on disclosure for all employees

[link to the resource]

Training and Communications



Target: 4.1 Self-Assessment: 2.4 Deviation +/-: 1.5

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TC-7 Select the following that apply to your company's documented ethics and compliance communications plan.



SA	Minimum: 2.0 Self-Assessment: 0.1 Target: 4.0 Benchmark: 3.7
<input checked="" type="checkbox"/>	None of these apply
	Addresses communication initiatives across multiple years
	Developed through cross-functional collaboration
	Includes a roll-out schedule
	Addresses communication delivery mechanism for each topic or audience
	Calls for implementation by different functions or business units (e.g., Compliance, HR, Finance, Sales)
	Incorporates messages delivered by different leaders (e.g., CEO, heads of functions and/or business units other than compliance or ethics, other managers, etc.)
	Incorporates messages delivered by non-leader employees, such as line-level employees communicating messages to their peers (i.e., employees not included in the prior answer option specific to leaders)

PRIMARY REFERENCE:

CONTRIBUTOR:

RELATED DOCUMENT:

TC-7 Advice

OBSERVATION:

A clear roll-out schedule, specific delivery modalities, collaboration among different functions, and messaging from a variety of senior leaders are all common in 2019 honorees' ethics and compliance communications plans--each strategy is utilized by at least 90 percent of honorees.

RECOMMENDATION:

To ensure that ethics and compliance communications are both well planned and effective, it is a best practice to create a communications plan that lays out the timing and modality of communications, includes cross-functional input, and utilizes messaging from different senior leaders. Many communication plans also call for other business units or departments to implement ethics and compliance messaging, and it is common to plan communications several years in advance.

RESOURCE:

Focused Fact – Training Best Practices, (reference slide 18)

[link to the resource]

BELA Resource: Dun & Bradstreet – 360-Degrees of Communication in Compliance – Presentation on communication planning

[link to the resource]

Ethisphere Global Ethics Summit Session – Training and Communication Innovations that Drive Culture

[link to the resource]

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TC-10 Select which types of communication involving senior executives outside the ethics and compliance function, such as the CEO, are used to discuss ethics and compliance within your company.



SA	Minimum: 2.0 Self-Assessment: 1.9 Target: 4.0 Benchmark: 2.8
	None of these apply
<input checked="" type="checkbox"/>	Personalized letter of introduction to the written Code of Conduct
<input checked="" type="checkbox"/>	Personalized introduction to ethics and compliance training
	Emails to the workforce
	Onboarding video
	Intranet site video
<input checked="" type="checkbox"/>	Video transmitted to employees
	Podcasts
<input checked="" type="checkbox"/>	Town hall, annual kick-off or other company-wide meetings lead by senior leadership
<input checked="" type="checkbox"/>	Internal meetings involving senior leadership
	Interactive Q&A forum, chat functionality
	Blogs
	Newsletter
	Intracompany social communication platforms (e.g., Chatter, Yammer, Slack)

PRIMARY REFERENCE:**CONTRIBUTOR:****RELATED DOCUMENT:**

TC-10 Advice

OBSERVATION:

While 92 percent of honorees include a personalized letter from a senior executive in their Code of Conduct, they also commonly use senior executives to communicate about ethics and compliance in other ways. These include using other senior executives to author emails (83 percent of 2019 honorees), featuring them in introductions to training courses (80 percent), and having them speak at senior leadership gatherings (87 percent) and town hall meetings (84 percent).

RECOMMENDATION:

Results indicate strong involvement in ethics and compliance communication efforts by senior executives at your company outside the ethics and compliance function.

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Ethisphere recommends your company periodically consider whether there are additional opportunities to include messages from senior leaders about the importance of ethics and compliance. Diversifying the voices that communicate these messages demonstrates to employees that ethics is important to all areas of the business.

RESOURCE:

Focused Fact – Manager Resources & Communications (reference slides 6 & 7)

[link to the resource]

Leading Practices and Trends from the 2019 World’s Most Ethical Companies® Volume 1: Focus on Reporting Transparency, Governance, and Written Standards (reference page 11)

[link to the resource]

TC-11 Do senior executive leaders include examples of ethical decisions they have faced at various points of their career in their communications to employees, regardless of modality or format? ■ ■

SA	Minimum: 1.0 Self-Assessment: 1.0 Target: 5.0 Benchmark: 4.0
	Yes
<input checked="" type="radio"/>	No

PRIMARY REFERENCE:

CONTRIBUTOR:

RELATED DOCUMENT:

TC-11 Advice

OBSERVATION:

Seventy-four percent of honorees report that their senior executives discuss ethical dilemmas they have faced as part of their communications to employees.

RECOMMENDATION:

By talking about ethical challenges they have faced during their careers, executives communicate the importance of ethical conduct. Using this type of messaging is a best practice, and Ethisphere recommends your company explore adopting the use of such storytelling.

RESOURCE:

Focused Fact – Manager Resources & Communications (reference slide 7)

[link to the resource]

TC-12 Does the ethics and compliance function include examples of real world ethical or compliance dilemmas or issues in their communications? ■ ■

SA	Minimum: 2.0 Self-Assessment: 5.0 Target: 4.0 Benchmark: 4.5
	None of these apply
<input checked="" type="checkbox"/>	Yes, we use things that have happened within our organization (with or without details omitted to preserve anonymity)
<input checked="" type="checkbox"/>	Yes, we use things that have happened outside our organization (i.e., in the news or at peer companies)

PRIMARY REFERENCE:

CONTRIBUTOR:

RELATED DOCUMENT:

TC-12 Advice

<p>Key: SA = Self-Assessment IE = Independent Evaluation TRG = Target Score MIN = Minimum Score</p> <p>Code: ■ = Target Not Achieved or Below Min ± = Outside Standard Deviation ■ = Comment ■ = Skip Logic</p>

TC-18 Select the following ethics and compliance communication resources, if any, that your company provides to managers/supervisors in order to help them promote ethics and compliance within the company.



SA	Minimum: 2.0 Self-Assessment: 0.6 Target: 4.0 Benchmark: 2.9
	None of these apply
	Ethics and compliance communication toolkit(s) (e.g., language to include in an email, links to ethics and compliance newsletters to distribute to employees, responses to questions that may arise, FAQs for current issues or initiatives), available on demand or distributed to managers directly
	Meetings-in-a-box (e.g., suggestions of topics to discuss, speaking guides, presentation materials)
	A schedule of potential topics to discuss throughout the year and guidance on expected frequency
	Email templates from the ethics and compliance function specifically created for managers to disseminate among employees
<input checked="" type="checkbox"/>	Regularly scheduled discussion time with ethics and compliance personnel (e.g., brown bag lunches, seminars, or ethics and compliance team roadshow)
	Tools and resources to allow managers to recognize or incentivize direct reports that exhibit ethical conduct or promote the ethics and compliance program
	Videos, online vignettes, or other educational multimedia resources
	Research, whitepapers, or curated news reports on ethics and compliance issues specifically directed at managers

PRIMARY REFERENCE:

CONTRIBUTOR:

RELATED DOCUMENT:

TC-18 Advice

OBSERVATION:

Eighty percent of 2019 honorees provide their managers with toolkits to help them discuss ethics and compliance issues, and 74 percent provide videos or other online multimedia resources. A majority of honorees also indicated that they provide meetings-in-a-box, email templates, tools for incentivizing direct reports who support the ethics and compliance program, and scheduled time with ethics and compliance personnel.

RECOMMENDATION:

Providing managers with tools to communicate about ethics and compliance is key to helping them spread the message of the importance of ethical conduct. Consider implementing additional methods to aid managers in this important task.

Reference the corresponding resources for additional examples of communication strategies developed by leading companies.

RESOURCE:

BELA Resource: Xcel Energy – example of leader guidebook on living the company’s values
[link to the resource]

BELA Resource: Allianz Life – example of toolkit to support managers in their responsibilities as ethics leaders in the organization
[link to the resource]

BELA Resource: Hilton – example of manager guide for their responsibility in supporting the code of conduct
[link to the resource]

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BELA Resource: Thrivent – example of meeting-in-a-box to support code recertification
[link to the resource]

Ethisphere Article: Managers: Your First Line of Ethics Defense
[link to the resource]

Focused Fact - WME Manager Support Resources & Communications Results
[link to the resource]

Monitoring, Auditing, and Risk Assessment

Target: 4.5 Self-Assessment: 2.9 Deviation +/-: 1.5

MARA-1 Does your company use a misconduct reporting system (e.g., internal reporting mechanisms, dedicated email address, internal or third-party maintained hotlines, etc.)?  

SA	Minimum: 3.0 Self-Assessment: 3.0 Target: 5.0 Benchmark: 3.0
	Yes, but reporting individuals are not given the option to remain anonymous
<input checked="" type="radio"/>	Yes, and reporting individuals are given the option to remain anonymous where allowed by applicable law
	No, our company does not use a misconduct reporting system

PRIMARY REFERENCE:

CONTRIBUTOR:

RELATED DOCUMENT:

MARA-1 Advice

OBSERVATION:

The use of a misconduct reporting system that provides the option of submitting reports anonymously is ubiquitous among all 2019 honorees.

RECOMMENDATION:

Providing multiple channels to allow employees to raise questions and concerns using the modality they find most convenient is a best practice. In addition, allowing anonymous reporting can help employees feel more comfortable speaking up about potential issues.

RESOURCE:

Leading Practices and Trends from the 2019 World's Most Ethical Companies® Volume 1: Focus on Reporting Transparency, Governance, and Written Standards (reference page 6)

[link to the resource]

BELA Resource: Boeing – presentation of their case management and investigations process
[link to the resource]

Key: SA = Self-Assessment | IE = Independent Evaluation | TRG = Target Score | MIN = Minimum Score

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[\[link to the resource\]](#)

BELA Resource: Boeing – presentation of their case management and investigations process

[\[link to the resource\]](#)

MARA-5 Separate from reports to the Board or other governing authority, does your organization communicate how many concerns were reported, the types of concerns reported, and the results of reports and investigations?



SA	Minimum: 2.0 Self-Assessment: 1.0 Target: 4.0 Benchmark: 1.6
	None of these apply
	Yes, and we make this information available to the public as a standalone report
	Yes, and we make this information available to the public in our CSR report and/or in our annual report
	Yes, and we make this information available to all employees
<input checked="" type="checkbox"/>	Yes, and we circulate this information to C-suite-level leaders beyond those involved in board reporting
<input checked="" type="checkbox"/>	Yes, and we circulate this information to other levels of management

PRIMARY REFERENCE:

CONTRIBUTOR:

RELATED DOCUMENT:

MARA-5 Advice

OBSERVATION:

Thirty-two percent of honorees communicate publicly about how many concerns were reported, the types of concerns reported, and the substantiation rates of corresponding investigations. This practice was cited by recent guidance from the Department of Justice as an indication of an organization's commitment to transparency.

RECOMMENDATION:

Based on your responses, Ethisphere has no further recommendations. Making this information public is a leading practice. One of the biggest trends we are seeing is the increase in transparency around investigation metrics in an effort to bolster employee faith in the investigation process.

RESOURCE:

Ethisphere Special Report on Root Cause (reference pages 13 & 14)

[\[link to the resource\]](#)

Integrity Matters Podcast – Rady Johnson, Pfizer's Chief Compliance and Risk Officer, discusses importance of transparency and root cause

[\[link to the resource\]](#)

Leading Practices and Trends from the 2019 World's Most Ethical Companies® Volume 1: Focus on Reporting Transparency, Governance, and Written Standards (reference page 3)

[\[link to the resource\]](#)

U.S. Department of Justice Criminal Division, "Evaluation of Corporate Compliance Programs", April 2019.

[\[link to the resource\]](#)

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MARA-13 Does your organization have a process for gathering feedback from individuals who participated in an investigation after the investigation is closed? ■
■

SA	Minimum: 3.0 Self-Assessment: 3.0 Target: 5.0 Benchmark: 3.0
	Yes, we conduct follow-up conversations with known reporters and significant witnesses
<input checked="" type="radio"/>	Yes, we conduct follow-up conversations with known reporters
	Yes, we conduct a survey-based follow up to ask about their experience with our investigators and investigation process
	No

PRIMARY REFERENCE:**CONTRIBUTOR:****RELATED DOCUMENT:**

MARA-13 Advice

OBSERVATION:

Nearly one-third (31 percent) of honorees conduct follow-up conversations with known reporters and significant witnesses, and a similar proportion (32 percent) conduct follow-up conversations only with known reporters. Notably, 32 percent of honorees answered that they do not have a process for gathering such feedback.

RECOMMENDATION:

As investigations become more complex and are conducted by a more diverse group across functions, it is a growing trend to make sure that the experience is as uniform as possible. One good way to do so is following up with those who participated in investigations to see how they perceived the experience.

RESOURCE:

Ethisphere Global Ethics Summit Session Video - Preserving the Speak Up Culture Through Smarter Internal Investigations
[link to the resource]

Ethisphere Article - Increasing Employee Confidence in Internal Investigations
[link to the resource]

BELA Resource: Boeing – presentation of their case management and investigations process
[link to the resource]

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especially if they are conducted by different functions.

Ethisphere recommends your company consider conducting root cause analysis following all investigations and implementing a formal taxonomy for your such analysis.

RESOURCE:

Root Cause Analysis: A BELA Research Report (reference pages 7 & 8)

[link to the resource]

MARA-16 Indicate which established procedures your company has to protect employees who report suspected misconduct.



SA	Minimum: 2.0 Self-Assessment: 1.4 Target: 4.0 Benchmark: 2.4
	None of these apply
	Monitor sick day usage of the reporting individual to watch for indications of a change in job satisfaction or commitment or comfort being at work
	Monitor the reporting individual for any change in performance evaluations or job assignments
	Monitor whether the reporting individual has a change in job status (e.g., termination or added to a proposed reduction in force)
	A process to have someone affirmatively follow up with the reporting individual within a certain amount of time to inquire whether they have felt any form of retaliation
<input checked="" type="checkbox"/>	Inform the reporting individual at the time of making the report of the company's non-retaliation policy and what to do if they feel retaliated against
	A process to determine whether an employee facing involuntary termination has reported misconduct or been a witness in an investigation of alleged misconduct
<input checked="" type="checkbox"/>	Provide contact information for a specific person for them to contact with any question or concerns

PRIMARY REFERENCE:

CONTRIBUTOR:

RELATED DOCUMENT:

MARA-16 Advice

OBSERVATION:

Almost every 2019 honoree (93 percent) provides the company's non-retaliation policy to employees who submit a report at the time of reporting, along with instructions on what to do if they experience retaliation. More sophisticated tactics used to protect employees include providing contact information for a person the reporter can contact with questions or concerns (74 percent), affirmatively following up with the reporter to assess whether they experienced retaliation (38 percent), and monitoring the reporter's job status for any changes in performance or assignments (30 percent).

RECOMMENDATION:

Monitoring employees to make sure they are not experiencing retaliation has become easier with advanced technology, yet fear of retaliation continues to be one of the primary reasons employees would not raise a concern. Consider a check-in with known reporters following the close of an investigation, or other tactics that would give you a sense of the experience of the individual raising a concern.

RESOURCE:

Focused Fact – Preventing Retaliation

[link to the resource]

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