

2016 | WORLD'S MOST TM
ETHICAL
COMPANIES [®]

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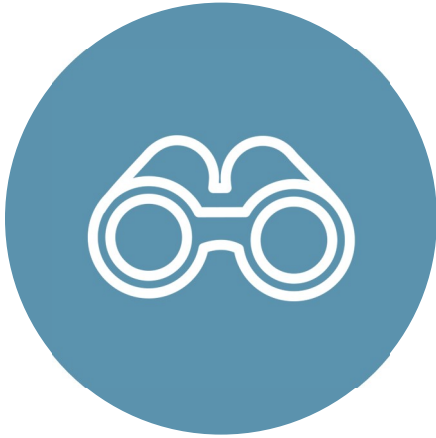
ETHISPHERE [®]
GOOD. SMART. BUSINESS. PROFIT. [™]

Ethics Quotient TM Analytical Scorecard

2016

Prepared for:

Redacted



OVERVIEW OF SCORECARD ASSESSMENT

The World's Most Ethical Companies® recognition was launched in 2007 as a way to publicly recognize and celebrate companies that demonstrated real ethical leadership within their industries. A decade later, the designation continues to provide companies with an opportunity to be recognized for their successes in enhancing corporate ethics and integrity. Those designated as the World's Most Ethical Companies are setting the pace that others follow. These are the companies that use ethical conduct as a profit driver and as a competitive differentiator. And each of these companies embodies the true spirit of Ethisphere's credo, "Good. Smart. Business. Profit.®"

Every year, companies face new challenges in developing and adopting "best practices" in their compliance and ethics programs as new and important laws are enacted around the world, prosecutors enforce laws with increasing regularity and aggression, and the public's expectations increase. Yesterday's leading practices become the accepted practices of today.

This report is broken down into two main sections. First, it provides a general overview of Ethisphere's scoring methodology. And second, the report offers a company-specific assessment, including the company's overall Ethics Quotient™ (EQ) score, a breakdown of the scores in each category that make up the overall score, as well as survey results across specific questions. These answer choices and scores are compared to those designated as the 2016 World's Most Ethical Companies.

To discuss your company's score in greater detail, receive category-specific insights or examples of leading practices from World's Most Ethical Companies, please contact Sarah Neumann at sarah.neumann@ethisphere.com to schedule a conversation with Ethisphere's team of experts.



The Ethisphere Institute prepared this report on behalf of Redacted. The information contained in this report is derived from Ethisphere's proprietary database, associated methodologies, submitted documents, surveys and research data. Ethisphere retains exclusive proprietary ownership rights to the information contained in this report and the related methodologies ("Proprietary Rights"), and by using this report, Redacted agrees not to take any action to interfere with such Proprietary Rights.

Ethisphere Institute's Definition of Ethical Leadership

GOOD: Companies that proactively engage with the communities they serve, impact or operate in.

SMART: Companies that invest in innovation, quality and sustainable business practices that reduce resource consumption in the production or use of their products and/or increase consumer health or safety.

BUSINESS: Companies that leverage relative positions of influence to affect positive industry change.

PROFIT: Companies that look strategically to profit fairly from such ethical leadership business practices, as ultimately only profit ensures continuance of desired institutional behavior.



METHODOLOGY

The World's Most Ethical Companies assessment is based upon the Ethisphere Institute's EQ framework. The EQ framework is based on an extensive questionnaire designed to capture data on ethical culture, compliance programs, policy and procedure as well as other aspects of an ethical organization, in a consistent and standardized way.

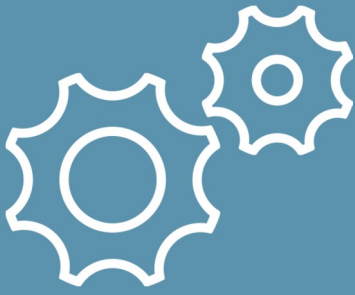
The EQ framework and methodology were determined, vetted and refined by the expert advice and insights gleaned from the Ethisphere Institute's network of thought leaders and from the World's Most Ethical Companies Methodology Advisory Panel. More information on the Methodology Advisory Panel is available at: <http://worldsmoethicalcompanies.ethisphere.com/advisory-panel/>

CHANGES TO THE EQ METHODOLOGY FOR 2016

As companies' programs evolve, Ethisphere aims to help them keep up by continually improving our methodologies and providing actionable data to identify evolving best practices and industry trends. Every year, Ethisphere, in conjunction with its Methodology Advisory Panel, analyzes previous years' application data and feedback collected from participants to revise the EQ questionnaire and related methodologies.

Changes in the regulatory environment, global news headlines and progressing best practices all contribute to an ever-evolving yardstick by which companies are measured. Approximately 30 percent of the EQ questionnaire was revised for 2016, resulting in an increased focus on:

- The extent to which companies are measuring internal employee perceptions of an ethical company culture;
- How companies store, manage and distribute policies;
- Managing exposure to human trafficking risk;
- Transparency in disclosing allegations, investigations and resulting actions;
- Data privacy, information security and third-party risk.



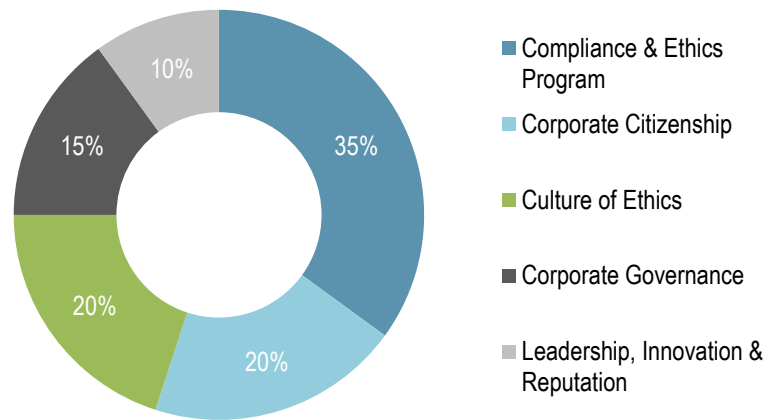
THE EQ FRAMEWORK

The EQ framework consists of five core categories.

The information collected is not intended to cover all aspects of these categories but, rather, is a comprehensive sampling of definitive criteria of core competencies.

An initial “self-reported” EQ score is derived through a proprietary matrix of relationships between answers to given questions. However, it is important to understand that the process does not end with the self-reported EQ score. Rather, Ethisphere then reviews documentation to verify the self-reported EQ score. The review process may include multiple means of independent verification on an as-needed basis, including additional research or requests for additional documentation.

The categories and associated weighting for each is defined as follows:



Ethisphere, using publicly available media sources and research conducted by partners, performs reputational and legal reviews to determine any outstanding or historical issues as well. Self-reported EQ scores are often adjusted based on documentation review and independent research. In addition, in 2016, Ethisphere partnered with RepRisk AG (www.reprisk.com) to get expanded reputational information on applicants.

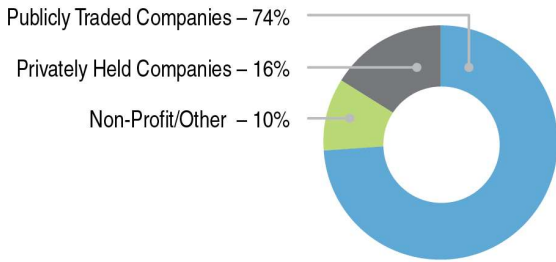
Each candidate then receives a “validated” EQ score that may be higher or lower than the initial self-reported score. Note that if Ethisphere is unable to verify certain aspects of a company’s self-reported performance, the resulting scores may be discounted. Each company’s performance is then compared to that of its peers based on industry, size, resources, geographic location and ownership structure.

2016 WORLD'S MOST ETHICAL COMPANY HONOREES

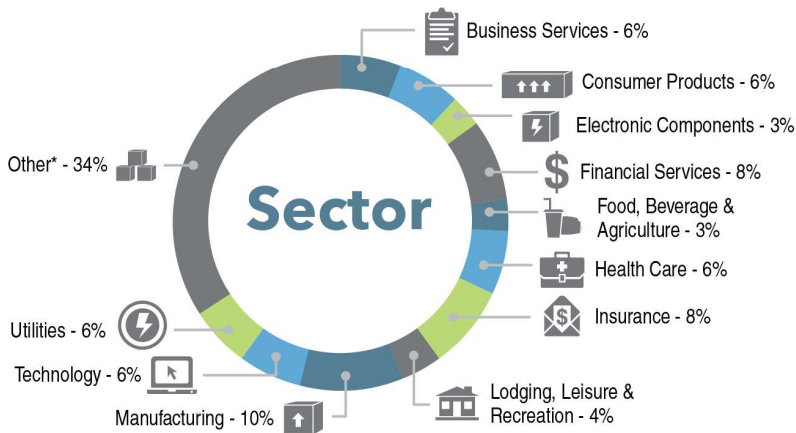
This year, 131 companies were designated as World's Most Ethical Companies. These companies represent 53 industries spread across 21 countries.

The full list is available at <http://worldsmoethicalcompanies.ethisphere.com/honorees>

Ownership Structure



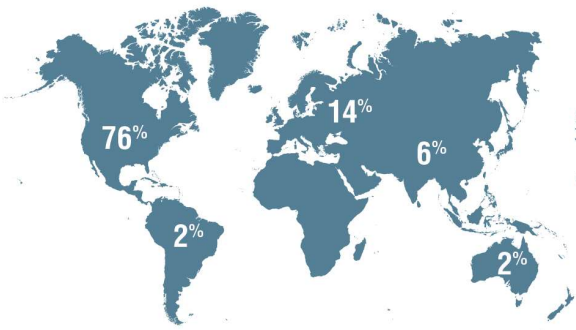
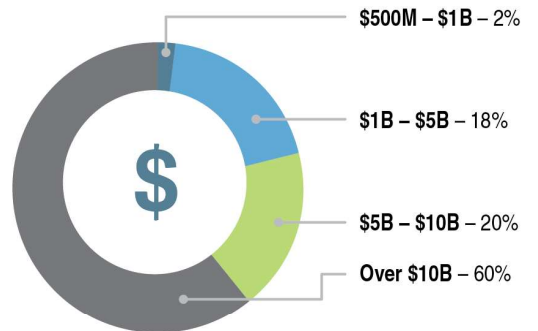
Workforce Size



* = companies in 23 sectors with 3 or fewer honorees

Annual Revenue (US\$)

(Publicly Traded Companies where available)



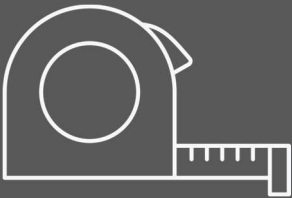
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2016 Ethics Quotient Scores for Redacted

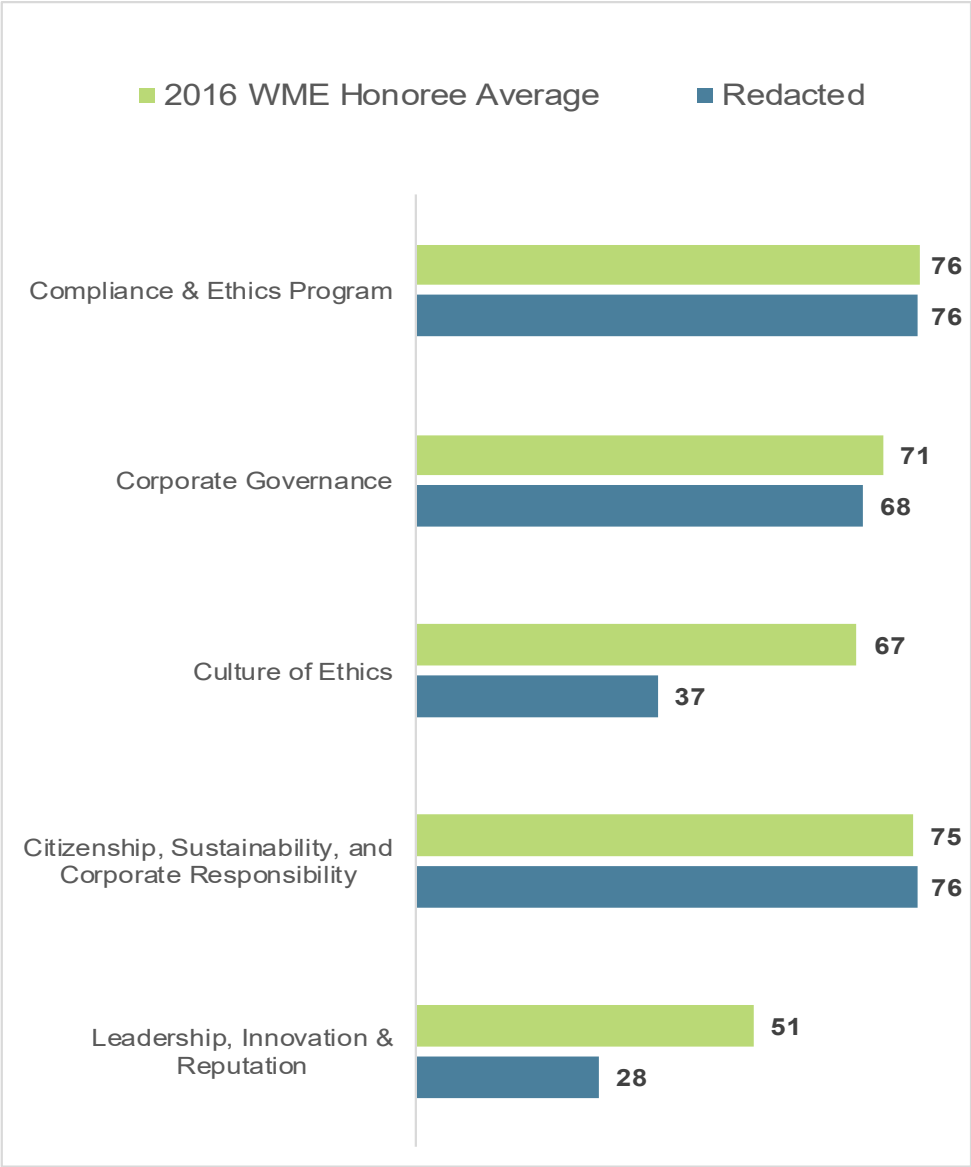
Overall Ethics Quotient: 62

2016 Honoree Average: 71

Redacted Summary 2016 Category EQ Scores



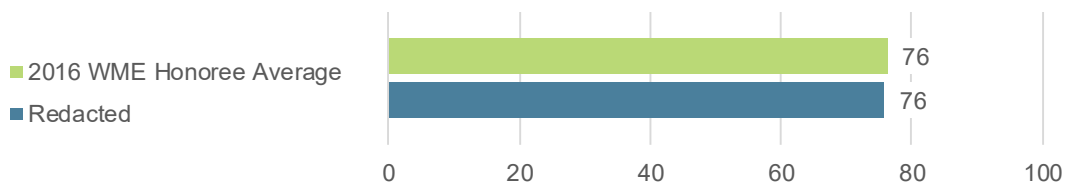
ETHICS QUOTIENT & CATEGORY SCORES



COMPLIANCE & ETHICS PROGRAM CATEGORY

The criteria used for this category are fully aligned to corporate best practices, administrative and regulatory guidance, relevant case law and the “hallmarks” of an effective compliance and ethics program as outlined by the Federal Sentencing Guidelines, including:

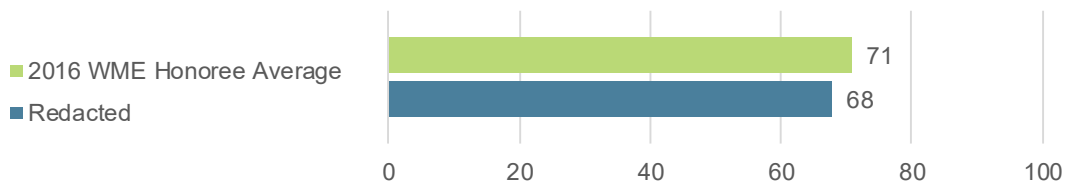
- Program Structure, Responsibility and Resources
- Due Care
- Written Standards
- Compliance and Ethics Risk Assessments
- Training and Communications
- Program Monitoring and Auditing
- Enforcement and Discipline



CORPORATE GOVERNANCE CATEGORY

This category looks at the availability and quality of systems designed to ensure strong corporate governance including such topics as oversight, governance principles, and risk management.

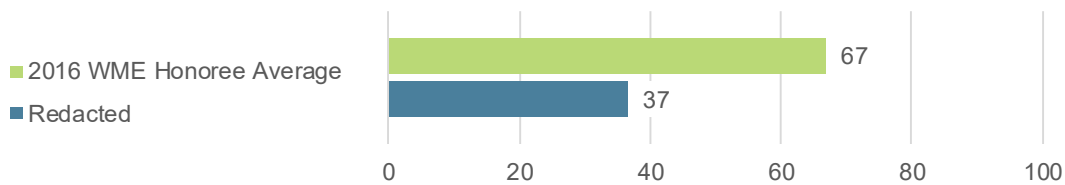
Governance criteria are evaluated within the context of the structure of the applicant company, whether it is a private company, public company, partnership, educational institution or non-profit.



CULTURE OF ETHICS CATEGORY

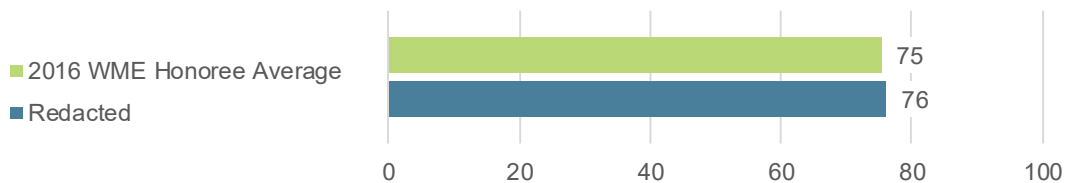
This category examines the extent to which an applicant promotes an organizational culture that encourages and achieves ethical conduct and a commitment to compliance with the law. Specifically, the category measures an organization's efforts and success at establishing an ethical tone throughout every level of the organization and includes such topics as efforts to establish an ethical tone from the top and middle, frequency with which culture is evaluated, and methods and outcomes associated with measuring a culture of ethics.

In addition to setting the proper tone, it is critical to consistently measure and evaluate whether the message is getting through and take steps to address issues as they are identified. Ethisphere has seen it become an increasingly common practice for companies to include specific compliance and ethics questions in employee surveys, whether they be the general employee engagement survey or a standalone ethics and compliance survey. Accordingly, Ethisphere has placed an increased focus on how companies are measuring their culture of ethics and compliance as well as how they use such measurements to improve. This means that some companies may see their category scores decrease from last year if they are not taking steps to measure their culture.



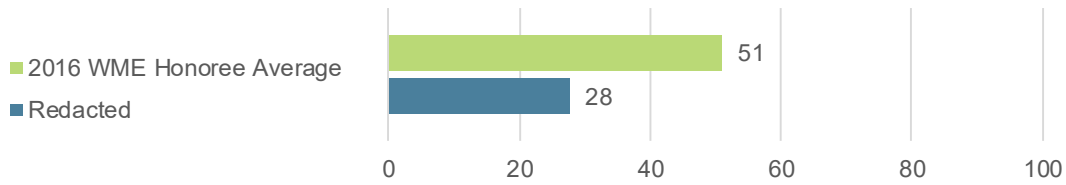
CORPORATE CITIZENSHIP AND SUSTAINABILITY CATEGORY

This category reviews a wide range of a company's performance indicators associated with sustainability, citizenship and social responsibility. It specifically includes such areas as environmental stewardship, community involvement, corporate philanthropy, workplace impact and well-being and supply chain engagement and oversight. The quality and effectiveness of the initiatives are considered, in addition to stated and measureable goals, accountability and transparency.



LEADERSHIP, INNOVATION & REPUTATION CATEGORY

This category measures a company's legal compliance, litigation and ethical track record, along with the strength of the company's ethical reputation in the marketplace. While the category examines awards and accolades garnered, also relevant are concrete examples of corporate leadership in local, national, industry and/or global initiatives that promote business ethics, responsible and sustainable business practices, environmental stewardship, good governance, transparency and social responsibility. The category evaluates the degree to which companies are out in front leading and creating positive change, not standing on the sidelines and joining in once others have paved the way.





ABOUT THE KEY SURVEY RESULTS

On the following pages are results from 20 key questions comparing the practices of Redacted to those of the World’s Most Ethical Company honorees for 2016.

Note that several sections of the Ethics Quotient questionnaire contain skip logic that, if answered in a particular way, bypass particular elements of the survey. If a question answered by Redacted resulted in the triggering of survey skip logic, the answer selection for Redacted will be blank in the subsequent tables as that question was not asked of Redacted. If Redacted submitted responses to these questions in supplemental documentation or narrative, the responses were considered but are not included in this benchmarking report.

2016 ETHICS QUOTIENT KEY SURVEY RESULTS

Providing formal Code training to the Board serves at least two purposes. First, it substantively educates the Board on the policies and contents of the Code, which the United States Department of Justice and Securities Exchange Commissions describe as the “foundation” of an effective compliance program. Second, providing such training is important symbolically, as it demonstrates the importance of the Code and that the Board is held to the same standard as employees. Companies recognized as WME have increasingly engaged their Boards with formal Code training programs: a 25 percentage point increase since 2013. Many honorees are electing to use a version of code training developed specifically for the Board.

In the past two years, has your company's Board or other governing authority received formal training on either the company's Code of Conduct or Board-specific version of the Code of Conduct?

Question: 3.20		Company Response	Honoree Responses
1	Yes, Directors receive the same Code of Conduct training as employees	◆	36%
2	Yes, but Directors receive a Board-specific version of Code of Conduct training		REDACTED
3	No, Directors do not receive Code of Conduct training		REDACTED

Your company responses are shown compared to those of the most recent World's Most Ethical Honorees responses. Most information in this sample report has been redacted.

Directors must understand the operations of the company. Visiting various locations provides the Board with exposure to a broader array of operations, personnel and processes of the underlying business. This experience simply cannot be duplicated by discussions in a boardroom at the headquarters location. Varying the physical location of Board meetings also increases the Board's visual presence and can help foster a culture of approachability, engagement and transparency. Honorees agree, as four out of every five companies report rotating the location of their Board meetings—nearly the same percentage that reported doing so in 2015.

Does your company vary the physical location of formal Board or governing authority meetings to locations other than your primary headquarters to include locations where your company has business functions, units, subsidiaries and/or field operations?

Question: 3.24	Company Response	Honoree Responses
1 Yes, at least twice a year	◆	38%
2 Yes, once a year		REDACTED
3 No, because we do not have business function, units, subsidiaries or field operations in any locations other than our primary headquarters		REDACTED
4 No, we do not vary the location of formal Board or governing authority meetings		REDACTED

To effectively execute on her responsibilities, the person assigned overall responsibility for the compliance and ethics program requires sufficient resources, autonomy and authority. To have adequate autonomy, the person must feel comfortable reporting any concerns to the Board, including those regarding the C-Suite. One way to foster such comfort is to ensure that the person's job security and compensation are determined by the Board, not solely by the executives about whom she may need to raise a concern. Indeed, two-thirds of 2016 honorees require Board notification or approval before the person assigned responsibility for the compliance and ethics program can be terminated. And sixty-one percent of 2016 honorees report that the Board or relevant Board Committee has input into the annual performance review of the person assigned responsibility for the compliance and ethics program.

Is there a formal policy or process requiring that the Board, a committee of the Board, or other governing authority be notified or approve before the person who has been assigned overall responsibility for the compliance and ethics program is terminated?

Question: 4A.5	Company Response	Honoree Responses
1 Yes, notification is required before termination	◆	30%
2 Yes, notification and approval is required before termination		REDACTED
3 No, termination may occur without Board notification		REDACTED

Who conducts the annual performance review of the person assigned overall responsibility for the compliance and ethics program?

Question: 4A.6		Company Response	Honoree Responses
1	The Board (or other governing authority) and/or the Board committee that has oversight of compliance and ethics		23%
2	The direct manager (if other than the Board or other governing authority)	◆	REDACTED
3	The direct manager (if other than the Board or other governing authority) with input from the entire Board or other governing authority		REDACTED
4	The direct manager (if other than the Board or other governing authority) with input from the Board committee that has oversight of compliance and ethics		REDACTED

As the Board’s oversight of and interest in the compliance and ethics function grows, honorees are reporting on an increasingly diverse set of program metrics, initiatives and findings. For example, there has been a five percentage point increase in the number of honorees that report to their Board on program audit or benchmarking findings as well as culture of ethics assessment findings. These are among the largest increases reported by 2016 honorees relative to last year.

Indicate which information, if any, your company reports to the Board and/or Board committee, or other governing authority. Please select all that apply.

Question: 4A.14	Company Response	Honoree Responses
1 Overall compliance and ethics program performance	◆	100%
2 Overview of key initiatives	◆	REDACTED
3 Hotline and misconduct reporting statistics	◆	REDACTED
4 Details on misconduct investigations and resolutions	◆	REDACTED
5 Compliance and ethics training initiatives and results	◆	REDACTED
6 Compliance and ethics communication initiatives	◆	REDACTED
7 Compliance and ethics program audit, assessment and/or benchmarking findings	◆	REDACTED
8 Compliance and ethics risk assessment findings	◆	REDACTED
9 Compliance and ethics risk mitigation strategy and tactics	◆	REDACTED
10 Privacy risk assessment and results		REDACTED
11 Initiatives and updates relating to the company's plan to ensure the security of its information assets (hereafter referred to as the "Information Security Program")	◆	REDACTED
12 Culture of ethics assessment or survey findings		REDACTED
13 Significant regulatory and legal updates	◆	REDACTED
14 Compliance and ethics trends, industry trends, and best practices updates	◆	REDACTED
15 Code of Conduct updates or revisions	◆	REDACTED
16 Other, unique information is reported to the Board and/or Board committee (Please specify)		REDACTED

Understanding and evaluating how companies manage, create and distribute policies was a focus area for the 2016 revisions to the Ethics Quotient methodology. The vast majority of honorees report the use of an ad hoc revision process, while nearly 70 percent assign owners to policies who are held responsible for updates *and* communicating throughout the organization when revisions occur. Finally, almost three quarters of 2016 honorees employ a centralized repository for storing and managing policies across the enterprise.

How does your company update and assign ownership of its ethics and compliance policies? Please select all that apply.

Question: 4C.9	Company Response	Honoree Responses
1 Policies are updated as needed (e.g. in response to changes in regulation or business climate)	◆	92%
2 Policies are updated on a formal schedule (e.g. annually)		REDACTED
3 Policies are assigned owners who are wholly responsible for content updates and communicating revisions	◆	REDACTED
4 Our company updates policies/assigns policy ownership in another way (Please specify)		REDACTED

How are your ethics and compliance policies stored and managed across the company?

Question: 4C.10	Company Response	Honoree Responses
1 Policies are stored across various sites, locations, and/or platforms, without a centralized catalog or database		8%
2 Policies are stored in a centralized enterprise-wide database	◆	REDACTED
3 Policies are stored in a centralized enterprise-wide database that interfaces with other information sources (e.g. regulatory database, risk assessment platform, and/or case management or reporting systems)		REDACTED
4 Our company uses another storage/management system (Please specify)		REDACTED

Communicating the expectation of ethical business practices with external stakeholders is a clear signal that an organization holds itself—and its partners—to a higher standard and takes its ethics and compliance efforts seriously. Ethisphere has seen a clear trend towards using a third-party code of conduct to set these expectations. With 82 percent of honorees maintaining a third-party code of conduct, the trend continues, as 2016 honorees report a five percentage point increase over the number of honorees that reported the use of a third-party code in 2015.

Does your company maintain a third party (e.g., supplier, agent, intermediary, reseller) Code of Conduct?

Question: 4C.12		Company Response	Honoree Responses
1	Yes	◆	82%
2	No		REDACTED

Effective compliance programs must be tailored to address a company’s specific risks. This necessarily means that companies must fully understand their risks, not just on paper, but throughout all of their operations. To do this, companies must consider information from myriad sources. Many companies find it crucial to capture the perceptions of employees and managers in evaluating their operational compliance and ethics risk. The evidence suggests that leading companies are continuing to build out the scope of their risk assessment practices. Indeed, the number of 2016 honorees responding that they consider each source of information asked about in Question 4D.5 increased over the number reported by 2015 honorees.

What does your company consider when conducting its compliance and ethics risk assessment? Please select all that apply.

Question: 4D.5		Company Response	Honoree Responses
1	Recently passed regulations, trends, or developments in the compliance and ethics field (e.g., legal decisions, regulatory actions, settlements, and/or fines)	◆	98%
2	Adequacy of current policies, procedures, and controls	◆	REDACTED
3	Employee focus groups		REDACTED
4	Employee interviews		REDACTED
5	Employee surveys and assessments		REDACTED
6	Internal documentation review (e.g., hotline reports, audit reports)	◆	REDACTED
7	Focus groups of management		REDACTED
8	Interviews of management	◆	REDACTED
9	Other (Please specify)		REDACTED

It is no surprise that cybersecurity and data protection became an increasingly important part of the Ethics Quotient questionnaire and related methodology for 2016. The practices of Information Security programs vary according to perceived risk, regulatory environment and the structure and operational nature of the underlying company.

Select the following that are included in your company's Information Security Program. Please select all that apply. Note that the Information Security Program may consist of more than one document or policy.

Question: 4D.9		Company Response	Honoree Responses
1	An up to date (current to within the previous year) documented inventory of the company's actual information collection, use, storage, sharing, protection and disposal practices		60%
2	Documentation of how the company assesses privacy or data security risk (i.e., the process for conducting a risk assessment)	◆	REDACTED
3	Documentation of laws and regulations applying to the company's information collection, use, storage, sharing, protection, retention and disposal practices		REDACTED
4	Documentation of the company's potential privacy or data security risks (i.e., the results of the risk assessment)		REDACTED
5	Documentation of processes or procedures to mitigate the company's potential data security risks	◆	REDACTED
6	Documented management oversight and approval of the Information Security Program	◆	REDACTED
7	Documented regular monitoring and testing of the company's systems		REDACTED
8	Documented business continuity management plan		REDACTED
9	Documented incident response plan	◆	REDACTED
10	Documented procedures or requirements for selecting third parties that store, process, transmit or access sensitive information on behalf of the company		REDACTED
11	Documented procedures or requirements for due diligence into and contractual language requirements that will be required for engagements with third parties that store, process, transmit or access sensitive information on behalf of the company	◆	REDACTED
12	Documented policy as to how and when data storage devices such as flash drives may be used		REDACTED
13	Documented policy as to how and when data will be destroyed		REDACTED
14	Encryption of sensitive data stored on all laptops	◆	REDACTED
15	Encryption of sensitive data stored on flash drives		REDACTED
16	Use of data loss prevention tools (i.e., an automated mechanism to prevent sensitive information from being moved from your system)		REDACTED
17	Use of intrusion prevention systems		REDACTED
18	Board approval for the Information Security Program	◆	REDACTED
19	An individual designated as the company's security officer	◆	REDACTED
20	An individual designated as the company's privacy officer	◆	REDACTED
21	An employee certification process related to the amount of training each employee has completed as part of the information security training program		REDACTED

Manager-specific training is becoming an increasingly important vehicle for disseminating culture throughout an organization. As goes an employee’s relationship with her manager, so goes her relationship with the company. It is not surprising, therefore, that Ethisphere’s employee perceptions and culture assessment research shows employees most commonly identify their immediate manager as the source of cultural cues and organizational norms. The trend since 2013 reflects this; the number of honorees that report providing manager-specific compliance and ethics training has increased every year. Leading companies recognize this and invest in targeted resources to ensure managers are aware of their unique responsibilities in establishing an ethical culture and associated responsibilities.

Does your company provide targeted training to managers (i.e., employees with supervisory responsibility) on their special responsibilities with regards to compliance and ethics?

Question: 4E.10		Company Response	Honoree Responses
1	Yes, to all managers	◆	76%
2	Yes, more than half of managers receive manager-specific compliance and ethics training		REDACTED
3	Yes, fewer than half of managers receive manager-specific compliance and ethics training		REDACTED
4	No		REDACTED

The modality, frequency, and content used to communicate ethics and integrity throughout an organization depend largely on its structure, operational environment, employee demographics and general tone. While Ethisphere does not expect an organization to communicate using every listed method, a diverse set of modalities strategically distributed is, at a high level, indicative of best practice. As workforces become increasingly dependent upon mobile technology, Ethisphere revised the 2016 questionnaire to examine how companies leverage mobile-specific applications to message regarding topics relevant to compliance and ethics. And while less than one-fifth (17 percent) of honorees report using mobile applications, this is an area where Ethisphere expects increased activity and sophistication in the future.

Which communication modalities (aside from formal training programs) does your company use to communicate compliance and/or ethics messages within your company? Please select all that apply.

Question: 4E.17		Company Response	Honoree Responses
1	Company e-Bulletin/newsletter	◆	87%
2	Printed and/or electronic information materials (such as brochures, guidebooks, posters, wallet cards, table tents and/or checklists)	◆	REDACTED
3	Video/DVDs	◆	REDACTED
4	Emails	◆	REDACTED
5	Podcasts		REDACTED
6	Town hall meetings	◆	REDACTED
7	Periodic, company-wide kick-off meetings	◆	REDACTED
8	Senior executives' meetings	◆	REDACTED
9	Intranet portal dedicated to compliance and ethics	◆	REDACTED
10	Ethics blog or intranet forum		REDACTED
11	Interactive scenarios, games, quizzes and/or vignettes	◆	REDACTED
12	Periodic compliance "road show" or retreat	◆	REDACTED
13	Ethics-related promotional/merchandising items		REDACTED
14	Company-wide initiatives or programs (e.g. "Compliance Month," "Ethics Everywhere")	◆	REDACTED
15	Mobile application for phones and/or tablets		REDACTED
16	Other communication modalities (Please specify)		REDACTED
17	None of the above		REDACTED

Establishing an effective mood at the middle of the organization requires more than training – it demands arming managers with the tools and resources necessary to address employee questions, run effective compliance meetings, and manage interviews and questions appropriately. Managers are the front line for the compliance and ethics program. Putting managers in the middle of communications and education initiatives serves several goals. First, employees will receive the information differently when it comes from their managers rather than someone at headquarters. Not only is the identity of the messenger important, but that messenger can help the compliance and ethics function ensure the message is delivered in language or a way that makes sense for the employee. Second, this encourages the managers to buy in to the compliance and ethics effort, which is invaluable. And third, the manager is likely to get follow up questions or concerns from the employee that the compliance and ethics function likely would never hear. As shown in the 2016 data, the types of resources provided by honorees to their managers to help them promote compliance and ethics varies considerably.

Select the following compliance and ethics communication resources, if any, that your company provides to managers/supervisors in order to help them promote compliance and ethics within the company. Please select all that apply.

Question: 4E.18		Company Response	Honoree Responses
1	Compliance and ethics communication toolkit(s) or meetings-in-a-box (e.g., suggestions of topics to discuss, speaking guides, presentation materials)	◆	67%
2	Email templates from the compliance and ethics function specifically created for managers to disseminate among employees	◆	REDACTED
3	Flyers, posters, or other visual materials specifically created for managers to disseminate among employees	◆	REDACTED
4	Regularly scheduled discussion time with compliance and ethics personnel (e.g. brown bag lunches, seminars, or compliance and ethics team roadshow)	◆	REDACTED
5	Tools and resources for recognizing or incentivizing direct reports that exhibit ethical conduct or promote the compliance program	◆	REDACTED
6	Videos, online vignettes, or other educational multimedia resources		REDACTED
7	Research, whitepapers, or curated news reports on compliance and ethics issues specifically directed at managers		REDACTED
8	Regularly scheduled time at manager-level meetings to discuss compliance and ethics subjects	◆	REDACTED
9	Other resources (Please specify)		REDACTED

Bridging the gap between what is communicated by senior leadership and the behaviors exhibited by senior leadership is a critical component of establishing a sustainable and credible ethical culture. Ethisphere believes one such way of going “beyond the talk” is to imbed concrete examples of ethical decisions by executives, from executives. While this may depend on the culture of the company, this often humanizes the executive and allows the company to stress how the executive feels about the importance of acting ethically. The companies honored by Ethisphere agree, as more than two-thirds of 2016 honorees include examples of ethical decisions faced by executives within their communications materials.

Do senior executive leaders include examples of ethical decisions they have faced in their communication materials?

Question: 4E.20		Company Response	Honoree Responses
1	Yes	◆	69%
2	No		REDACTED

Transparency is the foundation of trust. Ethisphere has observed a trend of companies embracing transparency with respect to reporting on data regarding allegations of misconduct and outcomes of investigations. Some companies go so far as to release specific program data and resulting actions to the public. While a select minority of 2016 honorees report publicly the numbers and types of concerns reported and actions taken, Ethisphere believes this is a trend that will continue to increase as programs mature and companies continue to identify trust—and therefore transparency—as a critical component of conducting business the right way.

Does your organization publish a report that illustrates how many concerns were reported, the types of concerns reported, and the results of reports and investigations? Please select all that apply

Question: 4F.7		Company Response	Honoree Responses
1	Yes, and we make this report available to the public		11%
2	Yes, and we circulate this report to all employees		REDACTED
3	Yes, and we circulate this report to senior leaders or management	◆	REDACTED
4	No, we do not publish such a report		REDACTED

An effective compliance program review requires rigorous and consistent analysis. Nearly every 2016 honoree (94 percent) formally evaluates or benchmarks their program in order to assess effectiveness. Honorees report using a broad array of methodologies and tools when evaluating or benchmarking their compliance and ethics program.

Does your company conduct a formal evaluation or benchmarking of the compliance and ethics program in order to assess its effectiveness or performance? Please select all that apply. Note that a “formal” evaluation can be conducted either internally or by a third party, but must follow a documented structure and result in some form of documentation. Please exclude any SOX Section 404-related evaluations or participation in this or previous World's Most Ethical Companies benchmarking processes when selecting an answer.

Question: 4F.8		Company Response	Honoree Responses
1	We conduct periodic evaluations of the entire compliance and ethics program		66%
2	We conduct periodic evaluations of the program that focus on a specific element or portion of the program on a rotating basis	◆	REDACTED
3	Our evaluation is an ongoing process without a formal schedule		REDACTED
4	No, we do not conduct a formal evaluation or benchmarking of our program		REDACTED

Which components of the compliance and ethics program are evaluated during the evaluation or benchmarking process? Please select all that apply.

Question: 4F.11		Company Response	Honoree Responses
1	Organizational culture of ethics	◆	91%
2	Risk assessment processes/protocols	◆	REDACTED
3	Employee knowledge of compliance issues	◆	REDACTED
4	Code of Conduct	◆	REDACTED
5	Compliance and ethics policies	◆	REDACTED
6	Compliance and ethics training curriculum or program	◆	REDACTED
7	Compliance and ethics communication program	◆	REDACTED
8	Procedures and controls surrounding conflicts of interest	◆	REDACTED
9	Procedures and controls in place to ensure that individuals in leadership positions (or positions of trust) have not engaged in illegal activities or other misconduct	◆	REDACTED
10	Privacy Program or Information Security Program	◆	REDACTED
11	The system used to receive and/or track reports of alleged misconduct		REDACTED
12	Investigation process	◆	REDACTED
13	Board oversight	◆	REDACTED
14	Third-party due diligence		REDACTED
15	Procedures and controls to prevent retaliation against employees reporting possible misconduct		REDACTED

Expanding Ethisphere’s analysis of how, and to what extent, companies measure their culture was a priority for the 2016 Ethics Quotient methodology update. As such, this and related questions have been expanded considerably to capture the depth and breadth of culture measurement efforts. While employee surveys continue to be the leading tool used for measuring organization perceptions of an ethical culture, 2016 honorees were more likely to embed compliance- and ethics-related questions in a broader engagement survey rather than through the use of a survey wholly dedicated to measuring ethical culture. The use of social media analytics in evaluating cultural perceptions has grown to account for over half (54 percent) of the 2016 honorees.

Indicate which of the following, if any, that accurately describes your compliance and ethics function's approach to measuring corporate ethical culture. Please select all that apply.

Question: 4F.27		Company Response	Honoree Responses
1	Our company uses employee focus groups or individual interviews		44%
2	Our company uses a survey primarily developed to measure employee perceptions of ethical culture and/or the compliance program		REDACTED
3	Our company includes questions on measuring employee perceptions of ethical culture and/or the compliance program as part of a broader HR or engagement survey		REDACTED
4	Our company uses targeted measurement methods (such as surveys, interviews, or focus groups) for particularly high risk areas or populations		REDACTED
5	Our company conducts physical site visits and assessments		REDACTED
6	Our company interviews management to assess ethical culture and employee perceptions		REDACTED
7	Our company conducts a debrief and/or formal review following an investigation that includes culture of ethics as part of the analysis		REDACTED
8	Our company reviews social media (e.g. Twitter, Facebook) or other websites that include feedback or comments about the company (e.g. Glassdoor.com) (Please specify which sources)	◆	REDACTED
9	Our company's culture measurement uses a unique approach (Please specify)		REDACTED
10	Our company's compliance and ethics function does not utilize employee assessments		REDACTED

Ethisphere believes the adage of “what gets measured, gets done”. Whether an organization is measuring corporate social responsibility and sustainability efforts is an indicator that such efforts are a priority. A CSR report is the most common method organizations use to describe their efforts to their stakeholders, whether they be employees, shareholders or customers. To the extent companies follow a standardized format in reporting on CSR initiatives (such as GRI Guidelines), stakeholders are able to compare companies to their peers and make decisions based on such comparison. This will lead to greater efforts as companies compete for top talent and investors. Approximately half of 2016 honorees communicate their CSR and related efforts through a formal report that leverages leading sustainability reporting guidelines.

Does your company produce a Corporate Citizenship, Responsibility, and Sustainability Report ("CSR Report") on its performance? Please select all that apply.

Question: 5.13		Company Response	Honoree Responses
1	No, we do not produce a CSR Report	◆	13%
2	Yes, we produce a CSR Report and our CSR Report adheres to GRI Sustainability Reporting Guidelines		REDACTED
3	Yes, we produce a CSR Report and our CSR Report is publicly available		REDACTED

Employee wellness programs are but one consideration in Ethisphere’s quantification of an organization’s efforts in engaging with its internal stakeholders. While the scope of such programs varies considerably from organization to organization, the extensiveness of an employer’s workforce engagement program (or lack thereof) relative to its peers serves as a proxy as to how employees are prioritized within the overall corporate culture. Examples of new programs included in the 2016 questionnaire are whether organizations support paid parental leave and adoption assistance programs and whether they provide scholarship opportunities.

Which of the following programs are included among your company’s workforce-related programs/initiatives? Please select all that apply.

Question: 5.25	Company Response	Honoree Responses
1 Adoption or fertility assistance programs	◆	60%
2 Affirmative action plan	◆	REDACTED
3 Carpooling support programs		REDACTED
4 Childcare facilities		REDACTED
5 Choice of health, vision, and dental insurance	◆	REDACTED
6 Contributory pension scheme (such as 401k)	◆	REDACTED
7 Diversity program	◆	REDACTED
8 Employee assistance programs	◆	REDACTED
9 Employee recognition programs	◆	REDACTED
10 Flex scheduling	◆	REDACTED
11 Gym facilities or gym fee reimbursement programs	◆	REDACTED
12 Higher education scholarship programs, for either employees or their relatives	◆	REDACTED
13 Matching gift program	◆	REDACTED
14 Maternity or paternity leave programs	◆	REDACTED
15 Mentoring programs	◆	REDACTED
16 Paid time off for employee volunteers		REDACTED
17 Preventative healthcare programs	◆	REDACTED
18 Public transportation subsidy	◆	REDACTED
19 Sabbatical		REDACTED
20 Telecommuting options	◆	REDACTED
21 Tuition reimbursement (other than career training)	◆	REDACTED
22 Wellness programs, including physical and mental health	◆	REDACTED
23 Workforce training, skills, and leadership development programs	◆	REDACTED
24 Other unique initiatives (Please specify)		REDACTED

ABOUT THE ETHISPHERE INSTITUTE

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. The Institute has 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.

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