ETHISPHERE®

The World's Most Ethical Companies®

EXECUTIVE BRIEFING

VOLUME 1
Q3: 2014

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In today's economy, the CEO must become the company's Chief Engagement Officer.

A quarterly publication by

ETHISPHERE®

Ethisphere Institute

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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 the quarterly *Ethisphere Magazine* and runs ethics summits worldwide.

ETHISPHERE®

presents

THE WORLD'S MOST ETHICAL COMPANIES

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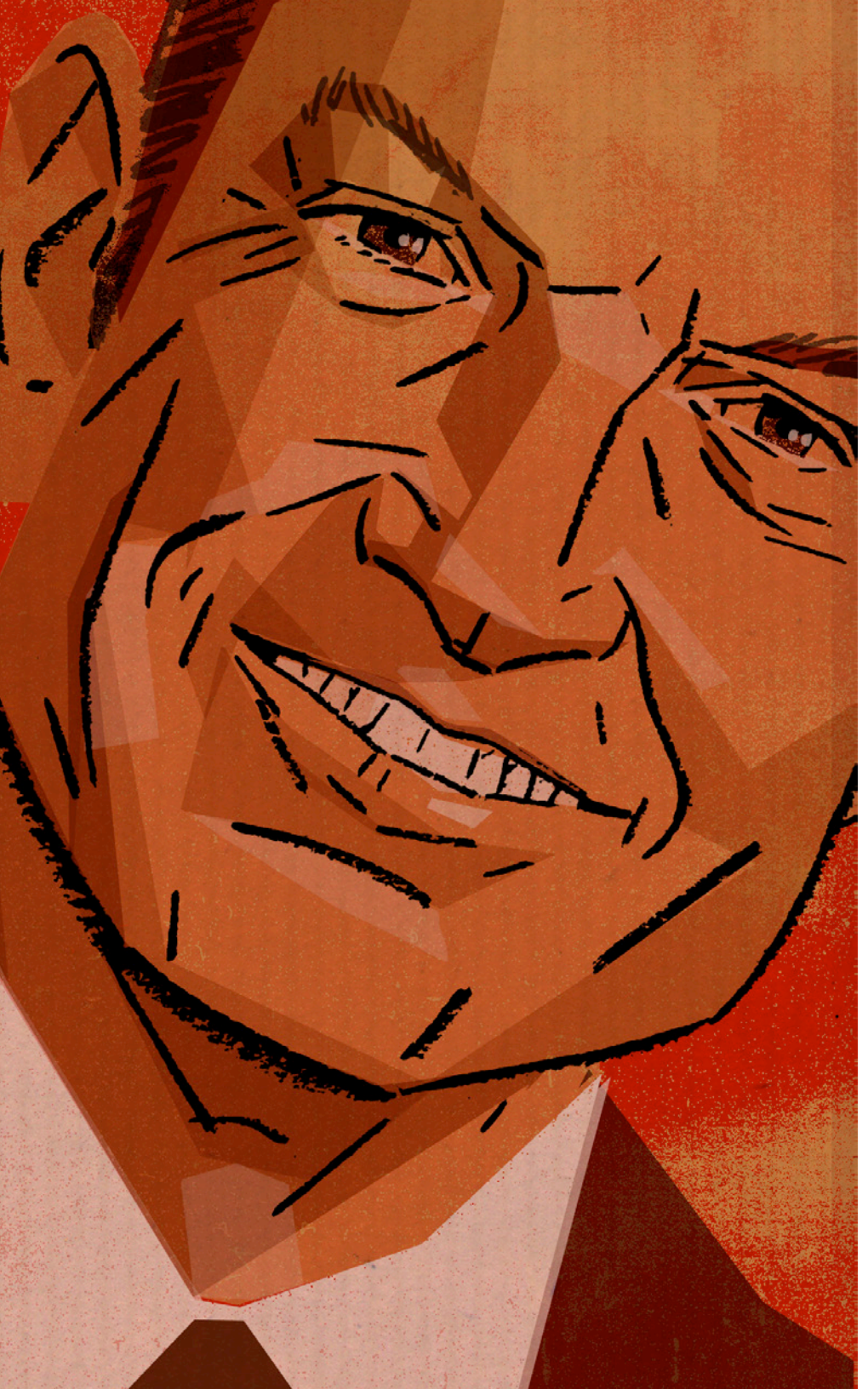

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BUILDING A BRAND BASED ON TRUST

By Brian Goldner

President & CEO

Hasbro, Inc.

Back in 2007, the US toy industry had a problem. Millions of toys were being pulled from US retail shelves and out of consumers' hands because they contained lead paint or hazardous, high-powered magnets. Parents were understandably concerned. They were looking for reassurance that toy companies were doing everything in their power to keep their children safe.

> Trust isn't given. It's earned. And one of the most critical ways to earn consumers' trust is through transparency.

We at Hasbro weathered the lead paint and magnet crisis without incident. That's because we maintain rigorous product safety standards, and at the time, in the case of lead, our limits were lower than federal limits and were diligently enforced around the world, wherever our products were being made.

Even though our toys are manufactured in the same factories where millions of other recalled toys were made, we were the only major toy maker without a single recall due to lead paint and faulty magnet design. We proactively shared our supply chain management systems and toy safety practices with members of US Congress and helped to craft the Consumer Product Safety Improvement Act of 2008.

In a climate in which consumer trust of corporations is near an all-time low, it is more essential than ever for companies like Hasbro to conduct themselves in an ethical manner. And that means not only talking about ethical standards and operating with integrity, but also actively building trust among consumers by focusing on the things they care about most.

As toy makers responsible for bringing play to life for children and families around the world, toy safety is our biggest priority, bar none. But we also engage with consumers and other stakeholders to better understand all their values and concerns, so we can extend that trust across the entirety of our value chain.

Transparency

Trust isn't given. It's earned. And one of the most critical ways to earn consumers' trust is through transparency.

In the social media age, a single corporate misstep can be tweeted and retweeted around the world in hours. Many corporations have exacerbated this problem by shielding their business practices from public scrutiny. But smart companies understand that they're part of a community. And one of the best ways to engage people is to participate in that community. That means companies must be willing to participate in a conversation about how they operate. In the absence of information, people will create their own truths.

At Hasbro, we openly communicate our values and beliefs in areas like human rights, supply chain, ethical sourcing, environmental sustainability and corporate governance. We also establish open and honest communication channels as a means for listening to consumers and responding to feedback.

While our iconic brands allow people to connect with Hasbro on a personal level, it is our transparency and willingness to participate in conversations with customers that sustain those relationships. And that puts us in a stronger position to rebuild our reputation should our trust with consumers ever be compromised.

Corporate Social Responsibility

Trust can also be earned by being seen as simply doing the right thing. A well-run sustainability or corporate social responsibility program can improve your corporate reputation by demonstrating that you share the same values as your customers.

Our commitment to environmental stewardship is an excellent example. We've made huge inroads in reducing the environmental impact of our packaging—a tangible improvement that affects every one of our customers. Our progress includes working to reduce materials and maximize the use of recycled content in our packaging, and striving to eliminate PVC from our packaging for all new core toy and game products.

We're also making strong forward-looking commitments that reflect our vision for a more sustainable future. Our 2020 sustainability goals include reducing landfill waste by 50 percent, energy consumption by 25 percent, and greenhouse gas emissions by 20 percent compared with our 2012 baseline. Crucially, our commitments aren't happening in a vacuum. We openly discuss our progress with stakeholders so they understand how far we've come and where we still have work to do.

We often talk at Hasbro about the trust that parents and caregivers place in us. We honor that trust every day by refusing to compromise on toy safety, environmental responsibility and other issues that matter to the Hasbro community—from our customers to factory workers to Hasbro executives. By doing so, we're helping define what it means to be an ethical company.

And in the end, it's the thousands of Hasbro employees all around the world who bring our intentions to life through their daily actions. They are the unsung heroes at Hasbro who embrace this responsibility and serve as our inspiration to be an even better corporate citizen.

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IS PRIVACY OBSOLETE?

By John Hooker
Professor of Business Ethics & Social Responsibility
Tepper School of Business, Carnegie Mellon University

We are told that the surveillance society is here to stay and we just have to get used to it. What's more, this is a good thing, because openness and transparency are healthy. Members of the younger generation know this instinctively and consequently don't care about privacy.

> As we increasingly transfer our lives to the infosphere, we make available a wealth of data that can be put to good use as well as ill. Yet we must have areas that are safe from prying eyes, not only to avoid identity theft and other harms, but to safeguard our autonomy.

They eagerly display their personal lives on social networking sites, and if someone out there records their every mouse click and iPhone text, so much the better. They like the individually tailored information and ads.

Besides, privacy can't be an essential part of our humanity, because there are cultures in which it doesn't exist. Some people live in close quarters with other families in a single dwelling and have intimate knowledge of each other's affairs. If they don't need privacy, why do we?

Constant surveillance is undeniably a fact of modern life. Internet service providers record every website we visit, smartphones relay our locations to the nearest antenna, ubiquitous video cameras peer at us, and retailers record every purchase and track our movements as we shop. License-plate readers follow our cars, smart TVs register what we are watching (and will soon watch us), and who knows what the National Security Agency is doing. All the while, sophisticated data mining algorithms prowl social networks and databases to assemble dossiers on countless individuals.

Maybe we should step back and think about the ethics of all this. Is privacy really optional? Is it really okay for marketing firms and the government to monitor our lives? Do philosophers and ethical thinkers have anything to say about it?

Let's start with the attitudes of young people. They love to post Facebook selfies, but anyone who thinks adolescents don't care about privacy should try walking into a teenage son or daughter's room unannounced. In fact, many are fleeing from Facebook to other platforms because their parents are on Facebook.

According to a May 2013 report by the Pew Internet and American Life project, most teens are careful about privacy settings, routinely delete old posts, and use code language to disguise the true meaning of their messages. They clearly care about privacy when they see an immediate impact on their lives—and sometimes when they don't. A June 2013 poll by the Pew Research Center for the People and the Press found that young people actually place more weight on privacy, relative to national security, than older generations.

Anthropologists tell us that every society on earth respects privacy, albeit in different ways. People who live in close quarters, for example, have any number of mechanisms to secure privacy. They may have a secluded retreat in the woods from which others keep their distance. Certain buildings may be forbidden to women or men. Families may take care not to intrude on another family's space in a common dwelling, and partitions may be erected at sensitive times like childbirth. There may be strict taboos about asking personal questions, and people may lie on a regular basis to avoid revealing personal information.

Part of the explanation for this is that privacy affords a zone of trust and safety within which intimacy can develop, and intimacy is necessary for family life and therefore survival. Yet many philosophers see a deeper explanation: the connection between privacy and autonomy, which is the capacity for self-determination. These philosophers argue that part of being human is having a certain amount of control over our lives, which requires some kind of personal space where we are in charge.

What if our minds were constantly open to scrutiny by strangers? We would be self-conscious about every thought, and it would be impossible for us to be ourselves. We would become objects manipulated by others rather than autonomous beings. It would be the same if our bodies were constantly exposed, or if our personal space were open for the curious to invade anytime. We all need a sanctuary within which we can safely be who we are, not only for psychological health, but because having a self is part of what it means to be human.

Nowadays, we live much of our lives in the electronic infosphere that permeates our environment. Yet there is no private space in this infosphere. It may feel private at first, particularly to teens alone with their phones or adults who are unaware of pervasive surveillance. But as we become more aware of it, we must somehow carve out private space, if necessary by shutting down the phone and the tablet.

As we increasingly transfer our lives to the infosphere, we make available a wealth of data that can be put to good use as well as ill. Yet we must have areas that are safe from prying eyes, not only to avoid identity theft and other harms, but to safeguard our autonomy. This is the ethical challenge in our age of surveillance.

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LEGACY: WHAT CEOs SAY THEY WANT TO LEAVE BEHIND

By Dennis Chesley
Global Risk Consulting Leader
PwC

As the CEO of your enterprise, what is the one thing you want to be remembered for? This is the question that 1,344 of the world's CEOs in 68 countries were asked as part of PwC's 17th Annual Global CEO Survey. In responding, almost half of them (48 percent) said they wanted their legacies to be that they grew or transformed their businesses.

> The financial crisis might be the catalyst for the double-digit growth in the number of CEOs who wanted to be remembered for their sound personal qualities. CEOs have been reminded that regaining public trust in the role of business starts with ethical leadership and conduct.

They wanted to be remembered for things like: making their business a pioneer in its field; introducing a culture of innovation; entering new markets; and growing a company against all odds. Many CEOs cited personal attributes such as integrity, honesty, ethical leadership, transparency, and fairness as important to their leadership legacies.

Legacy is a window into CEOs' long-term thinking about why they do what they do. It indicates who CEOs feel they have responsibilities towards and how they think duties should be fulfilled. In short, a CEO's desired future legacy will guide the judgements they make and business ethics they follow today.

How would you answer the question? And would your answer today be different than it was a few years ago?

In its 10th Annual Global CEO Survey, PwC had asked a similar question. Given the period of intense scrutiny that businesses have been in, shifting economic patterns, as well as consumer demands for businesses to be good corporate citizens today, you might expect that comparing the results of the two years would yield some interesting differences.

The biggest difference between the responses in 2014 versus 2007 was that CEOs seem to be focusing more on their own personal qualities. In the earlier survey, only nine percent of CEOs wanted to be remembered for the kind of personal attributes they exhibited. In the later survey, however, this rose to 30 percent.

So what's happened? What has prompted increased introspection on the part of CEOs?

The financial crisis might be the catalyst for the double-digit growth in the number of CEOs who wanted to be remembered for their sound personal qualities. CEOs have been reminded that regaining public trust in the role of business starts with ethical leadership and conduct. And that requires all the qualities noted above that they cited much more frequently in the 2014 results.

A number of CEOs linked the long-term sustainability of the businesses they run to ethical conduct towards *a broad set of stakeholders*. One CEO said he wanted his legacy to be that he was… "Fair and honest in all my dealings while at the same time creating value for shareholders, customers and staff. True value can only be found by companies that create true sustainability."

Another wanted to be remembered for… "The fact that I am an entrepreneur who has made a contribution to the continuity of the company, and the company has been conducted in an ethical, honest way, that the stakeholders know that we have ensured that employees and other stakeholders are handled in a humane way."

Of course, personal integrity is just one important aspect of a "World's Most Ethical Company." In the past several years, we have observed increased attention to the relationship between business and society as part of a company's ethical legacy. Comparing responses from CEOs about their desired legacies in 2007 with 2014 also sheds light on how they perceive the importance of creating social value—their ethical legacy. Are their attitudes changing in line with market demands? In upcoming analysis in PwC's *Resilience* journal (www.pwc.com/resilience), we'll explore this more.

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ETHICAL BEHAVIOR AND LEADERSHIP

By Michel M Liès
Group CEO
Swiss Re

Last December marked Swiss Re's 150th anniversary. We celebrated with our clients and partners, many of whom have been with us for a long time. The celebrations provided compelling evidence of a mutual commitment between Swiss Re and our clients to continue working smarter together to strengthen societal resilience—and of the trust that underlies this commitment.

> Acting ethically as a business is not always obvious. It means confronting dilemmas. It means making tough decisions and applying rules rigorously and consistently, at all levels of the organization and across all geographies.

Swiss Re earns that trust by acting with integrity, day in and day out. Integrity is one of our five core values. It has to be, because selling promises to pay out on a claim that may occur at some distant point in the future is central to our business—and promises have no value without trust.

Maintaining a solid reputation is a continuous effort. One famous saying from the business world is that it takes 20 years to build a reputation and five minutes to ruin it. Rightly so. Our ethics as a good corporate citizen form the cornerstone of our reputation. Those ethics, as well as our commitment to sustainability, are codified in our Group Code of Conduct. The Code ensures that reputation stays at the top of our minds while we take on the daily challenge of achieving core business objectives such as entering new markets, acquiring new clients and launching new products.

Do not be fooled: Acting ethically as a business is not always obvious. It means confronting dilemmas. It means making tough decisions and applying rules rigorously and consistently, at all levels of the organization and across all geographies.

Reaching Beyond

There has been growing awareness among many stakeholders that economic activities, while creating tangible benefits on one side, may also damage the environment and have other disruptive effects. If unmitigated, such environmental and social impacts may pose a challenge to society's long-term sustainable development.

We have a Sustainability Risk Framework that identifies and addresses social, ethical and political risks in our business transactions. The Framework builds on the requirements of our Group Code of Conduct. In many cases, we go beyond what is simply required by the law, because not everything that is legal is also necessarily ethical, and laws will vary from jurisdiction to jurisdiction. An ethical standard can only be global. Such global ethics set our benchmark.

The aforementioned framework applies to all of Swiss Re's business transactions (i.e., re/insurance as well as investments) to the extent that we can influence their various elements. It comprises policies on eight sectors and issues we consider to be of particular relevance: the defense industry, oil and gas (including oil sands), mining, dams, animal testing, forestry and logging, nuclear weapons proliferation, plus an overarching human rights and environmental protection policy.

If underwriters or client managers working on transactions see that our standards may possibly be at risk, they put those transactions through the Sensitive Business Risk (SBR) referral process. Our experts then execute a due diligence process through the SBR, and decide on an ethical basis whether or not business should proceed.

Even in cases where no policy specifically requires an SBR, any employee has the right to initiate one—even against the will of his or her line manager. More importantly, SBR triggers are embedded in our underwriting tools, so that the client manager is automatically notified once our ethics are potentially at risk.

In 2013, we had 210 cases go through the formal SBR process. Of these, 118 were allowed to proceed. Twenty-seven were rejected, meaning we did not write the business. In another 26 cases, we decided to proceed with conditions. In such cases we engage with our clients with the stated goal of remedying the situation of concern.

The Basics

Constructive engagement with our clients, peers and others is core to our approach to ethical leadership. That's why Swiss Re is a founding signatory and co-leader of the UN Principles for Sustainable Insurance (PSI). As in the PSI, our Sustainability Risk Framework aims to "embed in our decision making environmental, social and governance issues relevant to our insurance business," hence inviting others to take part in a broad view of sustainability.

We cannot raise the market's standards of ethical behavior by ourselves. However, we can still work toward that end by engaging with peers, pushing boundaries together, and so establish norms of conduct that all stakeholders embrace—not just the parties directly involved in our transactions.

*Lanny Breuer

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ANTI-CORRUPTION COMPLIANCE: NOT ONLY GOOD FOR BUSINESS

By Lanny Breuer*, Steven Fagell & Anthony Vitarelli
Covington & Burling LLP

Every day, the World's Most Ethical Companies confront the unfortunate reality that, in many countries, the business playing field is not level. Indeed, the World Bank has estimated that the amount of bribes paid annually may exceed $1 trillion.

> Complying with the FCPA and other anti-corruption laws accomplishes far more than simply reducing a company's legal exposure.

The corrosive effect of such corruption—on profits, employee morale, and the free and fair functioning of global markets—presents an enduring challenge for companies wanting to compete both ethically and successfully. This challenge is particularly acute for companies subject to toothy foreign corruption laws, such as the US Foreign Corrupt Practices Act (FCPA). Not only may those companies find themselves competing against less ethical ones, but also against less ethical companies that are not subject to the FCPA.

Is that dynamic fair? Perhaps not. Must companies subject to the FCPA still work to comply with the law? Of course. But complying with the FCPA and other anti-corruption laws accomplishes far more than simply reducing a company's legal exposure. When companies refuse to pay bribes, they send a powerful message to their employees and business partners about their commitment to integrity and ethics. They also help foster systemic change in foreign governments. When a powerful player in a local market declines to give a bribe, it may reorient the expectations of the foreign official making the request. Saying "no" to bribery also serves as an important complement to broader efforts through political and diplomatic channels to reduce corruption.

Companies that comply with the FCPA and other anti-corruption laws also advance the cause of human rights. The most pernicious effects of corruption result when resources are redirected from those in need to those in power. When a foreign business decides not to locate a new production facility in a corrupt country, scores of jobs are lost. When a local manager spends less on job training in order to allow more cushion in the budget for bribes, the least skilled among us bear the costs. When municipal officials confiscate a street vendor's cart for his failing to pay a bribe, everyone in that city perceives that corruption is endemic and institutionalized. In that sense, corruption affects the human condition, and combatting it through compliance with the FCPA becomes not only a business, but also a human rights imperative.

The World's Most Ethical Companies recognize how responsible business practices can enrich the fabric of a country. Corruption erodes trust in democratic institutions. If not addressed, the belief that government officials are concerned more with their own financial gain than the prosperity of the citizenry may lead to decreased democratic participation (in countries where such participation is even possible) or even to civil unrest. The threat of such political instability in turn erodes confidence in the business sector and deters foreign investment. To break this cycle, reducing corruption through legislation, enforcement, and ethical business practices becomes critical to the long-term health of foreign markets. FCPA compliance thus plays an important role in the effort to root out corruption from global markets. A few well-worn guideposts in this regard are worth repeating:

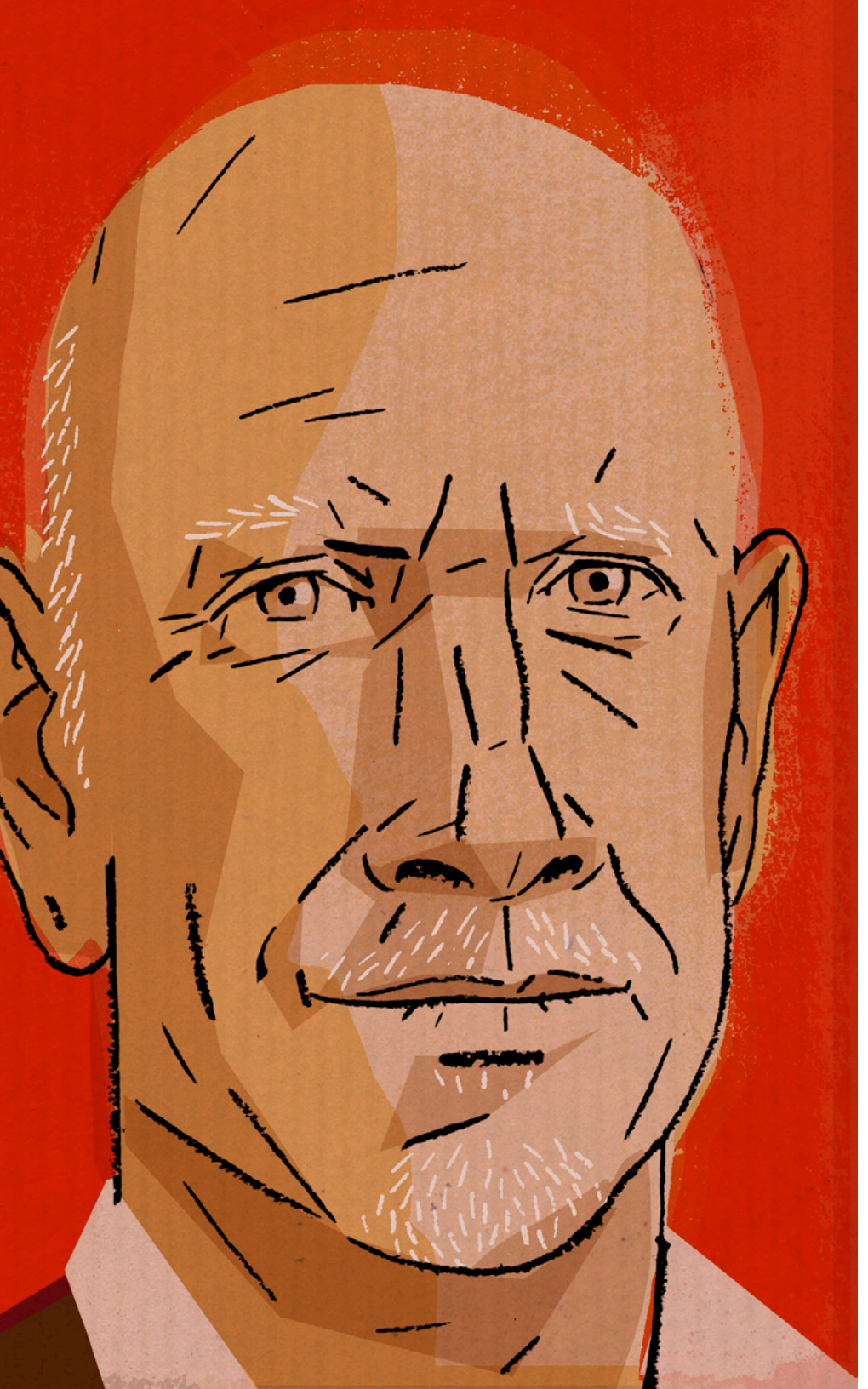
1. A vigorous FCPA compliance program is essential. Companies must offer extensive training to their employees and business partners abroad—conducted in-person, in the local language—so those interacting with government officials understand the particulars of the law.

2. Companies must foster a culture in which bribery is not just "against the rules" but also is regarded as irreconcilable with the company's values. This is not an easy task, but it starts at the top: CEOs must speak vocally and frequently about the company's zero tolerance for corruption.

3. If the company learns that bribes were paid, the events should be investigated quickly and comprehensively. To the extent necessary, they should not delay taking remedial measures to prevent similar conduct from recurring.

4. Compliance personnel should have a seat at the table. In today's increasingly regulated environment, companies cannot afford to leave compliance out of the discussion regarding investments and business practices in foreign markets.

At bottom, the World's Most Ethical Companies know that leveling the playing field in key countries with a reputation for corruption will take years of sustained effort, with no assurances of success. But they must remain committed to advancing this agenda because in an increasingly global economy, growth depends on doing business in previously untapped markets. Day-to-day anti-corruption compliance is therefore a key pillar of any growth strategy—one that will best position companies for future success and also put them on the right side of multinational efforts to combat corruption, advance human rights, and develop stable and secure global markets.



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YOUR VALUE AS CHIEF ENGAGEMENT OFFICER

By Ben Boyd
Deputy Chairman, Practices & Sectors
Edelman

In 2011, Reed Hastings made mistakes that nearly killed Netflix, but today the company's stock is as high on Main Street as it is on Wall Street. Many factors contributed to the turnaround. One of the most important was Hasting's leadership.

> Gone are the days when CEOs stood up and laid down courses of action. Now they must listen to and orchestrate an entire choir of voices—even those of activists challenging their agenda should be respected and heard—and sometimes they must even cede the floor to others.

"I messed up. I owe everyone an explanation," he wrote in a candid blog post after Netflix lost more than 800,000 subscribers in a single quarter. And explain he did—something he had failed to do when the company decided to separate its DVD and streaming businesses and raise prices. "When Netflix is evolving rapidly ... I need to be extra-communicative," he wrote. "This is the key thing I got wrong. In hindsight, I slid into arrogance based upon past success."

As he led the company out of the near-death experience, Hastings did not hide or point fingers. He listened to all constituencies. He apologized. He undid what was done without thoughtful engagement.

The company reversed decisions made in a silo at the top. In doing so, Hastings (re)earned trust and, with it, a license to lead. Subsequently, Netflix has not only kept pace with the rapid changes under way in entertainment programming, streaming technology, and distribution, but is enjoying a record stock price, making it the envy of many in a disrupted industry.

Hastings is not alone in adapting to a changed world where business leaders face a transparency mandate, must respond to all voices in the crowd, participate in societal debates, and deliver profit and purpose. Since Howard Schultz returned to lead Starbucks[1] in 2008, he has turned the company into one whose motto could simply be "share." Mary Barra at General Motors and Glenn Murphy at Gap[2] Inc. are also CEOs—each dealing with a particular set of circumstances—signaling a new breed of business leader. CEOs must now be *chief engagement officers*, and to be successful, they have to lead, navigate, and engage:

Leading: CEOs are responsible for setting the company's vision and ensuring that vision can take shape. Gone are the days when CEOs stood up and laid down courses of action. Now they must listen to and orchestrate an entire choir of voices—even those of activists challenging their agenda should be respected and heard—and sometimes they must even cede the floor to others.

When Mary Barra was appointed CEO of GM, she assumed responsibility for a crisis that was years in the making under someone else's leadership. But "it came to light on my watch, so I am responsible for it," she told a Congressional subcommittee. "Today's GM will do the right thing."

Barra is being scrutinized and criticized, pressure on the company is mounting still, but she is not ducking. She met with families of those injured and killed, launched internal investigations, issued more recalls, and dismissed executives. She is laying the groundwork for a GM rooted in "a customer culture."

Navigating: When Gap Inc. raised the minimum wage for its employees earlier this year, it did so in the absence of a government mandate. CEO Glenn Murphy raised the minimum wage because it was the right decision for the company—for productivity and employee loyalty, and because Doris and Don Fisher, GAP's founders, had always challenged the company to "do more than sell clothes." The wise navigator will forge a path that allows the company to behave in ways that marry business strategy with the ever-changing expectations of the larger world in which it operates.

Engaging: Step into any Starbucks and you feel part of a community that is committed to doing good things and to hearing what you have to say. *"Don't worry,"* say the flyers on store counters that ask for your feedback, *"We'll take it personally."* Partners (employees) and customers are encouraged to supply ideas for new products and new ways of doing things at mystarbucksidea.com. By inviting participation and listening, Starbucks creates authentic human connections with partners, customers, and suppliers alike. This devotion to shared experiences has a lot to do with Howard Schultz, who has made engagement a hallmark of his leadership style.

When you look at Reed Hastings, Mary Barra, Glenn Murphy, and Howard Schultz, you see chief executives who recognize business value is as much about demonstrating leadership and cultivating communities as it is about increasing share price. You see leaders who are applying the full power of communications to drive their enterprise, to build trust, and to realize the full potential of business value.

[1] *Starbucks is an Edelman client.*
[2] *Gap Inc. is an Edelman client.*

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DECLINING TRUST: THE SCOURGE OF BUSINESS

By Huguette Labelle
Chair
Transparency International

Corruption is one of the most talked about issues of our time. It is center stage in boardrooms as members conduct their risk assessments to consider new markets, by investors as they make their investment choices, and increasingly by clients as they decide on which products to buy. Getting caught in corruption is increasingly costly for companies, and not just in terms of fines and settlements.

> The current system for registering and recording business information is alarmingly weak, and must be made more transparent to stop the corrupt from using the international financial system to disguise illegal activities.

It has been estimated that violations of US foreign bribery laws typically cast a three-year cloud over a company under investigation, and that the overall cost can reach nine percent of profits.

What is key is that when scandals break, or when opacity predominates, the trust deficit that results becomes a tax on private sector growth. As American economist Douglass North wrote in 1990, "high-trust societies produce more output than low-trust societies."

Business leaders are participating in various initiatives to prevent corruption and preserve trust; the UN Global Compact counts more than 8,000 business participants, and the Business Principles for Countering Bribery prepared by the World Economic Forum's Partnering Against Corruption Initiative, the International Chambers of Commerce and Transparency International, are now well established.

An increasing number of company leaders also ensure that transparency and integrity are prevailing values throughout their organization and commit to zero tolerance on corruption. They have strong codes of ethics with policies, training, and compliance capacity.

As an additional measure to build trust, industries should adopt full transparency on who their equity owners are. This is a way of demonstrating that there is nothing to hide. It would also prevent companies from unknowingly being complicit in hiding the proceeds of crime and corruption. Illicit trade and money laundering are a threat to global stability and to sustainable business. The scale of illicit financial flows, such as the proceeds of corruption, bribery, organized crime, and tax evasion, were estimated at almost $1 trillion in 2011 by Global Financial Integrity.

This is why Transparency International is recommending to G20 leaders to commit to public registers of equity owners of companies. The current system for registering and recording business information is alarmingly weak, and must be made more transparent to stop the corrupt from using the international financial system to disguise illegal activities. This is important because increasingly sophisticated means are being used to hide bribery from increased enforcement.

A 2011 World Bank report said that among the 213 cases of grand corruption analyzed from over the last 30 years, more than 70 percent showed ownership of stolen funds had been disguised through the misuse of corporate entities, half of which were anonymous shell companies.

Registered companies should provide full and regularly updated information on their real beneficial owners, to be included in public registers. Companies should take the lead in implementing such measures. This will help to regain trust that has been lost in recent years and will allow the private sector to concentrate their efforts on creating jobs, providing services, and contributing to the economic and social development of the countries in which they operate.

ABOUT THE WORLD'S MOST ETHICAL COMPANIES EXECUTIVE BRIEFING

The World's Most Ethical Companies Executive Briefing is a quarterly publication featuring ideas from senior executives and thought leaders representing both the private and public sectors. The articles in each Executive Briefing are designed to inspire further conversation among CEOs, board members and executive committee members on the important role of ethics in driving business performance.

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Participation in the World's Most Ethical Companies Executive Briefing is on an invitation basis. To learn more or to be considered for inclusion in a future edition, please contact Nicole Thomas at: nicole.thomas@ethisphere.com

The questions become the opportunities

In times like these, knowing where to start the conversation in helping to address complex issues is vital. So, there is a process to everything we do and it starts with listening and identifying the right questions. Knowing where to start and what to ask comes from experience and discipline of thought. This is just the beginning of what we provide to our clients.

Through our global network of firms with more than 184,000 people in 157 countries, we provide quality assurance, tax and advisory services to many of the world's most successful companies. Tell us what challenges you are facing or find out more by visiting us at www.pwc.com, or contact:

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