



ETHISPHERE[®]

GOOD. SMART. BUSINESS. PROFIT.



OLD NATIONAL BANK

FOSTERING A CULTURE OF COMPLIANCE

Ethisphere Spotlight Interview with

Joan Kissel

Executive Vice President & Chief Ethics Officer

Old National Bank

Old National Bank: Recognized for Ethics and Compliance

Founded in 1834, Old National Bank is a service- and community-focused financial institution serving Indiana, Kentucky, Michigan, Minnesota, and Wisconsin.

The company has been a World's Most Ethical Companies® honoree every year since 2012; and has also been recognized by the National Organization on Disability (NOD) as a 2019 Leading Disability Employer; has received 2019 Military Friendly® Top 10 Employer designation; and was named to the 2019 Bloomberg Gender-Equality Index (GEI).



**OLD NATIONAL
BANK®**



Here, Joan Kissel (left), Executive Vice President & Chief Ethics Officer, shares with Ethisphere's Jodie Fredericksen (right) how these engagements have shaped Old National's overall ethics and compliance program and why ethical culture is so important to the company.

Fostering an Ethical Culture

Q: I have had the pleasure of working with you to independently verify your ethics and compliance program and practices. Throughout this rigorous process, I and several of my colleagues at Ethisphere have been impressed with Old National's ethical culture. Can you tell us about the overall approach the organization has taken to establish this culture?

A: This is a tough question as our culture almost seems innate. However, there are several conscientious decisions we have made to ensure a strong culture.

- **Maintain a strong tone at the top and clear expectations.** As a leadership team, we know what is and what is not okay; however, others may need more guidance.
- **Provide the tools people need to act ethically.** At ONB, this includes providing adequate and appropriate training, and different channels where associates can express concerns, including an anonymous whistleblower hotline.
- **Model desired behavior.** This is the most important way senior ONB leaders can foster an ethical culture. After all, we are all creatures of the environment we work in. Employees often assume that the behavior of senior leaders is appropriate. Our leaders model desired behavior by:
 - Setting the right tone at the top—and earning the trust of employees.
 - Reinforcing through daily interactions that ethics are important and taken seriously.
 - Talking about the importance of ethics and doing the right thing.
 - Embedding ethical values into everyday actions so that employees gain a sense of “how we do things around here,” which is then integrated into daily activities.

Benefits of an Ethical Culture

Q: Why do you feel that ethical culture is so important to Old National Bank? What benefit does this ethical culture provide to the organization and its customers?

A: In this day and age, not only is a strong ethical culture a good idea, it is required! The Office of the Comptroller of the Currency (OCC), which is ONB's primary regulator, recently issued a bulletin on "Operational Risk: Fraud Risk Management Principles." One of the risk management principles addressed in this bulletin is as follows:

"A bank should have sound corporate governance practices that instill a corporate culture of ethical standards and promote employee accountability."

Of course, the traditional benefits of ethics in the workplace still apply. Ethics programs:

- Cultivate strong teamwork and productivity
- Support employee growth and meaning
- Promote a strong public image
- Support greater consistency in standards and quantities of products
- Improve trust in relationships between individuals and groups

"A bank should have sound corporate governance practices that instill a corporate culture of ethical standards and promote employee accountability."

Embedding Business Integrity

Q: What other elements of your broader program do you believe are most noteworthy?

A: As part of our commitment to maintaining a positive and welcoming workplace culture, we introduced an initiative called “Speak Up” in early 2018.

The Speak Up initiative is designed not only to encourage and empower associates to speak up, but, most importantly, to provide the tools and resources needed to prepare associates to address difficult situations with respectful dialogue.

The Speak Up initiative is an important aspect of maintaining an ethical, safe and inclusive work environment and an effective strategy to address everyday bias, discriminatory remarks, unethical conduct, acts of exclusion, harassment, and other unwelcomed behaviors.

As part of the program, we have a group of associates who have volunteered to serve as Culture Champions. The purpose of this peer-to-peer initiative is to encourage and empower associates who might not be comfortable using our more traditional channels—like talking with a member of management or using EthicsPoint—to instead voice their concerns to a peer (who has been trained to escalate the issue as needed) about behavior that crosses the line and makes them feel uncomfortable in any way. Our Culture Champions serve as Old National ambassadors and lead by example. They personally demonstrate inclusive leadership and a sense of belonging in interactions with associates and clients.

Old National’s Ethics and Compliance Team

At Old National, the ethics and compliance programs are jointly led with nearly 40 full-time associates across the two areas.

The **ethics function** is managed by the Chief Audit Executive & Ethics Officer who reports functionally to the Audit Committee of the Board and administratively to the CEO.

Risk assessments related to program elements, such as tone at the top, culture, personnel, and fraud, are managed by the audit department.

The **compliance function** is managed by the Chief Risk Officer (CRO) who reports functionally to the Enterprise Risk Committee of the Board and administratively to the CEO.

The CRO is responsible for enterprise risk management and bank-specific regulatory compliance.

Ongoing Program Assessments

Q: Old National has been recognized as a World's Most Ethical Companies honoree for the past nine years and also has been awarded the Ethics Inside Certification from Ethisphere for the past seven years. How have these engagements shaped your overall program?

A: Aspiring to these standards has helped us keep our program fresh. It seems as if Ethisphere raises the bar each year, inciting us to continue building upon and improving the program.

We believe the World's Most Ethical Companies recognition has a number of advantages:

- Greater transparency
- Customer trust
- Employee attraction, retention, and engagement
- Improved productivity and overall financial performance

Spotlight On: Old National Bank



The World's Most Ethical Companies® evaluation process is grounded in Ethisphere's proprietary Ethics Quotient® assessment process covering the elements of an effective program.

Areas Covered in the Ethics Quotient



Leading with Ethical Culture

Q: Old National has acquired a number of other institutions—can you tell us how ethical culture plays a role in this process?

A: At ONB, we take a “culture-first” approach to mergers and acquisitions (M&A). We look for companies that share the same customer-centric culture—“doing what is right for the customer.”

When the cultures of both organizations are well-aligned, it facilitates a much easier integration.

Good planning, communication, and being as honest and open with people as possible also goes a long way in M&A integrations—these things are important to people.

Q: Old National is a mid-size financial institution—how do you achieve a best practices program without the benefit of unlimited resources?

A: At ONB, doing things the right way, every time, is THE top priority. Companies always figure out how to take care of their priorities!

Doing the right thing doesn’t have to cost a lot. We try to make good hiring decisions (such as looking for strong character), we set clear expectations, we make it easy for associates to report concerns, and we “walk the talk!”

Q: What advice would you give other ethics and compliance leaders looking to improve their programs?

A: As a starting point, look at peer data and benchmark your program against those practices.

It’s also helpful to join communities where you can exchange ideas—I’m able to do this in the Business Ethics Leadership Alliance (BELA) and also Business Ethics Indiana.



The Business Ethics Leadership Alliance (BELA) brings together leading companies to share best practices in governance, risk management, compliance and ethics.

BELA members are able to:

- Engage with senior legal, ethics, and compliance leaders from 60+ industries in more than 275 companies worldwide.
- Tap best practices and expertise at local roundtables and global events
- Gain access to exclusive data, research and company-contributed materials
- Benchmark against the World's Most Ethical Companies® data set

www.bela.ethisphere.com



The World's Most Ethical Companies® assessment is based upon the Ethisphere Institute's Ethics Quotient® (EQ) framework which covers five areas:

- Ethics and compliance program
- Organizational culture
- Corporate citizenship and responsibility
- Governance
- Leadership and reputation

All participating companies receive an Analytical Scorecard providing them with a benchmark of how they stack up against leading organizations against a definitive criteria of core competencies.

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ETHISPHERE SERVICES

Ethisphere offers a range of assessments, benchmarking and guidance to enable companies to advance business integrity:

- Ethics and Compliance
 - Full Program Assessments and Compliance Leader Verification
 - Ethics & Compliance Program Maturity Index
- Ethical Culture
 - Full service surveys and monitoring
- Anti-Corruption Assessments for Third Parties
- Cybersecurity Assessments Aligned to the NIST Framework

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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.

Learn more:

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