# INDIA STRONG! RESILIENCY TO WEATHER THE STORM

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SPECIAL EDITION // 2021

**In partnership with the BELA South Asia Chapter**

BUSINESS ETHICS
LEADERSHIP
**ALLIANCE**
SOUTH ASIA

**CII**

**Confederation of Indian Industry**

In this publication:

# THE BUSINESS ETHICS LEADERSHIP ALLIANCE

BUSINESS ETHICS
LEADERSHIP
ALLIANCE
SOUTH ASIA

The Business Ethics Leadership Alliance (BELA) is a globally recognized organization of leading companies collaborating together to share best practices in governance, risk management, compliance, and ethics. BELA's membership consists of a community of 340+ companies that recognize the inherent value of promoting ethical leadership and world-class compliance culture.

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

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

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

**BUSINESS ETHICS LEADERSHIP ALLIANCE**

**India**

**Asia Pacific**

**Europe**

**Canada**

**Latin America**

# 2021 SOUTH ASIA ETHICS SUMMIT (VIRTUAL)

Together with the Confederation of Indian Industry, the 2021 South Asia Ethics Summit, now in its fourth year, will provide thte opportunity for participants to share thoughts and insights around the latest trends in data, ethics and compliance, program development, strategy, the changing regulatory landscape, as well as put a spotlight on the best practices being implemented by Ethics and Compliance leaders across South Asia. The South Asia Ethics Summit experience is driven by a distinguished working committee of leaders from the BELA community Infosys, Nokia, and Reckitt Benckiser who came together to identify key topics impacting every corner of the business, and build an agenda featuring the best possible faculty of speakers.

## September 23 and 24

**REGISTER TODAY!**

**The 2021 South Asia Ethics Summit Working Committee of Leaders :**

**Bhavya Hasija,**
Regional Ethics & Compliance Director with RB

**Kanika Bhutani,**
Antibribery and Corruption, CoE, Nokia

**Mahalakshmi Pathapati,**
Senior Corporate Counsel, Infosys

**BUSINESS ETHICS LEADERSHIP ALLIANCE SOUTH ASIA**

**CII** Confederation of Indian Industry

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# ETHISPHERE®

## Our Mission Statement

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

*The opinions expressed in this magazine are those of the authors, not the printer, sponsoring organizations or the Ethisphere Institute.*

This magazine is printed
on recycled paper.

# Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, with over 9000 members from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 300,000 enterprises from 294 national and regional sectoral industry bodies.

For more than 125 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, livelihoods, diversity management, skill development, empowerment of women, and sustainable development, to name a few.

As India marches towards its 75th year of Independence in 2022, CII, with the Theme for 2021-22 as *Building India for a New World: Competitiveness, Growth, Sustainability, Technology*, rededicates itself to meeting the aspirations of citizens for a morally, economically and technologically advanced country in partnership with the Government, Industry and all stakeholders.

With 62 offices, including 10 Centres of Excellence, in India, and 8 overseas offices in Australia, Egypt, Germany, Indonesia, Singapore, UAE, UK, and USA, as well as institutional partnerships with 394 counterpart organizations in 133 countries, CII serves as a reference point for Indian industry and the international business community.

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# BUSINESS ETHICS LEADERSHIP ALLIANCE SOUTH ASIA

## Confederation of Indian Industry

**Setting the Gold Standard for Business Ethics in South Asia. Together.**

## BELA South Asia Founding Members

The BELA South Asia Chapter, in partnership with the Confederation of Indian Industry, includes a community of select multinational companies. Founding Members collaborate to shape the strategic and tactical direction of the chapter while playing a leadership role in inspiring best practices in ethics, integrity, and anti-corruption efforts across India and South Asia.

3M    accenture    Bayer    BOEING    Coca-Cola

DELL    DIAGEO INDIA    Dr.Reddy's    GE    Infosys

Johnson Controls    JLL    Mahindra    TATA STEEL

## BELA South Asia Integrity Partners

Integrity Partners are a consortium of leading companies that have come together to collectively raise the standards and practices for ethical and compliant corporate behavior in the region. Integrity Partners are accepted on an invitation-only basis.

Allstate. You're in good hands.    amazon    Arthur J. Gallagher & Co.    AT&T    Glenmark A new way for a new world    Honeywell

intel    Kimberly-Clark    KKR    MARRIOTT    Microsoft    NOKIA

Pfizer    salesforce    SNC·LAVALIN    Uber    VISA    Western Digital

## Learn More:

bela.ethisphere.com/south-asia

To join the BELA South Asia Chapter and to request guest access to member-driven content, toolkits, events, region-specific data and more, contact: jonathan.whitacre@ethisphere.com

# SPEAKING UP

**Testing Resilience: How Steely Resolve Will Deliver Us All from The Global Pandemic**

The pandemic has altered the course of the world. It has been a global challenge leading to an unprecedented and difficult time for many. The challenges posed have not only been on an economic front but have also impacted us on an emotional and psychological level, too, testing our resilience as individuals as well as in the corporate setting. Despite strict norms being implemented to contain the virus, we have witnessed the shutting down of small businesses, rising unemployment and loss of livelihoods, a breakdown of health infrastructure, and an arduous transition to working remotely.

The resilience of our nation and our business ecosystem highlighted in the 2021 BELA South Asia magazine does offer some comfort. These stories illustrate how, in times of crisis, we can and should step up, stand united, and operate in a responsible, ethical, and symbiotic manner with all stakeholders.

If we look back at Tata Steel's journey of over a century, we have faced several challenging situations. While admittedly none have had the far-reaching, global impact of COVID-19, we have managed to overcome difficulties through the commitment and drive of our colleagues, partners, and the community. The legacy and foresight of our leaders have guided us along the way. Our long-held principle to do what is right continues to be our moral compass.

We will overcome the pandemic and the challenges it poses while continuing to prove ourselves as a resilient organisation. Being resilient and responsible is embedded in the DNA of Tata Steel. It serves as our beacon in times of trouble and guides us in our ambition to create a better tomorrow.

> *Despite strict norms being implemented to contain the virus, we have witnessed the shutting down of small businesses, rising unemployment and loss of livelihoods, a breakdown of health infrastructure, and an arduous transition to working remotely.*

Joining the Indian business community, we have consistently worked to support our stakeholders. At Tata Steel, we adopted the "Agility with Care" business approach in which we introduced multiple pioneering policies. Our agile working model helped our plants continue functioning while ensuring the safety of our colleagues—something that is of paramount importance to us.

We prioritised our employee protection scheme to support the families of our colleagues who lost their lives to COVID-19. We remain committed to constantly evolving our workplace and investing in future-readiness. We have also collaborated and worked closely with several government and non-government agencies across the country to undertake COVID-19 relief work.

Through all of this, we ensured that there was no compromise in our ethics and integrity. Our fair and transparent dealings have allowed us to secure our place as one of the World's Most Ethical Companies® for the tenth time. This recognition encourages us to further our journey towards sustainable development by focusing on the highest ethical values, the environment, and the wellbeing of our people and community.

Acts of kindness and empathy need to be woven into business processes whereby we help build resilient organisations and in turn a resilient world. Collaboration is the agent that binds us towards success. When all companies, government bodies, and non-government agencies across the world come together to craft stories of hope, resilience, positivity, and pride, we build a brighter future together.

This edition of Ethisphere's BELA South Asia Magazine consists of an array of interesting and informative articles from a diverse set of leaders across India who have been battling the dreadful second wave of the virus. Stories from companies such as Accenture, Diageo India, Dell, Dr Reddy's, Mahindra & Mahindra Ltd., 3M, and many more show us the true meaning of resilience.

Sincerely,
**T.V. Narendran**
**CEO and Managing Director, Tata Steel, and President, CII**

# 2021 BELA SOUTH ASIA RECAP

Dear readers,

When the pandemic ends, the world will resume to some normalcy and we can all take a collective breath while we look back, and reflect on the horrors of the past few years. We might ask what we could have done better. We might second-guess our decisions. We might implement new processes and procedures in its aftermath, and we will certainly remember those we have lost and keep them in our thoughts and prayers.

Time has flown by—especially in the environment we have all been experiencing. In fact, it is hard to believe that it has now been four years since we came together in New Delhi at the Confederation of Indian Industry (CII) to launch the Business Ethics Leadership Alliance South Asia Chapter. On that September day, we pledged to build a community of leaders committed to developing and implementing best practices in business ethics and integrity that would help drive today's industry, and benefit future generations. Without the benefit of hindsight, at that time who could have predicted just how valuable this Chapter would become in such a short time.

Going back to our operating principles for the Chapter, one of our goals was to continuously support our peers through curating content and resources to raise the bar on ethics and integrity across India—and we have stayed true to that four years later—even during a pandemic that has not spared anyone.

A true test of leadership, we witnessed businesses that lacked established playbooks to deal with something of this magnitude, yet they responded at an uncommon level, **with compassion for their employees, customers and stakeholders,** and with **vigilance toward keeping their communities safe**— and it is working.

In light of this, a recent BELA South Asia vaccination compliance survey revealed that the majority of companies are looking to bring their staff back to the office or provide a hybrid option depending on the employee's situation. Moreover, close to 90 percent of leaders intend to drive vaccination initiatives to educate employees about the importance of taking the vaccine. Those who had no established playbook now have the ultimate plan to deal with what was once thought of as unimaginable. To support this, according to CII's Chief Executive Officers (CEO) poll of 119 top corporates, recovery from the second wave of the pandemic in April-May will be swifter compared to the first wave in 2020. Another example, of a resilient India fending off the blow of the pandemic.

Yet, there is strength in numbers. Over the past year, we have welcomed a series of new members including **Ab Inbev**, **Amazon**, **Glenmark**, **KKR**, **SNC Lavalin**, and more, who will contribute to our events and support Founding Members in steering the direction of the Chapter. And as the Chapter continues to grow, so too does our ability to expand the available suite of resources, data set, events, and content, which has proven so valuable during the crisis—all driven by the data and intellect that you, our the members of the BELA South Asia community, provide.

The insights and engagement of ethics and compliance leaders and the executive leadership from member companies across India have bolstered our value as a Chapter, and has clearly contributed to companies maintaining ethical standards when all around them was chaos.

Looking ahead to 2022, we intend to continue to build our chapter and capitalize on what is yet untapped talent and intellect.

This year's 2021 BELA South Asia magazine highlights how leaders in the BELA South Asia Chapter are working towards identifying, measuring, and enacting meaningful progress. In the following pages, you will see stories of integrity-in-action chronicled by members of our community such as **Accenture**, **Dell Technologies**, **Dr. Reddy's**, **GE**, **3M**, **Mahindra & Mahindra Ltd.**, **Tata Steel**, and much more.

We are pleased to share these stories with you and hope you will take the time to read them. In his 1776 book called *Common Sense*, Thomas Paine wrote about the challenging state of the fledgling American Revolution; "These are days that try men's souls." Like those times, many souls have been tested in the past year in South Asia and around the globe. But because of India's resiliency, our spirited brands working as one, strong leadership, and a connection borne from one community; one chapter, with one goal, we passed the test. That is indeed India Strong!

Respectfully,

**Aarti Maharaj,**
**Managing Director, BELA South Asia and Asia Pacific**

## MAKING ETHICS REAL: WHAT ETHICAL LEADERSHIP MEANS TO ME

Progress Made Real 2030 is our global commitment to ourselves, our partners, and our customers. It is how we will create a positive and lasting social impact on humankind and the planet through 2030.

Written by: Amit Midha, President, Asia Pacific & Japan and Global Digital Cities, Dell Technologies

The pandemic has fundamentally changed the business landscape, and it is unlikely we are going back to the way things were. It is my hope that the changes we see will make us more humane and better connected with each other. Leadership styles are adapting to be more people-first. Leaders are even more patient, nurturing, and purposeful in creating connections with their team members. I believe ethical and authentic leadership is critical in this uncertain time.

My job as a leader is to understand the vision of ethical leadership and to make it a reality through our commitments driven by day-to-day actions, be it by holding others and ourselves to high standards of integrity, stemming biases in our hiring processes, or using sustainable materials.

### Dell's Commitment to Ethical Leadership

In the words of Michael Dell, Chairman and CEO of Dell Technologies, "Long-term success means creating value across a broad set of stakeholders, including the broader society, our local communities, customers, partners, team members, and investors. Foundational to that is an uncompromising commitment to acting ethically and with integrity." For organisations that are here to stay, acting ethically is non-negotiable. I am proud that our commitment and the work we have done to demonstrate this have been recognized—in 2021, Ethisphere named Dell as one of the World's Most Ethical Companies for the ninth year in a row.

Progress Made Real 2030 is our global commitment to ourselves, our partners, and our customers. It is how we will create a positive and lasting social impact on humankind and the planet through 2030. We pledge to use our reach, technology, and people to drive human progress. With this commitment, we will work towards reusing or recycling an equivalent product for every product a customer buys, by 2030. One hundred percent of our packaging will be made from recycled or renewable materials. More than half of our product content will also come from such materials. Fifty percent of our global workforce and 40 percent of our global leaders will be women, and we will advance health, education, and economic opportunities to deliver enduring results for one billion people.

### Making Ethical Leadership a Way of Life and Business

I am inspired by the stories I hear and the work we do to bring this commitment to life. One area I am particularly passionate about is ensuring diversity and inclusion (D&I) in our teams and specifically meeting our moon-shot goal to have 50 percent women in our workforce. Our hiring managers need to look at this with intention and purpose. What are their barriers to achieving this? There is no simple answer. Complex socioeconomic factors are at play, linked to education and culture. Collectively, we must look at overcoming those barriers.

*I am inspired by the stories I hear and the work we do to bring this commitment to life. One area I am particularly passionate about is ensuring diversity and inclusion(D&I) in our teams and specifically meeting our moon-shot goal to have 50 percent women in our workforce.*

Part of the solution is also about looking to engage the next generation of the workforce and helping shape their future. We have programs such as MentorConnect, which helps to create these important links. Our people managers are also required to manage their unconscious bias through a program called Many Advocating Real Change (MARC) that can help leaders change their mindset and be a catalyst for more change.

Our work with the Citizens of the Great Barrier Reef and the University of Queensland (UQ) is another great instance of how people and technology can come together to create real, tangible, and lasting outcomes. Scientists and managers needed up-to-date insights on reef states to better target their resources,

and together, we created a solution that enables real-time data collection as part of their Great Reef Census project.

**Setting the Tone at the Top**

As leaders, it is our responsibility to inspire and instil a mindset that challenge the status quo.

These are the ingredients we need in the world now: more humanity, ambitious global goals, and public commitment.

Including the power of technology and change at the organizational level, I believe this recipe will turn that vision into reality.

I look forward to being part of this change.

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### 📊 Stats & Data

**Dell's Progress Made Real Report**

We cultivate our employees' desire to do the right thing and our business leaders' dedication to a culture of integrity by providing the support, tools and training that transform values into everyday actions. Employees' perception of leader commitment to a culture of integrity is measured by our annual Tell Dell employee opinion survey and our biennial ethical culture survey.

We leverage technology and deploy state-of-the-art tools to assist our employees in applying the principles of integrity and compliance as part of everyday business transactions, activities and decisions.

We are active, and often founding, members of nonprofits and advisory organizations aimed at influencing corporate transparency and integrity.

*Source: Dell's Progress Made Real Report:* https://corporate.delltechnologies.com/en-us/social-impact.htm#tab0=3

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### 📊 Stats & Data

**Diversity is Power**

Last year society hit an inflection point as we navigated the challenges of 2020. COVID-19 took a disproportionate toll on women and underserved communities. We connected in new ways to support each other. And we worked together toward a more equitable, inclusive workplace and world.

Our focus has been on taking critical steps to live who we are – a diverse company with unique perspectives – at our deepest level. So we've spent the past year listening to our team members, making necessary adjustments and taking purposeful action on a path forward. Our way forward is paved in our understanding that we must hold ourselves accountable for making Dell Technologies a place where all can thrive as their authentic selves.

It's why our most senior leaders have diversity goals tied to their performance expectations and our people managers receive feedback on how they are doing in the area of inclusion. Measurement and transparency open us up to continuous learning and growth. This inspires new equitable business practices we can embed throughout every corner of our organization.

*Source: Dell's 2021 Diversity and Inclusion Report*

https://corporate.delltechnologies.com/en-us/social-impact/reporting/2021-diversity-and-inclusion-report.htm#tab0=0

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### About the Expert

*Amit Midha, President, Asia Pacific & Japan and Global Digital Cities. Amit is a global strategic business leader with significant Asia experience. Amit has built and transformed businesses in various roles in China, US, India, and Singapore. He is well versed in multiple cultures and has established strong global relationships. He is a technologist at heart with deep expertise in Datacenter, Enterprise Software, Edge, and Data Science. Amit is responsible for Dell's growth in the Asia Pacific & Japan (APJ) region, overseeing a multi-billion-dollar business spanning 40+ countries with a multicultural workforce. Amit is passionately focused on developing strong talent and technology leadership to support the digital transformation journey for Dell's customers and partners. Amit also leads Dell Technologies' Digital Cities business globally, driving the transformation of cities and engagement with governments and corporations.*

# DATA PROTECTION AND CYBERSECURITY IN A TIME OF DISRUPTION

Has your newly-distributed workforce impacted your culture, cybersecurity, and data protection risk?

Introducing a new service from Ethisphere:

## THE DATA PROTECTION & CYBERSECURITY CULTURE ASSESSMENT

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# THE ABCs OF LEADING IN ESG

An in-depth conversation with Mahindra's Group HR President Ruzbeh Irani.

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

Ethisphere spoke to Ruzbeh Irani, President, Group Human Resources and Communications, and Member of the Group Executive Board, Mahindra & Mahindra Ltd., on how the company is approaching this important topic of ESG. Earlier this year, the Business Ethics Leadership Alliance honored Ruzbeh and recognized Mahindra's inspirational work with the 2021 BELA Beacon Award.

**Aarti Maharaj: To start us off, can you share more about your role with our global audience, and how your work supports Mahindra Group on the ESG front?**

**Ruzbeh Irani:** My role is that of President, Group HR & Communications. In addition to HR and communications, I am also responsible for corporate social responsibility, ethics, and corporate infrastructure services. I am a member of Mahindra's Group Executive Board.

Promoting a culture of outperformance that is inclusive and empowering, while maintaining the highest standards of ethics, is an important part of my role. The work we do in the social space—focused on women's empowerment, skilling for livelihood, and Hariyali, our tree planting initiative—all supports our ESG efforts. We have joined the Valuable 500 to promote the inclusion of persons with disabilities in business.

These programs contribute directly to our sustainable business practices and support Mahindra's ESG efforts.

**AM: How is ESG integrated into the company's corporate culture?**

**RI:** Commercial success and making a positive social and environmental impact are not mutually exclusive. In fact, they are complementary. We firmly believe that doing good makes good business sense.

Our goal is to build a sustainable business that upholds the highest ethical standards, while rejuvenating the environment, caring for the community, and being inclusive. We aspire to be a global leader in ESG.

We were among the first companies globally to commit to being carbon neutral by 2040; we will have 100 of our sites ZWL certified by 2030. We have been a water-positive group since 2014. Under Project Hariyali, we have planted 19 million trees so far.

We are committed to the planet and the environment through the business we do. Susten, Cero, our EV business, and our pioneering work in waste to energy all epitomize this.

In recognition of our efforts, Mahindra & Mahindra is ranked 17th among the 100 Most Sustainably Managed Companies in the world—the highest for an automobile company and any Indian company—by the Wall Street Journal Global Sustainability Ranking.

**AM: One question we receive from**

## *We aspire to be a global leader in ESG.*

companies is, who should lead ESG communications? Could you shed some light on how this is handled at Mahindra?

**RI:** Our commitments to ESG are embraced by all our employees, who feel a sense of responsibility for the future. It is a key leadership priority at Mahindra.

ESG is core to the way we do business. It is a lens through which we measure our business impact. Hence, ESG is part of leadership communication.

**ESG is a broad topic, so I'll narrow it down and ask, how does Mahindra address the "S" in ESG?**

**RI:** The "S" or social component of ESG is close to my heart. Our key social responsibility programs are around girls' education, women's empowerment, skilling for livelihood, and diversity and inclusion.

Project Nanhi Kali, enabling under-privileged girls to complete ten years of schooling, has been our flagship CSR initiative. So far, over 470,000 Nanhi Kalis have been educated under the program.

We have been skilling women (and men) through Mahindra Pride School and empowering women farmers to be agri-preneurs through Project Prerna. We intend to do a lot more in the sphere of women's empowerment.

Diversity and inclusion is a key priority. We are taking steps to increase gender diversity at all levels in the organization. We are committed to persons with disabilities. We are members of the Valuable 500, a global business collective created to unitedly tackle disability inclusion in business.

All through the COVID disruption, we have taken proactive, impactful decisions to make healthcare available not only to our direct employees but also to our dealers and their families. We partnered with the government to scale up the medical infrastructure by providing oxygen plants and oxygen concentrators and setting up temporary COVID care centres.

**AM: Within ESG, social areas are where the data is fuzziest. Companies don't** necessarily have the numbers yet to back up any of their initiatives. Do you have any thoughts on where you see ESG metrics going?

**RI:** Measuring social impact has been an evolving effort for companies. Organizations prefer to report activities rather than impact, and most of these disclosures are those that are mandated by the government. However, the pandemic has brought a sharp focus on the "S" in ESG. Investors and corporates are now getting a lot more serious about their social metrics. They are looking for more measurable and meaningful disclosures for social reporting.

At Mahindra, we participate in external disclosures like the Dow Jones Sustainability Indices (DJSI), Climate Disclosure Project (CDP), and Global Reporting Initiative (GRI) reporting framework to capture metrics across ESG. For our flagship CSR project, Nanhi Kali, we measure attendance, learning outcomes, and drop-out rates of the Nanhi Kalis to assess the impact. For Project Hariyali, we measure the survival rate of trees against the number of trees planted.

**AM: Mahindra will be implementing the Stakeholder Capitalism Metrics in an effort to standardize reporting—could you tell us more about that?**

**RI:** We were among the first corporates to back the World Economic Forum (WEF) stakeholder metrics. These are a set of ESG metrics and disclosures released by WEF that measure long-term enterprise value creation. It is an effort to standardize reporting through the development of comprehensive metrics. Drawn from existing voluntary standards, these metrics offer a core set of universal, comparable disclosures focused on people, planet, prosperity, and principles of governance that are considered most critical for business, society, and the planet. They strengthen the ability of companies and investors to benchmark progress on sustainability matters and enhance transparency and accountability.

We have already adopted benchmarked metrics frameworks like the Integrated Annual Reporting Framework for our annual reports for the last four years and have been early movers on sustainability reporting. For the last 13 years, we have had externally assured sustainability reports based on the GRI framework.

**Many companies feel a tension that greater transparency also exposes them to greater risk and scrutiny—how are you approaching this?**

**RI:** Reputation and good governance have been part of the DNA of the Mahindra Group since its inception. There are many times we have chosen to be transparent, despite there being no mandate on us. For instance, we have been reporting back to our shareholders about corporate governance since long before the law in India made it mandatory.

Reporting transparently on ESG serves the interests of the business as much as the interests of the planet. When you are focused on doing the right thing, transparency adds to business resilience and brand equity.

**AM: Coming out of the pandemic, do you think COVID-19 will have an impact on how companies and investors value ESG?**

**RI:** One of the unfortunate fallouts of COVID is the deepening social divide. Given the fast-changing realities of today's world and the extent of climate change we are seeing, ESG is no longer a luxury but a necessity all of us should be committed to. Many investors have integrated ESG into their investment process. Millennials prefer to work for socially responsible companies. It is our responsibility to leave behind a planet that is better than the one we inherited.

### About the Expert

***Ruzbeh Irani*** *is the President, Group Human Resources and Communications, since April 2020. He is also responsible for corporate social responsibility, ethics, and corporate services. He is a member of Mahindra's Group Executive Board.*

*Ruzbeh joined the Mahindra Group in 2007 as Executive Vice President, Corporate Strategy, heading the Group's Strategy function. He became the Chief Brand Officer of the Group. During that time, he spearheaded Mahindra's entry into racing and led the development of the Group's brand position and core purpose, "Rise." He then moved to become the head of International Operations for the Automotive and Farm Equipment Sectors of M&M. Subsequently, he led the group corporate brand, PR and communications, Ethics, as well as Mahindra's racing team.*

# ESG RESOURCES

**Infographic on ESG Trends for Ethics and Compliance**

Selected data points from Ethisphere's 2021 World's Most Ethical Companies dataset on ESG, sustainability and impact assessment and reporting.

This infographic highlights data on:
- ESG reporting,
- stakeholder engagement,
- public commitments, and
- a special segment on human rights

**Download the Infographic**

## SELECT SESSIONS FOR OUR ESG VIRTUAL FORUM

**Engaging With the Board on ESG: Education, Oversight, and Reporting**
*Featuring: Blackrock, Hilton, and Baker McKenzie*

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**Due Diligence on ESG Risks when Evaluating Third Parties**
*Featuring: EY, 3M, KKR, and Husch Blackwell*

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## MEET DR. REDDY'S GLOBAL GENERAL COUNSEL

According to Mittal, compliance remains front and center of every conversation, and just like ethics, "it's also at the core of everything we do," he says.

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

Ethisphere recently spoke to Dr. Vivek Mittal, Global General Counsel, Dr. Reddy's, about his career trajectory and his work at India's pharmaceutical giant. In this exclusive interview, Dr. Mittal shares inspirational leadership advice on how delegating can empower employees and boost organizational performance and efficiency.

**Aarti Maharaj: Dr. Mittal, tell us more about your new role at Dr. Reddy's.**

**Vivek Mittal:** My role at Dr. Reddy's is multi-faceted. As the General Counsel, I am fulfilling that aspect of the role in addition to also serving as the Chief Data Privacy Officer and Compliance Leader. Cybersecurity and data privacy work hand-in-hand because ultimately if you collect data, it is vulnerable to cyber-attacks. At Dr. Reddy's, we have a council that oversees cybersecurity and data privacy matters as well. It's an exciting time to be involved in these roles, as the General Counsel is more than just a lawyer.

**AM: Given your new role, what are some priority areas of focus for you?**

**VM:** Compliance is a big area of focus, and this continues to be the case across the industry. Equally important is data privacy, and third is M&A activity. Compliance remains front and center of every conversation, and just like ethics, it's also at the core of everything we do. However, some may think that once they have complied, then ethics will be taken care of, but in my view, these are two separate topics. Being ethical and being compliant are very different, and that's the approach that I intend to maintain.

**AM: So how are you planning to use innovation or data to help the legal department further its goals?**

**VM:** The first thing is to assemble the data in one place. For example, if at a company, the team investigating, the team complying, and the team negotiating the contract are different, then their knowledge and their data points would also be entirely different. So, what I'm trying to do is, I would like to bring them all together so that we have an overview of all the data. And from that data, I would like to understand what are the key development areas, what are the red flags, and if we have to change policies around it. I'm also trying to leverage the IT department's expertise to bring it all together into a cohesive platform—one that can be used to tell a story.

We have to take a closer look at what kind of data we are receiving, if it is in relation to compliance, specifically in which area. If it is data on the ethics front, we can then convert that information into training to educate and drive awareness among employees. And one thing also is putting counter measures in place and conducting remediation so we can mitigate those risks early on. So, what I'm trying to do is, with that data, I intend to assemble it and get the best out of it

by converting them into remediation or training.

**AM: What are three to four things that a law firm must do to impress you?**

**VM:** I was discussing this same topic with one of my law firm friends some time back, about a year ago. And we found out there's an "A B C D" concept in relation to law firms. "A" focuses on their availability. In this fast-paced world, you rarely find good talent, and if that talent is very good, then their availability becomes a challenge. If a law firm is very good, and reputable I would want their availability. That's key.

"B" is their behavior. How well do they behave with us? Whether they think that we are also an equally good partner with them as they are with us. In short, the mindset should be: If we exist, they exist. If they exist, we exist. So that's "B."

Now, "C" of course, is their competence. I take a close look at the competence of a law firm. If they're incompetent, then they cannot work with us. And "D" is delivery. So, these are the four things, "A B C D," which I would look for in a law firm. It's not about impressing me; it's about if we can work together.

**AM: Dr. Mittal, you probably have thought about this before, but what career path would you have pursued if you weren't a lawyer?**

**VM:** When I was kid, I wanted to become an athlete. I was actually enrolled in training to someday become a badminton

player! I took formal training for about three years, and then I realized that I started too late, and probably I should've started earlier.

But fast forward to adulthood, and I became fascinated with becoming a Company Secretary because a lot of friends around me were in that role. So, I started as a Company Secretary rather than as a lawyer, in terms of education. I always thought that I'll become a Company Secretary, and it so happened that later on, I became a full-fledged lawyer. With that, if I have to directly answer that question, then either I would have been a badminton player or would have been a full-fledged Company Secretary working in a company leading that department.

Sports can help in becoming a well-rounded professional. When I was a badminton player, whenever you were being defeated by the other side, or whenever you played a bad shot, or the other side played a good shot, we always shouted to ourselves, "Fight"—we used to say that probably a hundred times during a game. Eventually, I started saying this to myself when I embarked on my career, and that's how I started to motivate myself.

**AM: Sports can help someone become more disciplined, but what keeps you inspired?**

**VM:** My inspiration always is to excel, do better than what I had done earlier. And I'm very ambitious. That ambition drives excellent work. I always thought that I

need to do better than what I was doing yesterday so that I can excel in work. Some may think that I'm a perfectionist, but in my view, there's nothing called "perfection" when we are striving to continuously improve. In short, my inspiration is that I need to do better than I did yesterday.

**AM: What is the best leadership advice you have given or received?**

**VM:** I am very passionate about leadership. I've created teams, sustained teams, and it's the same thing I'll be doing at Dr. Reddy's.

It's important to note that you need to trust that your team can do the job. You need to hire the right people who can get the job done efficiently and with the highest integrity. No cutting corners, because you need to delegate the work and you should empower your team. At the same time, you should not lose sight of what they are doing. You need to continuously support and guide your team. Moreover, mentoring them along the way is just as effective because it empowers your team and boosts organizational performance and efficiency. You need to also continuously have a quality check on your staff. In short, delegating is an important part of leadership.

How to delegate also means whom to delegate to, what to delegate, how to manage the delegated work, and how to keep track of what you have delegated. Unless you delegate, you will not be able to become a leader. You will always be in the execution position. Ultimately, it's the quality of the team that builds your reputation. If you grow your team, if your team becomes a rockstar, you automatically are a rockstar because your team represents and reflects you. My advice to people for team building is to always pick up a talented person and make them into a rockstar and you yourself will be elevated. It's gratifying.

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**📊 Stats & Data**

**BELA South Asia Roundtable Recap**

Earlier this year, Dr. Reddy's hosted a BELA South Asia Roundtable to discuss the company's compliance journey. Here's some data captured from the roundtable's snap polls.



**BELA SOUTH ASIA ROUNDTABLE POLLING RESULTS**

How do you currently use data to drive compliance effectiveness? N = 11

- All of the above: 36%
- To help inform decisions about resource allocation: 0%
- Investigations: 9%
- For training purposes: 54%

What are your challenges when pulling data from various parts of the business? N = 12

- It is a challenge to obtain data outside the compliance function: 41%
- The data obtained is not relevant: 0%
- Using the data gathered to tell a story: 33%
- The data is inconsistent: 25%

**VIEW MORE**

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**About the Expert**

*Dr. Vivek Mittal is Global General Counsel at Dr. Reddy's. He also serves as the company's Chief Data Privacy Officer. Dr. Mittal previously served as Regional Counsel, METAI, for Danaher Corporation – Diagnostics Platform. He has 21+ years of work experience and has worked with leading companies across multiple domains in his career as a corporate legal professional. In addition to holding a law degree, Dr. Mittal is also a qualified company secretary, a post-graduate in commerce, and a research scholar (PhD) in commerce.*

# CII: RECALIBRATING INDIA INC'S GROWTH

The Confederation of Indian Industry (CII) has defined its Theme for 2021-22 as 'Building India for a New World: Competitiveness, Growth, Sustainability, Technology.'

Written by: Chandrajit Banerjee, Director General, CII

For more than a year, the COVID-19 pandemic has disrupted and challenged organizations, lives, and livelihoods across the globe. As countries inch towards stability dealing with successive waves brought on by the pandemic, the imperative ahead for corporates is to maintain a steady pace of growth in the near and long term. While corporations globally have weathered the storm and kept business running, they now need to assume a lead role in India's future development and take proactive initiatives in getting the growth back.

Globally, leaders predict that for businesses to flourish and bloom over the next decade, they will need to understand the forces that will shape the next 10 years. There is no doubt that ethics; integrity; transparency; sustainability, and societal impact issues will be the leading forces for driving value creation for corporates.

As companies continue to navigate the COVID-19 crisis, they must reconfigure strategy to integrate ethical, environment, social and governance responsibilities of the business. They need to increasingly account for non-financial factors in their long and short-term business plans. Moreover, as companies look to align their value creation plans with the new business landscape, they must optimize performance against current and future material ESG issues to safeguard their companies and ensure long-term success. Ethical behavior, stakeholder management, fulfilling investor expectations for greater board engagement, disclosure and transparency will remain the bedrock of sustainable governance.

In keeping with the need of the times and evolving governance practices globally, CII has defined its theme for 2021-22 as 'Building India for a New World: Competitiveness, Growth, Sustainability, Technology.' In fact, CII has been at the forefront of the governance movement in the country. In 1998, the Confederation of Indian Industry (CII) took on a special initiative to launch the "Desirable Corporate Governance: A Code" – the first institutional initiative for the Indian industry. The objective was to develop and promote a Code for Corporate Governance to be adopted and followed by Indian companies, be these in the Private Sector, the Public Sector, Banks, or Financial Institutions—all of which are corporate entities. The CII Code was subsequently incorporated in SEBI's Kumar Mangalam Birla Committee Report and thereafter in Clause 49 of the Equity Listing Agreement. Furthermore, the CII Code was the first instance where an industry association took the lead in prescribing corporate governance standards for listed companies.

CII also released the 'CII Corporate Governance Recommendations for Voluntary Adoption' in 2009 to recommend ways of further improving corporate governance standards and practices both in true letter and spirit. In 2012, the Indian Government constituted an expert committee under the Chairmanship of the then CII President Mr. Adi Godrej, and the "Report of the Committee to formulate a Policy Document on Corporate Governance" prescribed seventeen "Guiding Principles

of Corporate Governance", which formed base for enhancing governance standards in the country. CII continues to work extensively with the Government and Regulators on the corporate governance regulatory framework in the country and actively engaged on amendments to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations).

In February 2020, CII launched the 'CII Guidelines on Integrity and Transparency in Governance and Responsible Code of Conduct' for sustained trust for the industry. These Guidelines attempt to serve as the base for corporates (large and small; listed and unlisted) to redesign their governance strategies citing global practices; existing legal provisions (some of which may currently be applicable only to listed companies); good to have principles; regulatory policy suggestions and forward-looking concepts, encouraging voluntary adherence to the Guidelines. Fifteen recommendations under the Guidelines cover integrity, ethics; citizenship; balancing interest of stakeholders; independent and women directors; easier settlement norms; risk management; succession planning; role of audit committee; enhancing accountability of other third parties who play a fiduciary role; vendor and customer governance; investor activism; start-ups and MSMEs etc.

CII considers ethical practices in business dealings to be critical for the development and growth of the industry in the country. CII believes that one of the first things which a company must prioritise is to be compliant with the laws of the land in true letter and spirit. The organization has been engaging with the Government and regulatory authorities to create a conducive environment towards strengthening corporate governance through sustained dialogue and has been advocating the need for creating a facilitative, streamlined, and harmonised regulatory environment that promotes voluntary adoption of best practices and self-regulation by corporates so that regulation remains facilitative.

I believe that Indian corporate governance standards are comparable to the best in the world, and CII is privileged to be a part of this evolving journey. India is a strong emerging force on the global map. Its growth is enabled by progress and development across sectors by public and private enterprises and is built on the foundation laid down by the government and regulators that encourages transparency in business dealings, accountability, and good governance. As India aspires to its rightful position as a global leader, the focus will be on Corporate India and on Indian markets. Corporate India has a key role in nation building and corporate governance and ethics is an integral part of the broader governance of the country.

This is true especially against the backdrop of the challenging health pandemic and geopolitical environment that has disconcerted the very business continuity of companies. Many companies continue to experience unprecedented vulnerabilities related to lockdowns, health issues of workers, travel restrictions, significant fluctuations in demand and supply chain disruptions. Under these trying circumstances, from building a culture where the company thrives, to redefining the company's purpose, to investing in re-training talent, to meeting the demands of an evolving business model, and re-thinking the company's people strategy; all are increasingly emerging as critical challenges for the board to sustain and strengthen long-term value creation.

**Recommendations**

It is important for companies to deliberate on the navigation through unpredictable events such as the spread of COVID-19 and they should continually review rapid action plans by the boards. While boards cannot predict when a crisis may occur; boards that prepare organizations to have the strategic, operational, and financial resilience to recover from any such emerging global / health / climate change / economic issues which challenge the very business continuity, will be better positioned to respond and minimize the risk of financial and business impact.

This year, some of the key issues that emerged as focus areas for the Board include (and in no particular order):

- Broadened perspectives of board responsibility, stewardship, and fiduciary duty;

- Continuity of strong corporate resilience; realignment of strategy and business restructuring; stronger collaboration between the board and management;

- Corporate Digital Responsibility (CDR) and Cyber Security, Frauds and Data privacy;

- ESG has emerged as one of the key governance differentiators in the COVID world. Sustainability and responsibility including reporting on financial and non-financial reporting is rightly catching up globally and India is keeping pace with the recently announced Business Responsibility and Sustainability Reporting for top 1000 listed companies mandated by SEBI; and

- Stakeholder management; strengthening the institution of Directors including Independent Directors; promoting diversity on boards; and re-establishing trust, integrity and ethical leadership continue to remain focal areas for corporates and Boards.

With its strong composure displayed over the last year, corporate India effectively battled the pandemic and has emerged as a resilient player in the global economy. As the pandemic is subdued, India Inc., will once again thread the path of robust growth with ethics and governance as the hallmarks.

**About the Expert**

***Chandrajit Banerjee (CB)*** *is the Director General of the Confederation of Indian Industry (CII). CII is India's apex industry organisation, proactively enhancing the competitiveness of Indian Industry. CB has been with the CII for over 33 years and has served as its Director General since 2008. In this post, he is responsible for the overall operations of CII. CB is a Member of a number of important Government Advisory Bodies at the National and State levels. As DG of CII, he is responsible for leading and contributing to many policy level dialogues and discussions to enhance the competitiveness of India Inc and towards the development of India.*

# AT AB InBev, WE DON'T JUST BREW RIGHT, WE BREWRIGHT

I began my journey with AB InBev 16 years ago, and one element that stood out to me was how deeply I connected with the company's purpose of Bringing People Together for a Better World.

Written by: Kartikeya Sharma, President, India & Southeast Asia, AB InBev

Building on our purpose, our commitment to India extends across shaping the country's alcobev industry, supporting communities through meaningful initiatives and building an equitable ecosystem. Our unwavering focus has always been to bring this mission to life through ethical leadership, transforming the industry reputation, and introducing industry-leading innovations that seek to address consumer choice in the ever-evolving external environment.
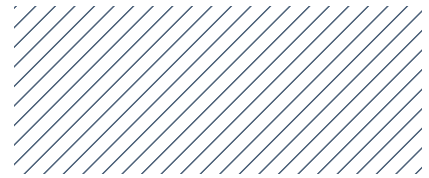
## Our Journey in Compliance

Compliance is at the heart of everything we do at AB InBev. We remain committed to the highest standards of ethics that are embedded across our business operations and serve as a foundation for building a company to last for the next 100+ years.

In 2016, with our integration with SABMiller, we had the opportunity to expand the existing compliance system across markets. We set a strong tone from the top and implemented a robust review mechanism while working with our partners to collaborate for better solutions. We introduced our award-winning software BrewRIGHT, which is now embedded across our operations in over 50 countries, powered by AI and machine learning that identifies patterns in everyday operations to predict and root out any potential corruption.

Last year was a crucial year for compliance, as the pandemic radically changed our interactions with communities, stakeholders, governments, and other organisations. Our biggest challenge was to closely monitor projections of risk without moving or travelling. We were in a much better position than a lot of other companies, thanks to BrewRIGHT. With access to data for many areas of critical risks, we were able to predict and prevent corruption, which helped our robust Ethics and Compliance team in designing and implementing numerous pandemic response initiatives for our teams.

## People-First Policies

The health and safety of our people are of paramount importance to us. With the backdrop of the pandemic, we started collecting sensitive private information from employees, such as temperature screenings and health questionnaires, to enable a safe transition back to the workplace. However, it is important to balance the need to provide a safe workplace with employee privacy. We want to ensure we comply with safety requirements while not capturing more data than necessary. The combination of financial and health threats makes people more vulnerable and creates opportunities for fraudsters. Data from Experian's Global Insights Report shows that 46 percent of businesses in India have seen an increase in fraud. COVID-19 undermines anti-fraud controls and procedures by keeping people physically apart from each other—which means

controls that previously relied on trust and interpersonal contact no longer work.

We recognized that a lot of colleagues are under mental pressure due to the pandemic and hence are more likely to panic and act irrationally. Our teams ensured that we addressed this proactively by making sure the necessary compliance structures were in place to acknowledge them. Our employees and business partners continue to be equipped with extensive online training in bribery and corruption risks, the importance of compliance with existing laws, and how to access our whistleblower line.

With working from home becoming the norm during the pandemic, data privacy and cybersecurity have been another key area of concern for companies. To ensure data safety and address data privacy issues while working remotely, we upgraded our IT infrastructure and undertook significant efforts in training our employees through continuous virtual workshops. In addition, we put in systems to ensure compliance with applicable laws and conducted privacy impact assessments of our business activities. BrewRIGHT continues to assist us in identifying potential frauds and protecting the interest of our employees. We introduced a wide range of measures to help protect our colleagues' mental and physical health, including extended medical insurance support to our employees and their families, with two times more coverage than before. With vaccination becoming the key arsenal in the fight against the dreaded virus, we are actively working with medical institutions and local authorities to get our employees vaccinated across our offices and breweries, setting up vaccination camps while ensuring complete adherence to the existing government guidelines.

### Reiterating our Commitment to our Communities

Understanding the more significant role and responsibility we have towards our stakeholders, we did extend our support to consumers, customers, and communities. Against the backdrop of compliance initiatives, we set out to support our stakeholders across the value chain. As a gesture of immense gratitude at the beginning of the pandemic last year, we equipped over 15 lakh frontline workers across Delhi, Maharashtra, Uttar Pradesh, Karnataka, Telangana, and Haryana with more than 250,000 bottles of hand sanitiser, 3750 PPE Kits and 25,000 FFP2 masks. We ensured our retail trade partners stayed protected while they served consumers and drove their business forward with adequate safety measures across off-premises channels.

The pandemic brought added stress on the farming community, too. Our on-the-ground teams created innovative solutions to ensure the procurement of agri-produce was not impacted and farmers received fair compensation when they needed it the most. We remained committed to pre-COVID prices, supported our partner farmers in logistics, drove digitisation, and ensured that our farmers were educated on hygiene practices to implement a safe and successful barley procurement season.

As we witnessed the surge in COVID-19 cases during the second wave this year, we extended our support to improve health infrastructure and provide essential aid across multiple states in the country, with 300+ oxygen concentrators, more than 8000 essential aid kits supporting 9000+ COVID-19 affected families, 500,000 masks, and 5000 test kits in over 50 villages across the country. Going a step further, we have also set up a COVID hospital bed capacity at a city hospital in Bengaluru that will house isolation wards for COVID-19 patients, ICU facilities for critical care, a built-in oxygen pipeline, OPD, and screening wards for testing.

Our efforts to support our communities during this fight against COVID would be incomplete if not extended to our consumers. The launch of the "Stronger Together" initiative by Budweiser India was a crucial step in extending the power of our social media platforms to consumers who needed help and resources. By tagging us on these social platforms using #CovidEmergency, we were able to amplify and take the emergency requests from our consumers to a broader audience and ensure they received the necessary support.

This initiative supplements our efforts from 2020, which include campaigns like "BudXHome" and "WhassupBud," to drive deeper consumer connections and be part of their lives, despite the pandemic. The "BudXHome" campaign, launched by Budweiser India in April 2020, was a live music streaming experience to bring together leading music artists to support at-risk nightlife workers amid the global pandemic. The "WhassupBud" campaign by Budweiser India, on the other hand, highlighted the importance of staying indoors by encouraging friends to check in on each other virtually and continue to celebrate their friendship, even while physically at a distance.

Over the past few months, we have shown time-and-time again that together we can remain connected and strive to shape a better world, even at a distance.

### Accelerating India's Development

As we collectively fight the pandemic, we aim to listen and assess the on-the-ground situation while keeping a close check on our employees' mental and physical health to further implement additional interventions in the best interest of our colleagues.

India holds a significant long-term growth potential due to the profound change in the beer-drinking culture with rising income, increasing purchasing power, higher brand consciousness, changing consumer preferences, and growing urbanisation. Even through the pandemic, we continued to develop the market on all fronts. One of the key highlights was the launch of our first brewpub, 7Rivers Brewing Co., at Taj M G Road, Bengaluru, in partnership with The Indian Hotels Company Limited. We also introduced our Hoegaarden 0.0 and Hoegaarden Rosée non-alcohol beers to offer our consumers the choice to enjoy beer freely and responsibly.

### Brewed the Right Way

As mentioned earlier, the pandemic has certainly accelerated the need to ensure our business operations are immersed in the high standards of ethics that are of paramount importance to us. At AB InBev, our Code of business conduct, together with our strong foundation of ethics and compliance, is deeply rooted in our operations to build value for all our stakeholders.

Personally, I believe that we all have the power to do the right thing, whether we are an individual or part of an organisation. It is all about making that decision and sticking by it.

### About the Expert

*Kartikeya Sharma started his journey with Anheuser Busch InBev in 2005 and currently heads both the India and South East Asia Business for the company. Kartikeya has held various key positions within the company including Business Development for new markets – East and West Africa based out of Leuven, Belgium, Brand Manager – Global & Local Portfolios here in India, Vice President Marketing for South Asia and Vice President Sales here in India. With over 15 years of experience in marketing, sales and business development, Kartikeya has led business development in Africa, Brand management of Corona at Labatt Breweries in Canada. Kartikeya was also part of the team that set up the India business via a Joint Venture, where he managed both Marketing and Trade Marketing.*

## ZOOM ON BUSINESS SURVIVAL AND THE FUTURE OF WORK

Aparna Bawa, Chief Operating Officer & Interim Chief Legal Officer, Zoom spoke to Morrison & Foerster on a number of topics, including how culture can impact the future of work.

Written by: Ethisphere

As companies pivoted to the virtual setting, Zoom has continued to lead the way in connecting business leaders, educators, and others via its platform. At the 2021 Global Ethics Summit, Aparna Bawa, Chief Operating Officer & Interim Chief Legal Officer, Zoom; and Tessa J. Schwartz, Managing Partner, Morrison & Foerster discussed Zoom's shifting business model, strategies, and how to deal with radical changes in the business landscape.

Tessa Schwartz: During the last year or so there's been pretty significant shifts in your business model. Can you talk a little bit about the shifting business model, your strategy and how to deal with radical changes in the business?

**Aparna Bawa:**

The last year has been a year of action for Zoom and a lot of change. When Eric Yuan, our CEO founded the company, it was with the intention of squarely being a workplace collaboration solution. A service solution, a cure for making employees in workplaces much more productive, enabling them to get a lot of fulfillment out of their collaborative experiences in the workplace. And we were largely focused on businesses and enterprises. Fast forward to the end of 2019, and we had around 10 million daily meeting participants, on average, exiting December 2019.

By the time the pandemic had hit in full swing (in April), we were at 300 million daily meeting participants, by any stretch of the imagination, that is incredible growth. And what I am most proud of at the company frankly, is, it just worked and the architecture scaled.

*Listen to the full conversation from the 2021 Global Ethics Summit on the Knowledge Center*

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## About the Expert

*Aparna Bawa is Chief Operating Officer & Chief Legal Officer, Zoom. Aparna brings to Zoom an expertise in building operations and infrastructure for rapidly growing technology companies. She serves as our Chief Operating Officer. Prior to this, she was our Chief Legal Officer. Most recently before Zoom, she was SVP, General Counsel for Magento Commerce, which was acquired by Adobe in 2018. Prior to Magento, Aparna was the VP, General Counsel for Nimble Storage (NYSE: NMBL); she was instrumental in Nimble's initial public offering in 2013. Later, she led Nimble's sale to Hewlett Packard Enterprise in 2017. Learn more: https:// zoom.us/team*

# GLOBAL ETHICS SUMMIT REPLAY: MEASURING CULTURE



**GLOBAL ETHICS SUMMIT**

Culture is often defined as "the way we do things around here," but to us, ethical culture is about whether employees know the way to do things—and whether they will ask questions when they need help. For the last several years we've been measuring ethical culture, and in this session, Erica Salmon Byrne, EVP, Ethisphere, discusses what we see in our global data set and how you can use this data to effectuate real change. This video is a short clip from the full session at Ethisphere's 2021 Global Ethics Summit event.

Watch the session **Measuring Ethical Culture at the 2021 Global Ethics Summit: Part One.**

**Watch Now**

**Download the Culture Recap**

# PFIZER: OUT OF CRISIS COMES OPPORTUNITY

10 Steps to suring up your compliance practices to manage risk and improve compliance in a post-pandemic world.

Written by: Sandeep Seth, Director, Corporate Compliance, Pfizer India

As organizations start bringing their workforce back to the office, many will be deeply focused on "making up" for the downturn in revenue and output. As a result of this recalibration, some may feel pressured to cut corners, which heightens the risk of unethical practices.
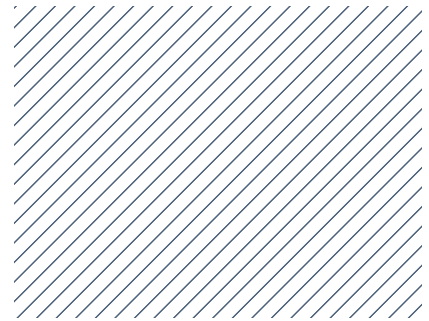
The COVID-19 pandemic has driven organizations to alter their business, supply chain and demand models and even adopt new emerging online methods of working. This has changed the risk profile for most businesses. Owing to the changing dynamics, organizations and leaders must be actively involved, understand, identify, and mitigate emerging risks by enhancing their compliance program. This is the true test of compliance and ethical leadership.

**Evolving Risks**

Businesses have had to reset their priorities. During this period there are high chances of overlooking the various elements of compliance program in the organization in the wake of dealing with emergency and unique situations. Presently, organizations are dealing with various newer risks and challenges including:

- Staff Shortages including compliance teams;

- Easing controls to deal with the COVID-19 situation;

- Dealing with third party with lower control/due diligence to meet changing demand or model;

- Change of culture, working habits;

- Increase in work from home – Challenges of background check verifications; and

- Data security and confidentiality due to high reliance on on-line working.

Apart from these operational and program-related challenges, there has been a visibly sharp increase in newer types of unethical practices misusing COVID-related situations. As reported by various reputed regulatory agency in the world there has been a significant number of complaints of such scams, including:

**Imposter Scams**: This consists of sending fake emails as being from the Government Disease Control Department or Health Organization encouraging the recipient

> *Businesses have been forced to reset their priorities, and of course first and foremost is the health and safety of their colleagues.*

to download malware or provide any sensitive information.

**Treatment or testing scam**: Scammers trying to sell fake cures or unproven treatments that allegedly prevent, detect, or cure COVID-19. Thus, taking advantage of a vulnerable population.

**Relief Payment Scams**: Scammers are trying to obtain personal and banking information falsely claiming to be part of the Government Relief Program.

**Phishing scams**: Using hoax emails to target individuals and organizations.

Agencies are continuously providing various tips and alerts to inform individuals and organizations as to how they can guard against such scams. Some agencies issued notices about the measures it would take against these scams and described procedures being instituted to help combat fraud involving the pandemic.

Leaders and compliance officials in every organization must be aware of these risks and make all efforts to implement tips, measures and procedures suggested by various agencies.

**Addressing compliance risks ...all the time**

The pandemic is also an opportunity to evaluate our compliance program's resilience and ability to deal with evolving and emerging risks in the organization. Compliance programs must be assessed, tested, and enhanced periodically to meet the changing business and risk environment, otherwise it would just be a paper or static compliance program.

The following _ten elements_ pertaining to design, implementation, and practice of a compliance program would be useful to consider for the organization to mitigate emerging risks and strengthen the compliance program:

1. **Review existing controls and risk assessments:** It is advisable to assess and ensure the current compliance controls to adequately manage new risks posed by the pandemic. It is advisable to conduct revised risk assessments and re-evaluate risk rating and mitigation plans. There is a possibility that a few of the newer and emerging risks have moved up in the risk rating.

2. **Evaluate suspension of compliance exception (if any)**, which would have been taken during the pandemic emergency. Make a reasonable exception policy to deal with such situations in the future and keep an emphasis on the "zero tolerance" policy for unethical practices.

3. T**one at the Top:** The board and management should clearly and frequently re-emphasize the organization's commitment to ethics and compliance during the crisis. It is advisable that managers at all levels reiterate important compliance policies that need to be adhered to.

4. **Consider novel approach for innovative and effective compliance training:** During this time of crisis, compliance training should use interesting and engaging methods and modes including case study, role play, videos, and others. The overall approach of training and communication should be a positive reiteration enhancing positive energy in these testing times. It should also cover how to deal with specific issues or situations related to the business process during the pandemic.

5. **Issue regular reminders, alerts, and guidance** on the emerging risks and specific COVID-related risks. Companies can consider rolling out an FAQ document to address most common queries related to the business process changes due to COVID-19.

6. **Review company policies related to work- from-home** and associated compliance risks. Assess risks related to data confidentiality and security (e.g., access rights, authentication, communication & storage of confidential information), insider trading, privacy, business continuity and record management. Make sure that the appropriate approval process is in place for all significant decisions despite the remote work environment.

7. **Conduct periodic testing** of critical controls pertaining to high compliance risk areas however testing protocols can be adjusted in line with the COVID-19 situation. Companies considering tools such as online/ digital reviews replacing physical verifications must make sure that they engage with reputed and reliable vendors in this situation who can address the risks despite adopting alternative protocols.

8. **Keep more focus on third parties and vendors** to make sure they provide satisfactory services during this crisis period in terms of their commitments to follow policies and mitigate risk without lowering guards. Current working conditions can compromise normal monitoring procedures, which increases the likelihood that employees and third parties could behave in a non-compliant manner.

9. **Monitor the notices** from various regulatory bodies and authorities and appropriately cascade alerts, latest guidance, tips, and emerging corporate fraud risk areas alarmed by them. It is important that each colleague in the organization remains vigilant against any action by fraudsters and other bad actors to take advantage of the pandemic.

10. **Re-emphasize the organization's Code of Conduct and values. Reiterate commitment to these values** as pandemic-proof and requiring no adjustments. Organizations should be responsive to misconduct and non-compliance in a similar manner, no matter what challenges or crisis they face. Compliance function should remind managers to watch for red flags and to promptly report concerns.

It is true that every organization tends to adopt flexibility and adapts to sudden industry and market movements while changing their strategic vision. However, this should be done carefully, upholding ethical and compliant principles. While we know that business and health risks are of primary concern right now, effective compliance programs continue to be essential to an organization's success—even more so during and post this pandemic and economic crisis, evaluating, and fine tuning our compliance programs to mitigate these emerging risks is the need of the hour.

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**About the Expert**

***Sandeep Seth*** *leads the Compliance function at Pfizer in India. He is part of the company's Executive Leadership Team and provides strategic compliance direction to Pfizer India operations. He is responsible for overall compliance strategy, framework and implementation of Compliance programs & initiatives.*

# 2021 VACCINATION COMPLIANCE SURVEY RESULTS – INDIA
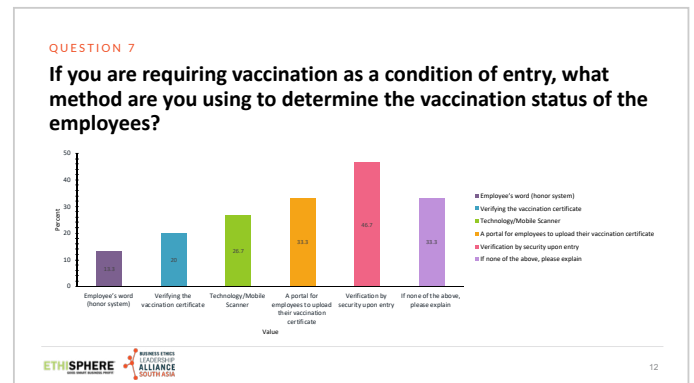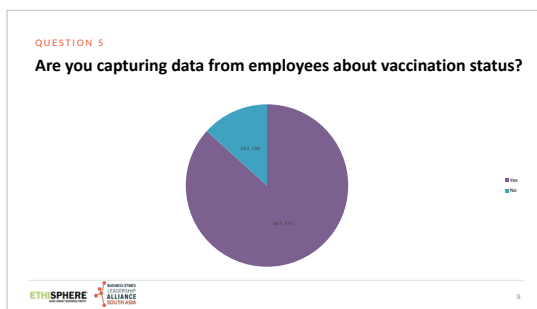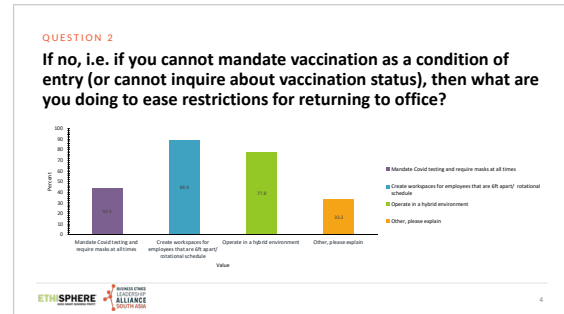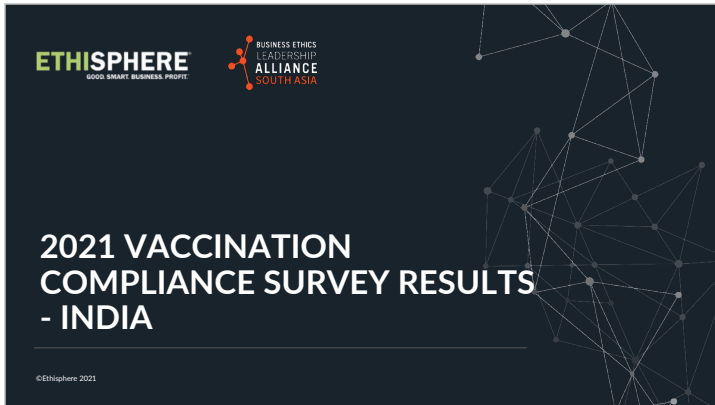


A key topic is determining the importance of vaccinations for people who are returning to work. Even as vaccine stocks improve across India, vaccines remain in short supply, logistics of administering these remain challenging, and vaccine hesitancy is a real issue.

These factors may make it hard to ensure that the workforce is 100% vaccinated, creating health risks within the workplace. Following the launch of our survey, we have pulled together the findings from across the BELA South Asia community, and it's ready for your use.

You may use this PDF of findings on the BELA South Asia hub in your presentations and other materials. Need the PowerPoint file? Contact aarti.maharaj@ethisphere.com

**BELA South Asia hub**

## DIAGEO INDIA: COMPLIANCE MUST HAVE A SEAT AT THE TABLE

As businesses continue to bring about rapid changes forced by the pandemic, the need of the hour is for compliance teams to proactively engage with the business and ensure that they adapt quickly for the new challenge.

Written by: Chandramohan Ramanathan, Vice President, Controls, Compliance, and Ethics, Diageo India

As the COVID-19 pandemic put the world in a tailspin in early 2020, organisations had to move quickly to ensure business continuity. At this time, organisations undertook rapid technology adoption and rewired their business processes to better fit with the new normal. Where some industries faced temporary closures, others saw employees moving to work-from-home, which resulted in meetings and documentation becoming virtual.
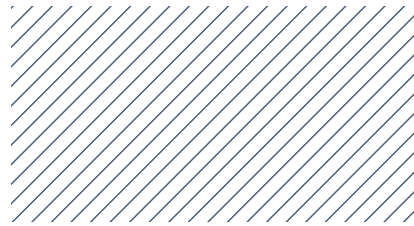
While health and safety was the top priority, compliance teams too needed to be on board with the changes that were underway within the organisation and the ecosystem. Seeing the changes in the environment, not just related to business models and technology adoption, but also regulatory changes, compliance teams had to be on their toes to pre-empt and manage risk, either internally by modifying polices and processes or externally by engaging with the regulators.

**Building a Positive Compliance Culture**

It is our firm belief that compliance is the bedrock of a sound business. This requires an organisation to follow strict standards of governance and transparency, based on the compliance expectations of the industry—from money laundering, bribery and corruption, gifting, and entertainment, to sexual harassment and even communication. **In fact, a whitepaper by Globalscape put the cost of non-compliance at 2.71 times higher than the cost of setting up a compliance culture in an organisation.**

As businesses continue to bring about rapid changes forced by the pandemic, the need of the hour is for compliance teams to proactively engage with the business and ensure that they adapt quickly for the new challenge.

At Diageo India, we place great emphasis on compliance, and hence we were in a better place to evolve as the pandemic-led change began to unfold. We introduced some new compliance initiatives and revisited several others that were not only innovative but also set benchmarks within the industry.

One such initiative is our **Business Integrity Clinic**. Under this program, the compliance team proactively reaches out to employees to listen to their queries and issues. Besides conversations related to the compliance domain, the team listens to employees share just about anything related to the changed work environment and added pressures, with the promise to sort things out within 24 hours. The initiative has been extremely well received and appreciated across the board.

Working with diverse teams, we ensure that compliance is hardwired into the

psyche of all who are even remotely a part of our organization. This has helped us create and nurture the right attitude and behavior across all segments of our workforce. As we entrust our reputation to them, we expect that they act in the best interests of not only Diageo but also of society.

Also, for the work-from-home staff, as face-to-face connections are no longer possible, the team has **integrated technology into virtual trainings** to keep our employees abreast of our company's compliance policies. Engaging and eye-catching presentations and trainings on the right ways to communicate in the social media environment and the acceptable professional norm while being on video for work have been shared with the employees. In fact, this initiative has been so well received across Diageo globally that the efforts of the compliance team in India received internal recognition.

An integral part of the compliance agenda is the **Prevention of Sexual Harassment program**, also known as POSH. While this initiative has already been in place, we have updated the training module to include acceptable and unacceptable practices in virtual meetings, Zoom calls, interacting on messaging, and social media. This has helped guide employees on what constitutes sexual harassment in the evolved workplace scenario and how to file a complaint.

As much as we believe that ethical leadership strengthens the team and business, we do not necessarily follow just a top-down approach when it comes to compliance. Even though a good leader is crucial in creating the right atmosphere for the team, every member of the team is eventually responsible for making compliance a success.

Our initiative "**Path to Pride**" has been launched with the objective of enabling middle management to take the lead in reaching out to the grassroots level in the organization. Multiple programs have been launched under this to empower middle management to talk about compliance.

Moving one step ahead is our **Business Integrity Ambassador** initiative. Here we create opportunities for our blue-collar employees to reach out to build their capability in compliance. Under this initiative, the blue-collar workforce imparts training to their white-collar counterparts, giving them a chance to lead and share the stage with their executives. This initiative too has been appreciated by everyone. Today, we have 50+ **Compliance Ambassadors** spread across all locations to reach across the organization in every zone. The reach of a local ambassador helped establish a better connection across the workforce, as there was more engagement and ownership.

The journey over the last 18 months has not been an easy one, and the path forward will also be full of numerous challenges. However, compliance is a dynamic process that must support business decisions in real time and help organizations better understand and consequently mitigate risk to successfully navigate this crisis.

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### 🏆 Recognition

**Diageo India's BELA Impact Award**

The 2021 BELA Impact Awards was established to honor BELA member companies and individuals who have shared a unique level of immersion and vision to advance community engagement, growth, and transformation. Among this year's recipients, Diageo was named, "Global Vanguards", which is designed to recognize BELA member companies showing exemplary leadership in expanding the reach of BELA and advancing our mission to meet the needs of a global compliance and ethics community. At the center of driving this mission in India are: Chandramohan Ramanathan, Vice President, Controls, Compliance, and Ethics; and Ms. Abanti Sankaranarayanan, Chief Strategy and Corporate Affairs Officer, Diageo India.

Watch the congratulatory video: https://youtu.be/2vIrnIVd8EU

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### 📊 Diageo India: Leadership Masterclass



" Treat yourself as you would treat a best friend. If your best friend came to you and complained about their life problems, what would you say to them? That's what you should say to yourself. "

**Mamta Sundara**
General Counsel, Diageo India

Diageo India General Counsel, Mamta Sundara, shares her ideas on building positivity at the workplace and beyond by having the right attitude towards oneself and others. She focuses on reinforcing an aspiring and helpful narrative especially during tough times.

***Source:*** *Diageo India LinkedIn*

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### About the Expert

*C. Ramanathan joined Diageo India in January 2008. He has over 20 years of experience in the field of finance across various verticals, which include plant finance head, commercial finance business partner, planner, and controller. In his current role, he is responsible for delivery of SOX and IFC requirements and focuses on building a culture that can make Diageo one of the most trusted and respected consumer goods companies. With Diageo India's role as a Founding Member of the BELA South Asia Chapter, Ram has been supporting and directing the work of the BELA chapter since 2018.*

# SEEKING BUSINESS SUCCESS IN INDIA? FOSTER AN ETHICAL CULTURE

Over the past 19 months, India has faced the worst of the first and second waves of the pandemic. With the new hybrid work format here for now – and maybe to stay - businesses across India are seeking out new and innovative ways to keep corporate culture in check.

Erica Salmon Byrne, Chair, Business Ethics Leadership Alliance

Scratch the surface of most business scandals and you'll find unhealthy corporate cultures. Pick your story—Carlsberg India, PNB, Kingfisher Airlines, Volkswagen, Wells Fargo, Airbus—in all of these cases, serious business issues stemmed in part from a culture that was more focused on results than on doing the right thing.  Ironically, this focus only on business success at the expense of culture ultimately had massive costs for each company—financial, reputational, and cultural.
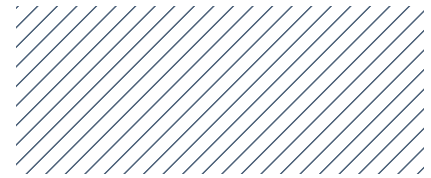
One of the keys to avoiding these kinds of harmful missteps is understanding your culture—its strengths and its weaknesses. This requires measurable data about culture, which can only be fully obtained through a standalone, dedicated ethical culture survey. In a recent poll taken at a BELA South Asia roundtable in April, about 49% of leaders shared that questions on culture are frequently added to annual engagement surveys. With this in mind, one of the questions I often hear from companies I work with is, "Why can't I just put a few ethics questions on my employee engagement survey?" Here's what I tell them.

- **You won't get enough data about ethical culture.** A few questions tacked on to an engagement survey—realistically, I've never seen more than five or six questions—aren't going to give you close to enough information to understand what's happening across the business. To fully understand how your employees, feel about your organization, you need questions about a variety of culture-related topics.

- **The data could be unreliable.** Based on where questions about ethical culture are placed in an engagement survey, results can be colored by how employees feel about other topics. If culture questions are near questions about compensation, for example, employees' responses to the culture questions might be influenced by they feel about that unrelated topic.

- **A dedicated survey shows that ethics matter to the company.** By taking the time and resources to implement a dedicated ethical culture survey, organizations send the message that ethics and compliance matter and warrant attention from employees.

Having a reliable, comprehensive data set about ethical culture has real benefits, too. With a dedicated ethical culture survey, you can:

- **Get a more detailed view of your culture.** A standalone survey yields insights into a variety of topics related to ethical culture. Are your managers communicating with their direct reports about ethics? Do employees fear retaliation for speaking up? A standalone ethical culture survey can yield data about all of these topics and more. It also creates possibilities

*A standalone culture survey provides you with an in-depth look at your organization's ethical culture, with a full data set that you can work with overtime to improve your program.*

for data correlation, as you can cross-reference data from several questions to gain more insights.

- **Pinpoint trouble spots.** In every organization, culture can vary based on location, business unit, or any number of other factors. Running an ethical culture survey with demographic identifiers can identify areas where ethical culture may not be as strong, so you can act to improve it.

- **Allocate resources effectively.** When you know where your challenges are, you can take specific action to address them efficiently. That might mean targeting ethics-related communications to certain populations or training specific groups of managers to understand their ethical responsibilities.

- **Track progress over time.** As you make targeted changes to improve your ethical culture, you can run a culture survey again to see whether your efforts have really moved the needle on how employees feel about your company's culture.

A standalone culture survey provides you with an in-depth look at your organization's ethical culture, with a full data set that you can work with over time to improve your program. It's not just a way to understand your culture today; rather, it helps you create an action plan for tomorrow. That is why it's no surprise that 74 percent of the companies in our 2021 World's Most Ethical Companies data set indicated they run such a standalone survey (83 percent include ethical culture questions in an engagement survey).

**Topics to Include in an Ethical Culture Survey**

It's important to include a broad array of topics in an ethical culture survey, so you can really understand how employees feel about all aspects of your organization's ethical culture. At Ethisphere, our surveys address the following eight themes (or "pillars"):

- **Awareness of Program and Resources:** Employees' reported level of familiarity with the assets and efforts of the compliance and ethics function.

- **Perceptions of the Function:** Employees' perceptions of the quality and effectiveness of the ethics function's efforts in providing communications, training, and support.

- **Observing and Reporting Misconduct:** How comfortable employees are with reporting perceived misconduct, their reasons for doing so, potential reporting barriers, and the preferred method for reporting.

- **Pressure:** The extent and source of pressure employees may be experiencing to compromise standards in order to achieve business goals.

- **Organizational Justice:** Employees' perceptions of whether the company holds wrongdoers accountable and the awareness of disciplinary actions taken.

- **Manager Perceptions:** Employees' view of their supervisor's conduct, the effectiveness of managers' communication around ethics and compliance, and employees' comfort in approaching their managers with concerns.

- **Perceptions of Leadership:** How employees view the conduct, values, and communications of senior leaders—also known as "tone at the top."

- **Perceptions of Peers and Environment:** Employees' perceptions of the ethical priorities of their coworkers, the values of their organization, and their willingness to share opinions.

And we're not the only ones who think that these topics are key to understanding ethical culture. The companies in our data set that run a standalone ethical culture survey are very likely to cover most, if not all, of these topics. The only topic not included by a large majority of those companies is how frequently managers discuss ethics-related issues—and even that was included by 57 percent of companies.

On the other hand, companies are much less likely to cover these topics in an engagement survey. At least three-quarters of companies who run engagement surveys do ask about opinions of leadership, opinions of managers, and employee perceptions of organizational justice. But just 64 percent included questions about willingness to report, and only a quarter asked about actual reporting. A paltry 16 percent asked about employee perceptions of training, and only 12 percent asked how often managers were talking about ethics and compliance issues. Asking questions about only a few aspects of ethical culture makes it much more difficult to build a comprehensive picture of how employees really feel about your company's culture.

As we learn more about the severe business consequences that cultural failures can have, it becomes clearer than ever that companies cannot afford to ignore their ethical culture. Gathering data through a dedicated culture survey is the only way to truly understand culture and track its development over time.

## 📊 Spotlight

**Ethical Culture Masterclass Series**

The Masterclass sessions are based on our own data set of 1.1+ million Ethical Culture survey responses, years of practice working hands-on with global ethics and compliance teams, and experiences from our Business Ethics Leadership Alliance (BELA) community. These three classes delve into ethical culture measurement, strategy, and enablement.

**VIEW THE SERIES**

### About the Expert

*Erica Salmon Byrne is the Executive Vice President for Ethisphere, where she has responsibility for the organization's data and services business and works with Ethisphere's community of clients to assess ethics and compliance programs and promote best practices across industries. Ms. Byrne also serves as the Chair of the Business Ethics Leadership Alliance; she works with the BELA community to advance the dialogue around ethics and governance, and deliver practical guidance to ethics and compliance practitioners around the globe. She may be reached at erica.salmonbyrne@ethisphere.com.*

# ETHISPHERE®
GOOD. SMART. BUSINESS. PROFIT.®

## FIVE-YEAR ETHICS PREMIUM: 7.1%

According to Ethisphere's Ethics Index, the listed 2021 World's Most Ethical Companies honorees outperformed a comparable index of large cap companies by 7.1 percentage points from January 2016 to January 2021.

● **2021 ETHICS INDEX**

● **LARGE CAP INDEX**

January 2016

January 2021

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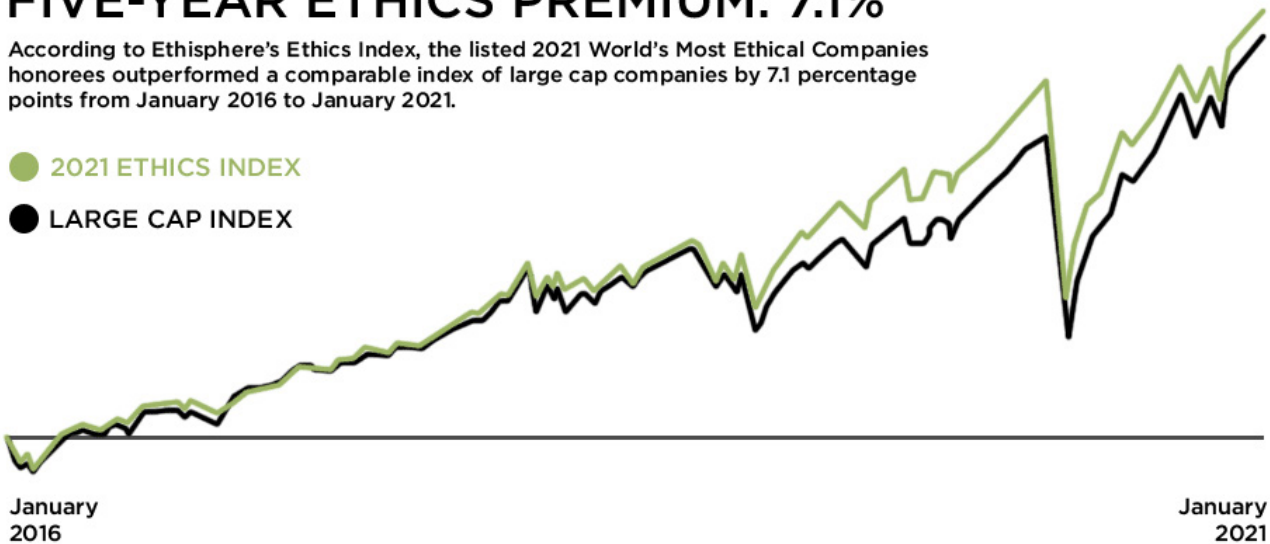
# BY THE NUMBERS

## The World's Most Ethical Companies® Edition 2021

Written by: Doug Allen, Managing Director, Data & Services, Ethisphere

Every year after we announce the World's Most Ethical Companies, I get the pleasure of diving back into our data and teasing out the trends that emerge as companies mature their ethics, compliance, sustainability, and diversity programs. Some years, the story is simply one of continued gradual change as more companies adopt best practices. Other years, we see significant shifts in organizational practices driven by consumers, regulators, or the overall environment. Unsurprisingly, this was a year of change.

As always, I get to tout the Ethics Premium, which is our term for the fact that the World's Most Ethical Companies ® honorees continue to outperform the market in the long term, by 7.1% over the last five years. Other trends are worth highlighting, too: ethics and compliance teams are getting greater access to their boards of directors; companies have put a new premium on clear policy communication in this year of upheaval and remote work; and ethics training and communications practices are evolving as companies learn to meet the needs of remote workforces who may not ever return in quite the same way to the office.

**Facts & Figures**

*Figure 1 – How often does the individual with responsibility for the ethics and compliance program conduct scheduled update presentations to the committee of the Board that oversees the program?*

- Regularly scheduled, twice per year — 10%
- Regularly scheduled, three times per year — 4%
- Regularly scheduled, quarterly — 48%
- Ad hoc only, as needed — 1%
- Regularly scheduled, annually — 5%
- Regularly scheduled, more often than quarterly — 32%
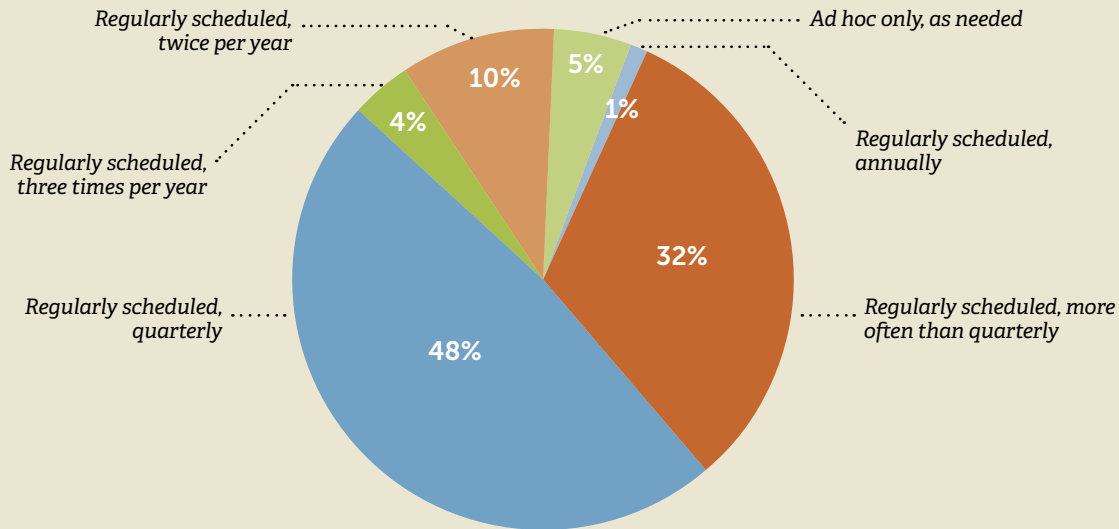
**Boardroom Access for Ethics**

For several years now, we've seen the ethics and compliance function get increasing access to the board of directors at honoree companies. Partly, we can attribute this shift to regulatory nudges—the June 2020 update to the U.S. Department of Justice's "Evaluation of Corporate Compliance Programs" explicitly discussed the role of board oversight, compliance access to the board of directors, and the kinds of information compliance provides to them as relevant questions for regulators.

- For the first time, this year we asked companies which functions a new director on the board meets with. Unsurprisingly, the most common responses among honoree companies were legal (96%) and finance (91%). However, ethics and compliance were the third-most common function to be part of new director onboarding, in 87% of honorees.

- Regular updates to either individual directors or board committees are now very much the norm. Most (79%) of honorees update the committee responsible for E&C program oversight at least quarterly, if not more frequently *[fig. 1]*.

- In addition to committee relationships, personal relationships with committee chairs are also key. Among honorees,

83% report that the person with overall responsibility for the program speaks regularly with the oversight committee chair, with 71% speaking before each board meeting, and 12% doing so monthly. Both of these numbers rose slightly from last year's data.

- Among the 40% of honorees who have a different person with day-to-day responsibility for the ethics and compliance program than the overall owner. Of those organizations, 70% have both individuals present to the board whenever an update is given.

**Focus on Effective Ethics and Policy Communications**

The sudden shift to social distancing last March necessitated a radical rethinking of communications strategies to reach the full workforce, either of frontline workers now at increased risk or white-collar jobs that had largely become remote. In this environment, clarify in every policy and communication became an absolute requirement, putting significant importance on one particular mechanism: a company's policy-on-policies.

- Companies are increasingly concerned about ensuring that key rules, documents and procedures are not just disseminated to employees, but effectively get their messages across. Less face time means fewer touch points to clarify. Because of that, 86% of

honoree organizations now have a "policy on policies" to standardize this aspect of communications. This is a significant jump from 78% of honorees last year.

- Companies have many goals with the policy on policies, including: 1) providing a standard template that must be followed for clarity (94%), 2) providing guidelines about when policies must be reviewed and updated so stagnant rules don't stay on the books (91%), and 3) providing guidance about consulting with affected business units (83%) and subject matter experts (81%) to ensure the right stakeholders have weighed in during drafting. *[fig. 2]*

- In our own reviews of policy, Ethisphere continues to see a need to review written standards and simplify the language used. Half (50%) of honorees include style and reading level guidance in their policy on policies.

**Training and Communications in Flux**

Of course, even as vaccines roll out and office life becomes possible again, it's become very clear that the pandemic has permanently altered employees' relationship with both working hours and in-person time, proving that companies can and should be more flexible with both and still succeed. Hybrid work is likely to become the norm, and more employees will report to managers they see in-person far less often, if ever.

## Facts & Figures

*Figure 2* – What guidance does your policy on policies provide to policy drafters?

| | |
|---|---|
| A standard template that policies must follow | 94% |
| A suggested writing style with target reading level | 50% |
| Suggested writing style with target active/passive voice | 35% |
| Guidance for cross-referencing other resources | 76% |
| Guidance on consulting with affected business pre-drafting | 83% |
| Guidance on consulting with SMEs during/prior drafting | 82% |
| Guidelines about when policies must be reviewed and updated | 91% |

## Facts & Figures

*Figure 3* – How has your company changed your practices around communicating policies to employees as a result of COVID-19?

| Communicating re: policies on more frequent basis | New comms modalities (video, blogs, etc.) | Manager have new materials for comm about policies | Comms from senior leaders about policies | We have not changed our practices | Other |
|---|---|---|---|---|---|
| 73% | 70% | 60% | 76% | 10% | 28% |

*Figure 4 – How does your company encourage or enforce completion of ethics- and compliance-related training?*

| Category | Percentage |
|---|---|
| Timely completion factored into performance feedback/eval | 40% |
| Training completion part of raise/bonus decision | 30% |
| Leaders held accountable for completion rates | 39% |
| Managers held accountable for completion rates | 48% |
| Direct reminder emails | 96% |
| Direct late notice emails | 93% |
| The company will terminate the employee's system access or company/business-related work tools if training is not completed | 31% |
| Other encouragement/enforcement | 74% |

leaders in this way may present new opportunities going forward. *[fig. 3]*

- Training completion presents an even greater challenge in a dispersed environment, which is one reason we saw increases in the percent of honoree organizations reporting various ways of encouraging or enforcing training completion. Among emerging practices, nearly a third (30%) now factor completion rates into raise or bonus decisions, and almost half (48%) hold managers accountable in compensation and performance reviews for their team's completion rates. *[fig. 4]*

- There was a large jump in the number of companies tracking how frequently written standards were accessed online, from 57% to 65% of honorees. These metrics can help gauge communications effectiveness.

As companies experiment to strike the right balance between in-person and remote work, we expect to see each of these trends continue to evolve over the next few years. We'll be watching closely to see what best practices start to emerge for communicating an ethical culture in a remote environment.

As always, we'll be sharing additional data in our Insights series over the coming months in webcasts and publications. Stay tuned for more best practices from the World's Most Ethical Companies.

**READ MORE**

### About the Expert

**Douglas Allen** *is Managing Director of Data & Services for Ethisphere, where he leads benchmarking, certification, and partnership efforts. Previously, Douglas spent six years with providing compliance- and ethics-related advisory services, including developing compliance and ethics risk assessments, codes of conduct, corporate policies and procedures, and communication and training curriculum plans.*

This long-term change makes trends in training and communications all the more important to watch, as significant changes to training modalities, timing, and structure will be necessary.

- Nine out of ten (90%) honorees reported making at least some changes to the way they communicate around ethics and policies as a result of COVID-19. Important shifts included more frequent communications (73%), new modalities (70%), and new materials distributed to

managers (60%) to better communicate to their direct reports in a remote or socially-distanced environment.

- One trend of note was that 77% of honorees reported leaning more on communications from senior leaders, with many of the most personable examples of home videos from CEOs getting positive outside attention. In a separate question, we found that 84% of honorees feature senior leaders telling personal stories in their ethics communications. Humanizing corporate

# FEATURED HONOREES FROM THE 2021 WORLD'S MOST ETHICAL COMPANIES®

**Kiran Mazumdar-Shaw**

**Lead Independent Director**
*Infosys Limited*

Software & Services

**Inderpreet Sawhney**

**Group General Counsel**
*Infosys Limited*

Software & Services

The organizations honored among the World's Most Ethical Companies have to be places where ethics aren't simply upheld by a single function. "The way I like to describe it," says Inderpreet Sawhney, Group General Counsel and Chief Compliance Officer for Infosys, "the compliance team defines the swim lanes, but everyone else is participating in the meet."

At Infosys, that makes for a pretty big race—the India-based international digital services and consulting company has 250,000 employees in 46 countries. The organization's lead independent director, Kiran Mazumdar-Shaw, emphasized that even as a global organization, Infosys still wants to impact the business climate at home. "In India, we've been trendsetters in compliance and good governance. We want to lead so that others can follow."

To make sure that the culture message resonates at scale, Sawhney says, her team has elevated partners across the organization to communicate constantly about ethics. "At our compliance week, we heard from delivery leadership, sales leadership, finance partners, our HR community, our CEO, our chairman...we have a partnership with everybody across the board."

That philosophy of building partnerships to reinforce culture also applies to diversity within the organization, something that both Sawhney and Mazumdar-Shaw understand intimately as female leaders in the male-dominated tech industry. "The diversity and inclusion agenda has a mandate from the board, with a board member focused on it," says Mazumdar-Shaw.

As Sawhney notes, diversity brings value from different perspectives. "All women are looking for a level playing field, right? Nobody wants favors. Every day, you come in and you'll get a fair shake." Both women also believe that a culture of ethics and a culture of inclusion go hand in hand, since both enable speaking up.

**Obed Louissaint**

**SVP, Transformation and Culture**
*International Business Machines Corporation (IBM)*

Information Technology Services

"Our connection to social justice is jobs," wrote IBM's SVP of Transformation and Culture Obed Louissaint in a recent LinkedIn post. He's repeating a sentiment that IBM's executives have voiced for several years, including in this magazine. The new economy requires, as Louissaint put it, "driving a diverse, equitable, and inclusive workforce with the right skills, and the right leadership pushing boundaries for growth." In its hiring, community outreach, and policy advocacy, IBM is pushing hard towards that new world.

That vision of flexible, "new collar" jobs is one of the reasons that IBM created Louissaint's position late last year. In his role, he's pulling "all of the talent levers that can drive cultural change." That means he's approaching diversity and inclusion by re-examining how the organization thinks about talent in the first place. "Where do we have requirements that we don't need? That's around degrees, but also around travel. You exclude individuals when you put requirements that are not necessary."

IBM has been pushing to reframe hiring around skills rather than degrees, especially bachelor's degrees, for several years. "One of our key initiatives is stepping away from the traditional view that we only hire individuals who have bachelor's degrees," says Louissaint. "Only a third of the workforce in the United States actually has a degree. We were cutting ourselves off from 67% of the population, and that 67% was highly diverse."

Download the 2021 World's Most Ethical Companies Issue: https://magazine.ethisphere.com/wme-2021/

# LEADERSHIP IMPERATIVES FOR ENGAGING EMPLOYEES

At the beginning of 2021, we modified some of our people policies to make them more inclusive to benefit all of our people equally. Our people with disabilities were also equipped to effectively work from home with the right technology and tools.

Written by: Rajeev Chopra, Managing Director – Legal, Accenture in India, and Head of Legal for Accenture Global Delivery Centres

The pandemic has disrupted the way we live and work at an unprecedented scale. When the pandemic unfolded last year, organizations across the world had to rapidly switch to remote working amidst the global health crisis. This massive workforce transition, enabled by digital technologies, also brought with it changes in workforce expectations, and all leaders need to recognize and be prepared to meet these.
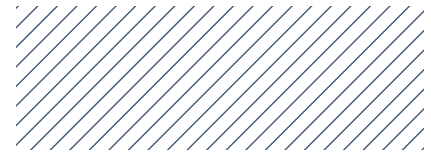
Last year, we researched what employees look for from their organizations and found that at a time when several usual freedoms are restricted, people fundamentally need to feel they are empowered to do what is necessary to keep themselves and their families safe and well. They need flexibility to work differently. Consecutive hours of uninterrupted work may not be feasible, as many people deal with disrupted elderly care and childcare, difficulties in securing essential supplies at home, and potential healthcare issues. Secondly, people need consistent, transparent, and clear communication from leadership at all levels. Finally, they need to feel that the organisation has a larger purpose that they can relate to and connect with.

At Accenture, we've made significant investments to provide our people with an environment that meets these needs and helps them thrive.

For example, at the beginning of last year, we developed a comprehensive range of tools and new programming to support and guide our people and keep them informed and connected during the pandemic. Our "More Together Now" program provided helpful advice, tips, and guidance to support our people in juggling work time and personal time in new ways. We focused on leveraging technology while creating more personalized solutions that put people at the centre and transform their overall experience.

To help our people who are parents and working from home, we hosted virtual summer camps that provide parents with resources to keep young children constructively engaged. We ensured that our people with disabilities were effectively enabled to work from home with the right technology and tools.

We also enhanced our existing wellness initiatives to help our people adapt to a disrupted work environment. In addition to a 24/7 employee assistance helpline, our virtual training sessions include resources for building mental resilience to help our people cope with the stress that could be created by physical distancing. We also expanded the use of an AI-enabled chatbot to provide mental health self-assistance techniques and access to mental wellness experts.

Through this crisis, we forged ahead with our intentional approach to equality. In 2020, Accenture accomplished its global

*Investing in learning and development has always been a focus, and we spendclose to USD 1 billion on training globally every year.*

commitment to growing the percentage of women Managing Directors at Accenture to 25 percent, which is a part of our overall commitment to have a 50:50 workforce by 2025. At the beginning of this year, we modified some of our people policies to make them more inclusive and benefit all our people, equally. Our new leave policies—such as maternal, paternal, adoption, and surrogacy leaves—focus on the importance of caregiving instead of gender and marital status.

When the devastating second wave of the pandemic struck in 2021, our teams rapidly mobilized several resources, including telemedicine services, testing support, care-at-home and quarantine services, enhanced insurance coverage, mental health support, and vaccinations to support our 200,000+ people and their families in India. Dedicated teams stayed in constant touch with our people and helped them when they or their dependents tested positive for COVID-19. We also introduced leave options for our people to take care of their family members who have tested positive.

Investing in learning and development has always been a focus, and we spend close to USD 1 billion on training globally every year. Skill-building initiatives have gained greater attention as the demand for digital skills increased throughout the pandemic, and we are providing our people with learning opportunities that are both immersive and personalized. One such learning initiative that we introduced was the Technology Quotient training to help make employees across roles, including those in non-core technology roles, conversant with new technologies like the cloud, AI, dev ops, agile, and blockchain.

Enabled by digitalization, industries are looking at a hybrid future of work, and it is essential that leaders be prepared for this future. Fostering a culture of trust and collaboration, caring for people's wellbeing, ensuring continuous learning, and driving equality will be key to engagement for the future, and leaders
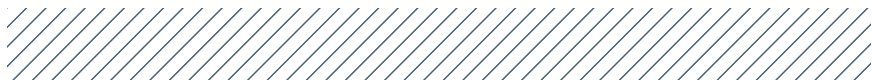
## 📊 Stats & Data

**Working to Accelerate Equality for All**

## Getting to equal

We believe the future workforce is an equal one and set bold goals to accelerate gender equality. Today, more than 250,000 women work at Accenture. Additionally, 45% of our board of directors and 27% of our global management committee are women.

**49%**
of new hires are women

**46%**
of our global workforce are women

**45%**
of our board of directors are women

**44%**
of promotions are women

**43%**
of revenue producing roles are held by women.

**30%**
of our executives are women.

**27%**
of our global management committee are women

**25%**
of managing directors are women

We know that the COVID-19 pandemic has had a massive impact on gender equality. Not only has it resulted in less income and less work for women, widening the gender gap when it comes to job security, it could actually extend the time to gender equality by 51 years – from 2120 to 2171.

Accenture Research collaborated with the W20 to produce, If Not Now, When? a report that details the unequal impact of COVID-19 on women, and the role that businesses and governments must now play for society to continue its progress towards gender equality.

***Source:*** *https://www.accenture.com/us-en/about/inclusion-diversity/gender-equality*

*In addition to a 24/7 employee assistance helpline, our virtual training sessions include resources for building mental resilience to help our people cope with the stress that could be created by physical distancing.*

## About the Expert

**Rajeev Chopra** *is Managing Director – Legal responsible for legal support to India, Philippines, Bangladesh, Sri Lanka and Global Delivery Centres. In this role, he leads a team that provides cross-domain expertise for various areas of law and risk mitigation including compliance, operations, regulation and ethics for each of these markets, and has also led several complex organizational restructuring projects. Recent accolades include:*

- *Business World top 100 GCs of India in 2021*

- *Legal Era's General Counsel of the year – South East Asia region in 2021*

- *Legal Era as "Inhouse Legal team of the year – Innovation, Strategies and Continuous Growth" in 2021*

- *Biz Integration in association with SILF for "Outstanding Performance of the year" in 2020.*

# TATA STEEL ON PROMOTING ETHICS DURING THE PANDEMIC AND CHALLENGES

In this article, the Tata Steel's ethics team outlines the new challenges posed for the ethics and compliance function due to the ongoing pandemic and aligning the company's deployment strategy.

Written by: Soni, Shalini Sulakshana, and Ammi Kumari, Ethics Team, Tata Steel

Tata Steel's reputation is built on the strong foundation of Tata Values and the Tata Code of Conduct (TCoC), and this is what guides us during any crisis. The COVID-19 pandemic disrupted our lives at every level. These were the most difficult times in memory for many across the organisation. People were perpetually in crisis management mode, facing new challenges, technology and market disruptions, safety concerns, etc. There were multiple challenges being faced by the organisation to keep business operations running during these tough times. There was a paradigm shift in the way we were operating, with most employees working from their homes, rapid digitalisation, multiple changes/modification in the standard operating procedures (SOPs) to address the exceptional situations, new safety guidelines and protocols to combat COVID-19, etc.

## Introduction

Corporations came under enormous strain in 2020. One primary source of that strain was the pandemic, but a more destructive aspect was the Pandora's box of other risks that the pandemic opened: cybersecurity, supply chain, health and safety, financial fraud, third party risk, and regulatory compliance as well. The challenges and risks posed by the business environment call for reshaping the way organisations manage the ethics and compliance function.

At Tata Steel, during any crisis, we have remained guided by our fundamental values that are about caring for our people, stakeholders, and our community and treating them with respect and dignity. We realised that while core values and principles prevails as it is, there was a need to realign the management of business ethics with the current challenges to achieve business continuity. Ethical decision making and leadership with trust have always been our core strengths, and in order to facilitate the same during testing times, we reassessed our promotion strategies and identified our strengths and areas of vulnerability. Some of our key challenges were:

- A mixed work environment, where some people were working from home and others were coming to the plant daily. Both groups had their own sets of challenges and concerns.

- A larger group of contract employees who were not technology savvy, and hence reaching out to them was a challenge.

- During the lockdown period, there was a change in our third-party helpline services and our policies on anti-bribery and anti-corruption, anti money laundering were introduced.

- People were depressed, fearful, and exhausted, as all were directly or indirectly impacted by COVID.

To address these challenges, we reprioritised our strategies and focused on the basics:

**Connecting with people & uplifting their morale:** People were anxious and stressed out, struggling to balance the demands of remote working and the home front. All of us have seen how stress can alter behaviour, but a little assurance, compassionate listening, and a conscious effort to understand people's fear and

confusion go a long way in rebuilding people's morale and transforming the remote workplace. We realised the importance of staying connected with our different stakeholders, talking to them, listening to their concerns, and uplifting their spirits. We used multiple communication channels, such as virtual meeting platforms like MS Teams, short communication videos through group chats, web-based training modules, and in-person sessions about maintaining COVID protocols for people on the shop floor.

Every year, we celebrate July as Ethics Month at Tata Steel in remembrance of JRD Tata. The theme for the Annual Ethics Month celebration in the last two years (during the pandemic) has been "Responsible ME, Responsible We" and "Resilience with Empathy and Kindness," which focused on supporting each other, behaving responsibly, being tolerant and patient, and helping people heal and return to normalcy. This message was spread around the organisation and across the stakeholder groups by engaging senior leadership in virtual town halls and roundtable sessions with employees and business associates and launching communication campaigns on relevant subjects associated with the theme with snippet stories, video bites on leadership messages, posters, etc.

Multiple contests, initiatives, and sessions were designed to keep the interest of different stakeholder groups, such as training sessions on a respectful workplace and building a resilient organisation, debates, photography contests, stories on resilience and ethics, a team video challenge, etc. These kinds of programs garner more attention than the regular awareness sessions, keep the enthusiasm of the people, and help them understand the underlying message far more deeply. The communication on the theme and the contests were done via internal newsletters, intranet, ethics microsite, and Yammer.

Knowing that most employees were working out of their homes and there was a need to engage with the families, the activities and contests were designed for the employees' families too, such as poster, essay, and poem competition. In order to promote positivity among employees and help them break free from the mundane workplace routine, an online musical evening was organised with participation from employees across the organisation.

**Revisiting our communication strategy:** With people suffering from online fatigue and an overdose of communication from HR, safety, and procurement, it was important for us to revisit our communication strategy, which was largely based on classroom sessions and web-based modules and focused on covering the entire stakeholder base. We moved from a push-based approach to more of a pull-based and customised approach. The content was modified to build in business needs and issues, with case studies relevant to the function. From long classroom sessions, we moved to short subject/policy-based modules that were widely communicated through various modes such as WhatsApp messages, departmental morning meetings, and mass meetings.

**Introducing policies and guidelines to address the risks associated with the changed workplace:** While remote working led to our work-from-home policy being exercised based on trust, the changed scenario also posed new risk and dilemmas, such as sexual harassment during online meetings, emergency procurements leading to process lapses, violations of COVID guidelines leading to health risks, etc. With people largely confined to their homes during lockdowns, more and more people pursued their hobbies and interests, and their participation on social media increased. Hence, it was important to communicate and clarify policy and guidelines related to employees' engagement in areas of their personal interest other than their professional work (potential conflict of interest), social media guidelines, and the do's and don'ts of POSH in a work-from-home environment. Since reaching out in person became restricted, to help people connect with us to resolve their dilemmas, an online portal for dilemma resolution called "Kashmakash" was launched. The portal enabled any employee to post their dilemma directly to the ethics team for resolution, with the option of remaining anonymous. The online portal is a tool that enables the employee to make ethical decisions and mitigate potential risks of ethical violations. These dilemmas, along with their clarification, are later published as FAQs for general viewing.

Online surveys and assessments to understand the pulse of the organisation: Surveys and assessments are important tools to measure the effectiveness of the deployment strategy. During the pandemic, in order to understand the issues and concerns, we launched the online MBE (Management of Business Ethics) survey for employees and vendors and carried out pulse surveys during the various roundtable sessions. We used these inputs to customise our communication plan and reprioritise our strategies.

Tata Steel has developed an in-house MBE assessment process to gauge the level of deployment of MBE at workplace. As per the process, a group of assessors carry out site visits, interact with people, and accordingly evaluate the MBE deployment maturity of the departments. It was first launched in FY17, and since then there have been three cycles of assessments. During FY21, as the lockdown happened, we not only converted the site-based approach to an online mode of assessment, but the questionnaire too underwent changes to complement the change in mode and simplify the process.

Leveraging the support of our ethics coordinators and champions (part-time representatives from the line function): The ethics co-ordinators and the ethics champions are part of Organisation of Ethics Co-ordinators (OEC) fraternity. To achieve our objective of an ethical and compliant culture company-wide, we need to collaborate with our OEC fraternity members, who help us deploy the initiatives on the shop floor. We leveraged this network to help us communicate with people across locations and levels. With restricted travel and shop floor movement, they were the bridge connecting us to people across all locations, communicating the concerns and issues being faced by people on the ground and helping us understand business challenges. This helped us customise the content of our training and communication and design our programs accordingly.

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*View the complete article on Ethisphere Magazine website.*

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## About the Experts

**Ms. Soni** serves as Chief Ethics Counsellor at Tata Steel Limited. She has over 24 years of experience. She is a Chemical Engineer and holds an Executive Diploma in General Management, specializing in Operations and Finance, from XLRI.

**Ms. Shalini Sulakshana** is Head of Corporate Ethics at Tata Steel and TIS Group Companies at Tata Steel. She holds a Bachelor of Engineering in Electronics and Communications Engineering from the Birla Institute of Technology, Ranchi, India. She has more than 20 years of experience with Tata Steel.

**Ammi Kumari** currently serves as Manager, Corporate Ethics, at Tata Steel. She has seven years of experience spanning from Communications, to HR, to Business Ethics.

# EY: THE FUTURE OF ETHICS AND COMPLIANCE WITH MANAGED SERVICES

Global compliance, legal, and ethics functions are faced with a continuously changing and volatile business landscape. A managed services model can be one of the keys to success to power through the disruptive forces brought on by the pandemic.

Written by: Arpinder Singh, Global Markets and India Leader, Forensic & Integrity Services, EY, and Amit Rahane, Partner, Forensic & Integrity Services, EY

The uncertainties posed by the pandemic have led organisations to rethink their business models. Global compliance, legal, and ethics teams are at the crossroads of a transformative journey today as they strive to balance managing a rapidly changing regulatory environment while stabilizing costs. These functions are expected to transition into more value-based and strategic roles, while maintaining agility and efficiency and addressing the escalating risk of fraud, non-compliance, and misconduct.
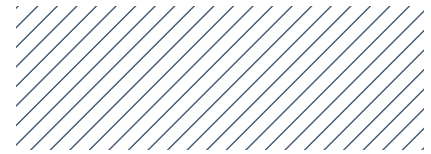
## Rising Challenges for Compliance and Ethics Teams

Global organisations are facing intense market, regulatory, and macroeconomic constraints. The focus on operational efficiency, quality, and cost has increased, with many companies grappling with diminishing revenue and capital. Compliance, legal, and ethics functions are not completely resistant to rapidly increasing costs and tend to opt for implementing manual reviews and traditional approach for controls. This can be an onerous exercise, leaving little time to address other important areas or even keep up with industry trends.

Additionally, many organisations can have processes that may buckle under the pressure of having under-invested in legacy systems as they migrate to universally applicable systems. New advancements such as machine learning and artificial intelligence have the ability to transform compliance, risk, and integrity frameworks, but building in-house capabilities can be slow and unviable, with costs being a deterrent. Another challenge is the availability of resources present locally with the appropriate skillsets and subject matter expertise. Companies would typically have to retain large teams to manage the entire gamut of compliance, legal, and ethics requirements—from internal investigations, to running data analytics to spot suspicious patterns, document reviews in litigation scenarios, and other processes. The roles and responsibilities are widening in scope, and internal control testing would be required to cover all aspects of the compliance and ethics function within an organisation.

The business environment in a post-pandemic world will become increasingly complex. Dealing with the trials of today as well as the roadblocks of tomorrow can be a formidable task. More and more organisations are exploring managed services as a model to transform their compliance and ethics functions and overcome these challenges.

## Managed Services: A Game-Changer for Compliance and Ethics

Many large companies are already looking to centralize the compliance and ethics functions within their global capability centres to address global regulatory requirements. They are turning to managed services, a differentiated service delivery model that integrates

specific organisational functions with an external specialist that is a strategic partner. This is unlike a traditional third-party consulting model where business support is provided on a one-off or ad hoc basis. The aim here is to solidify the relationship between the organisation and external specialists for improved synergies, uniformity, and receptiveness. Longer-term relationships tend to bring greater value and economies and help the company retain focus on core revenue-generating areas. The competencies gained through a managed services model can also help in building a collaborative centre of excellence within their own system.

Integrating compliance and ethics functions can enable organisations to meet regulatory expectations, optimize budgets, and absorb any variabilities that may arise. Any cost savings or unspent funds can further get channelled to other areas or functions that may need attention. Through flexible pricing models and the ability to scale up or down based on business needs, managed services can help control costs without impacting risk management effectiveness. As a collaborative model, it can also enhance the quality of work, when compared to a traditional business model with a third-party arrangement. For example, onboarding a new consultant for different services can be a cumbersome task, and the time spent could be utilized better to engage with the current managed services partner in discussing sharper delivery through a broader set of value-added services. Other benefits include consistency in performance and improved coordination because of the familiarity with the business and history of compliance issues, closer follow-through on projects, and greater security of information and data.

Businesses are increasingly turning to specialized and strategic partners to provide them with an end-to-end delivery methodology, encompassing the required skills, resources, and technology for running compliance and ethics functions, efficiently. An external strategic partner can become a trusted advisor to help organisations forge ahead on a growth path, creating value while overcoming various challenges. The domain knowledge is preserved with one strategic partner over a period of time, compared to being fragmented with several service providers. The knowledge transfer can also be facilitated better for continuous improvement in compliance issues and technologically enabled solutions tailored to the inherent risks faced by the organisation.

## Understanding the Varied Facets of Managed Services

Through a managed services approach, the strategic partner can transform the company's compliance and ethics functions along with procedural updates to improve long-term operational quality and effectiveness. This model can lead to decoupled processes, individuals, and areas that may be deemed costly.

- Operating model: organisations can explore the following models to maximize value.

  o Asset-based: The strategic partner would configure, operate, and support the organisation in their use of the workflows, processes, and analytics delivered through a technology framework or a cloud-based platform.

  o People-based: The strategic partner would deploy a team to the organisation's operating environment, working as part of their team, to deliver specific process outcomes.

  o People- and asset-based: The strategic partner would supply and manage the technology along with compliance personnel to operate the processes.

- COE-enabled: Managed services are supported with a COE team who provide leadership, leading practices, support, training, and collaboration for specific areas for superior results in ethics and compliance processes. COE is a governance model for guiding and managing a program throughout the organisation and allows visibility into the company's practices and can transform them with digital ideas. It can be an intrinsic building block for realizing the potential of and deriving value from digital data transformation solutions.

- Scalability: Managed services offer an easy-to-scale model and can help companies with uncertainties that may arise from several factors such as volume fluctuation, internal attrition, or business expansions. Let's take an example of integrating processes and resources after an acquisition by a company. Managing third party onboarding for existing process along with integrating vendors from the newly acquired business across the entities can become complex and unwieldy, as there would be a limited time period provided to complete the standard formalities. The existing team may not be equipped to handle the magnitude. The scalability challenges

here can be addressed using managed services.

- Agile model: With an agile methodology at its core, the managed services model can be more flexible. The technical excellence, design, and competitive edge brought by agile brings ease and efficiency to overhaul processes and reduce turnaround time.

**Conclusion**

Global compliance, legal, and ethics functions are faced with a continuously changing and volatile business environment. A managed services model can be a key tool to power through the disruptive forces, led by its robust value proposition.

### About the Expert

*Arpinder Singh* is the Global Markets and India Leader at EY Forensic & Integrity Services and has 25 years of experience in multi-jurisdiction investigations, forensic accounting, and dispute advisory. He is the practice's Global Managed Services Leader and a member of the Global Leadership Team. He has worked with corporates, regulators, and law enforcement officials on many high-profile global investigations across sectors. Having acted as an expert forensic accountant in a number of disputes, he is consistently recognized as one of the foremost legal practitioners in the Who's Who Legal. Arpinder earned an MBA from Syracuse University. He is the founder and president of the Mumbai Chapter of the Association of Certified Fraud Examiners (ACFE), a member of ACFE Global Chapter Leaders Committee, and a special invitee to the Institute of Chartered Accountants of India's (ICAI) Digital Accounting and Assurance Board. He is a member of the ICAI, a Certified Fraud Examiner, a Certified Public Accountant, and an ISO 37001 Certified Lead Auditor.

*Amit Rahane* is a Partner with Forensic & Integrity Services at EY. He is also a leader in EY's Global Managed Services team. Amit has worked with clients in the compliance domain to transition local roles to a managed service model. He has worked on a number of forensic and anti-bribery and corruption diligence matters and has extensive experience in investigations, forensic accounting reviews, diagnostic reviews, and support on litigations involving the FCPA. He is a Chartered Accountant, Certified Fraud Examiner, and Certified Information Systems Auditor with more than 18 years of experience.

# HOW GE REVAMPED ITS GLOBAL POLICY FRAMEWORK

Our latest BELA Asia Pacific roundtable was hosted by GE in June and covered a session on, "Creating an Effective Compliance 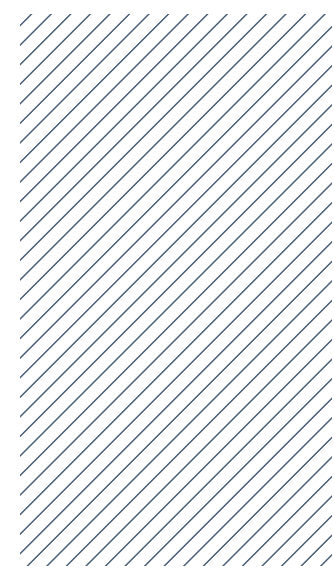Policy Framework". Thi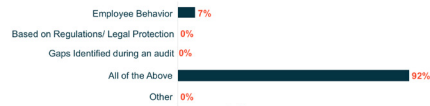s conversation was led by the GE team: Ritu Jain, Global Governance and Assurance, Andrea Clavijo–Compliance and Deputy Human Rights Leader; and Ellen Proctor–Compliance Trai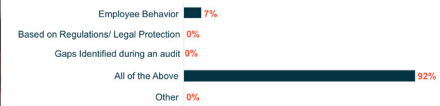ning & Communications Leader. On this session, the team shared insights and lessons learned with the BELA Asia Pacific group on how the company revamped its global policy framework in line with its strategic priorities.

The conversation covered:

- Insights into re-alignment of the Code of Conduct to make it more accessible, and employee-friendly;

- The creation of enterprise standards across the company to enable operationalization by business units; and

- Adoption of a global policy framework at a regional level to incorporate geographical nuances, and local regulatory aspects.

**Download the Recap**

# 3M: STAYING TRUE TO AN ETHICAL CULTURE IN TIMES OF CRISIS

Even with this crisis, we relied on our reputation for doing the right thing, which has existed for more than a century. Here's a closer look at 3M Asia.

Written by: Seshadri Govindan, Ethics and Compliance, 3M India Limited

3M learned many lessons during the past year as we managed through the global pandemic--and we focused on our employees' wellbeing during this unprecedented time.

**Combating Fraud**

3M employees responded early and rapidly to the pandemic, supplying critical products to dedicated frontline healthcare workers and first responders. Along with the production increase came new challenges. We launched a global effort to combat fraud and price gouging to help protect the public against those who tried to exploit the demand for critical 3M supplies during the pandemic. To date, 3M has seized more than 40 million counterfeit respirators, helping to protect healthcare workers from fraudsters and fake products.

During times of crisis, relationships matter. 3M continues to work with governments, law enforcement, and retailers to help prevent fraud before it starts. The last year has taught us that collaboration is key. Working with leaders and officials allowed us to maintain our place on the world stage as a company that not only provides protective gear but ensures it meets the highest ethical standards. Employees were our biggest ambassadors. Throughout the pandemic, 3M's Code of Conduct and "speak up" program were well utilized by partners and employees to highlight and identify suspected counterfeit products and other wrongdoing.

**Hotline Reporting of Counterfeit Products**

We saw an uptick in reporting to our hotline for counterfeit products, which caused us to increase our engagement levels with customers and the government to better educate them about our products. 3M's dedicated teams have investigated about 14,000 reports globally of suspected fraud, counterfeiting, and price gouging, and they have secured the removal of tens of thousands fake or deceptive e-commerce listings and social media posts. To support our work to remove deceptive products from the marketplace, 3M launched a website (www.3m.com/covidfraud) that provides resources and information.

*"We chose safety of our people and compliance as our values. Business opportunities may get deferred, but customers come to 3M for our products and values, and these are the binding factors in building a long-term relationship." – Junghan Lee, Southast Asia Director, 3M Safety & Industrial business group*

**Employee Safety**

One of 3M's primary focuses during the pandemic was employee safety, which was relayed through frequent communications from global, regional, and local leadership. Empathy and compassion were the cornerstones of these leadership messages.

*"Our consistent messaging to our team members during this period was about the health and safety of our employees and their families. We sought to understand their issues and to alleviate any concerns with business pressure. I've heard the words 'Thank you' and 'Stay safe during the last year more than ever before."* – ***Kevin McGuigan, South East Asia VP & Managing Director, 3M Singapore.***

**Relying on our Code of Conduct:**

3M's flexibility and agility came into play as remote working became the norm. 3M had to find a new way to interact with customers. Product demonstrations were conducted virtually, and engagement with customers and partners continued via virtual platforms.

Throughout this period, there was constant reinforcement of, and focus on our Code of Conduct, which summarizes 3M's compliance principles and emphasizes doing business the right way, always and everywhere. We continued to hold awareness sessions to educate employees on "how to's," such as conduct during virtual interactions and maintaining a respectful workplace.

*"The pandemic has tested the resilience of our employees, but our Code of Conduct has always given our teams confidence to navigate through ambiguity. With virtual interactions on the rise, we encourage our employees to adopt an empathetic approach that is respectful and supportive. This attitude extends to our communities."* – ***Ramesh Ramadurai, Managing Director, 3M India Ltd.***

## "Employees are our biggest ambassadors."

**Reach Out... Collaborate... Celebrate the Heroes**

Since the start of the pandemic, 3M has consistently been working with partners to support the vulnerable and contribute to sustainable impact in our communities. For example, in India, the company's response during the first wave was in three areas: providing food security to affected communities, medical equipment to build capacity in government hospitals, and ongoing supplies of respirators to hospitals and frontline workers. 3M continues to respond to the emerging and near-term needs of our communities, with a focus on strengthening the healthcare infrastructure.

The crisis also brought out unsung heroes across 3M. Employees went the extra mile to help their fellow colleagues and provided support where they could. Their stories were amplified and appreciated by leaders in town halls.

Empathy, agility, collaboration, and business-focus—all are drivers of long-term success, and these qualities allowed us to strive towards a sustainable success model over the past year. We have taken the lessons learned (pre- and post-pandemic), and will continue to innovate and pursue solutions to make life better for all.

*"Empathy, agility, collaboration, and business-focus—all are drivers of long-term success, and these qualities allowed us to strive towards a sustainable success model over the past year."*

### 📊 Stats & Data

**Fighting Respirator Fraud, Counterfeiting, and Price Gouging**

**3M Enforcement Activities**

To help combat COVID-19 related fraud, 3M has established new 3M hotlines in the U.S. and around the world to help end-users and purchasers of 3M products identify authentic 3M respirators and ensure products are from 3M authorized distributors. 3M has published the current U.S. list prices for many of the most common models of 3M N95 respirators to help customers identify and avoid inflated prices. We have also filed lawsuits in courts across the country against wrongdoers, terminated 3M distributors for engaging in price gouging or violating 3M policy, and collaborated with law enforcement and technology companies to combat fraud.
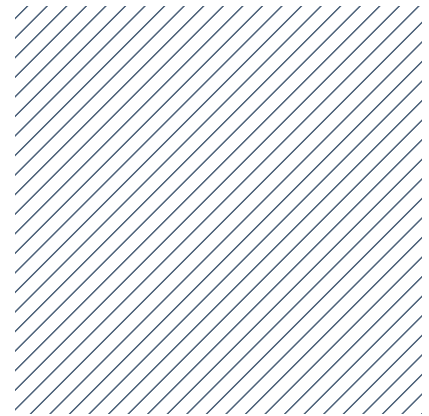
**Stay current on 3M's enforcement efforts**

Watch this interview with 3M Director, Assistant General Counsel, Personal Safety Division, Dan O'Connor as he explains more about 3M's actions to fight fraud, counterfeiting, and price gouging tied to the COVID-19 pandemic.

***Source:*** *3M*
*Link:* www.3m.com/covidfraud

### 👤 About the Expert

***Seshadri Govindan*** *is Manager of Ethics & Compliance for 3M India Region, based out of 3M's Bangalore office. He is a chartered accountant and certified fraud examiner with a career spanning 20 years in the industry. Seshadri joined 3M India in 2010 and has had stints in Business Finance and Internal Audit prior to his current role. He previously worked with Hewlett Packard and Accenture India.*

# JLL INDIA GC ON INDIA'S COLLECTIVE RESILIENCY

Would e-courts and e-filings soon be combined? Here are the challenges and opportunities of a post pandemic world from a governance and administrative perspective.

Written by: Sheel R. Sinha, General Counsel, JLL India

A global once-in-100-years pandemic has affected people, communities, and businesses and disrupted our lives in a way that many of us could not foresee or anticipate. The pandemic has pushed us into a hard-reset mode. It has brought fresh perspectives and dynamics to the workplace and people's professional and personal interactions.

To the corporate real estate and the professional services industry, it has certainly posed great challenges and opportunities—more so in administering its legal and compliance framework, employee engagement, and how we continue to communicate each day. Being a General Counsel to a global multinational with vast business operations, directly and indirectly employing thousands of employees and many more indirect personnel, this event has brought forth some key learnings as well as reprioritisation efforts for JLL. This article aims to identify and cover some of these aspects mainly from legal, compliance, and employee engagement perspectives.

**Ensuring Business Continuity**

The first and foremost thing that attracts our thought process in any adverse event is to ensure business continuity at the highest ethical standard. Business continuity for professional services firms is intrinsically linked to the retention and well-being of our vast array of staff, many of whom work and travel to remote client locations. In a health emergency, these aspects necessarily involve many sets of complex and fast-moving governmental regulations. These are in the form of lockdowns, containment zones, curfews, and shelter-in place orders relying on an antiquated law drawn up in the late 1900s.

Most of these regulations are aimed at accomplishing the de minimis compliance, securing lives and livelihoods. However, they will also challenge us in many ways to work in a collaborative manner to protect the health and livelihood of our working populations and by implication reimagine our workplaces—an intelligent response to the voices of both customers and internal clients. It is self-evident that both these paradigms of security and business performance will result in an inherent conflict, and achieving these objectives in an ever-changing socioeconomic environment is posing—and will continue to pose—challenges in all businesses across geographies. It is

with these profound objectives that we reflect on the last 15 to 16 months and their interplay with the larger realities of our lives, such as how the legal framework and its implementation have addressed them. It was a true test of our resiliency.

**Making Quick Decisions**

To further contextualize this discussion, it is imperative that we understand some of the basic compliance challenges post-pandemic and any anticipated changes in the regulatory landscape in India and beyond. It is an undeniable fact that most businesses continue to confront situations where there is an increase in employee involuntary separations, primarily driven by pandemic-induced business conditions. Because the pandemic disrupted and challenged business conditions and the inevitable cost optimization of initiatives, clients required our various businesses to reduce the scale of operations, resulting in downsizing. This situation called for future businesses to continue terminating or retrenching a significant number of resources on their company and vendor partner rolls.

This is in contrast with the fact that regulatory interventions of a social welfare state almost necessarily expect organizations to delve into their proverbial deep pockets to protect jobs and livelihoods. These regulations, drawn out by way of administrative orders in the form of advisories or mandates, are promulgated while being agnostic to the industries and establishments where they are aimed at achieving the well-intentioned objectives of securing availability of labour in the near future, particularly from migrant workers.

**The WFH Implications**

The impact of these prescriptive regulations and orders means that the employer's ability to make quick business decisions is severely crippled or impeded, which increases its risk appetite when addressing the demands of the client. In addition, the new paradigm of working from home ("WFH") and its appeal to a significant number of employees create another set of issues. The absence of any related legal and regulatory framework has led to a flux in the system for the various stakeholders. The decisions are ad hoc, without rules of engagement being clear on matters related to an employee's life cycle in an organization. It is anathema to a process, and rules-driven business enterprise and creates stress in a labour-intensive industry committed to the highest ethical standards. In fact, the much-anticipated labour code implementation in India, which aims to further regulate some of these aspects, is expected to substantially increase the labour/employee management costs, which may in turn have a significant impact on businesses' P&L. For example, it is expected that provisions for fixed-term employment contracts under the new labour codes may provide ground for companies and businesses to engage significant resources on fixed-term employment. This may lead to situations dealing with a "floating" workforce and an increased number of labour matters, including employee complaints with trade unions and labour authorities.

Finally, a raging pandemic and an anxious workforce do not augur well for any semblance of normalcy or return to normalcy in a vastly complex country like India. Hence, it was felt that employees should be given support to get them vaccinated so that the primary defence against this disease is evenly distributed. The issue around vaccinations and the attendant client expectations have resulted in concerns around data privacy and security and could lead to discrimination claims in an emotionally-charged environment. In an Indian context, data privacy laws are still a work in progress from a regulatory standpoint. As a result, the opportunities and challenges of navigating our way though some of these aspects may be top-of-mind for data privacy lawyers and other professionals in the times to come.

The intent of this reflection was to provide a general perspective on the challenges and opportunities of a post-pandemic world from governance and administrative points of view. It would not be doing justice if we forget the role of technology in facilitating our work environment and delivering business results all through the pandemic.

I believe that technology will evolve in many ways to remove the physical footprints and will provide flexibility to work across borders with a significant reduction in costs. If we are able to combine this with co-working spaces, then an acceptable hybrid model can emerge across India. For leaders and companies, the advent of e-courts, if combined with e-filings, can significantly improve the administration of justice in a cost-effective manner, if they are combined with a legal framework attuned to giving legal sanction on matters as varied as e-discoveries, the gig workforce, WFH, etc. In the end, I think that our thoughts and minds are resilient in many ways when confronted with life-changing situations. This global epidemic is one such example of our collective resiliency. It has afforded new ways of working and living. The purpose of it all is also to bring us all together and collaborate more with our combined expertise to make our systems and processes robust and strong for a better world.

### 👤 About the Expert

**Sheel R. Sinha** *is General Counsel, JLL India & West Asia. In his role as India General Counsel, Sheel leads JLL's Legal, Compliance & Ethics function for India and other South Asian countries. He has been with JLL India for over two years and comes with prior tenured stints in large multinational corporations of repute like PwC, General Electric & State Bank of India preceded by law practice. In his 19 years as legal & compliance professional, Sheel brings unique foresight and experience of process driven business with impetus on upholding the legal principles and agile in inculcating ethical conduct in business. In this article, he highlights the key principles confronted by in a post pandemic world In India.*

# INFOSYS: A CULTURAL REVOLUTION IS AT HAND: HOW DO WE ADDRESS THIS?

In today's world, the focus is shifting from pure business profits to sustainable profits with ESG metrics, and the reputation of a company and a strong ethical compass are critical components of success.

Written by: Nishant Prakash, Principal Legal Counsel, Infosys

Ethics and integrity have a direct impact on business metrics, and a compliant company attracts the best long-term investors, customers, and dedicated employees. Hence, ethics and compliance can no longer be peripheral requirements of business but have become business drivers in themselves. Therefore, an ethical culture where all stakeholders see ethics and compliance as their responsibility is of vital importance.

In the FCPA Resource Guide published by the U.S. Department of Justice, while explaining the hallmarks of an effective compliance program, it has been highlighted that, "A strong ethical culture directly supports a robust Compliance program. By adhering to ethical standards, senior managers will inspire middle managers to reinforce those standards. Compliant middle managers, in turn, will encourage employees to strive to attain those standards throughout the organisational structure."

The culture of an organisation is probably the most important ingredient when it comes to ensuring a fair and ethical workplace. This is even more important in today's work-from-anywhere era. In such an environment, the traditional control-and-command and rule-based approach would no longer work. Therefore, it is imperative that the stakeholders of the organisation understand and prioritise a culture of ethics and integrity.

Organisations constantly grapple with how to shape and inform an ethical culture. One of the most vital and primary requirements is to have a mission statement which encapsulates the values of the organisation that all employees can identify with. As an example, at Infosys we have C-LIFE values. Here, "C" stands for Client Value, to surpass client expectations consistently; "L" stands for Leadership by Example, to set standards in our business transactions and be an exemplar for the industry and ourselves in everything that we do; "I" signifies Integrity and Transparency, to be ethical, sincere, and open in all our transactions; "F" signifies Fairness, to be objective and transaction oriented and thereby earn trust and respect; and finally "E" stands for Excellence, to strive relentlessly and constantly to improve our teams, our services, and our products, and to become the best at everything we do. These values provide guidance and set the culture of the organisation. There are many situations when the written policies of the organisation, no matter how well drafted, would not provide all answers in every situation, especially in a constantly evolving world, and at such times the value statement provides guidance to the employees on how to handle such situations.

Secondly, every organisation should have a Code of Conduct and ethics which elaborates on the behavioural expectations from employees and other stakeholders of the organisation. This must be a living, breathing document which lays out in a simple manner the behaviour required from its employees. It's not just words on paper, but should flow with and shape the culture of an

*One of the most vital and primary requirements is to have a mission statement which encapsulates the values of the organisation and which all employees can identify with.*

organisation. It should be simple and provide clear guidance to stakeholders on how to deal with day-to-day situations. Further, organisations should provide easy access for employees to receive any queries about the Code of Conduct and ethics answered.

How an organisation engages with its people in informing and training them about the company's values is equally important. It is important that leadership and mid-level managers are able to set the right tone and are seen as living the values of fairness, integrity, and transparency in their decisions and actions. This goes a long way in informing the employees about the culture the organisation practices. Indeed, the DOJ Guidelines referenced above highlight the importance of tone at the top and middle management reinforcement in promoting an ethical culture from within an organisation.

Another important measure to shape the culture is to enable the various segments and teams within an organisation to discuss, explore, and imbibe the culture. In a large organisation, the message cannot be always driven centrally, an organisations' ability to enable the teams to discuss some relevant aspects of culture within their division's meetings would exponentially increase employees' ability to imbibe and live the values in their daily business transactions. This can be done through appointing Compliance Champions, providing toolkits and training material, etc. Storytelling is equally important, and if managers and leaders can tell stories about the complicated and tough situations they faced and how they were able to ensure

## Infosys' Leadership Spotlight

**Leadership Speak: Being Responsible in Everything**

*Nandan M. Nilekani, Co-founder and Chairman*

The pandemic is a gigantic stress test on our world. The immense financial and operational pressures on companies is starting to tell businesses with resilient ways of working have pulled further away from their industry peers, while those not geared to respond with predictable agility to crisis and opportunities are falling behind. The biggest learning from all of this is that if companies want to take charge of their destiny, they must reimagine themselves in a more resilient, agile, de-layered and de-bureaucratized avatar. This means making themselves so sentient that the nerve tips of the organization are able to quickly sense and respond to the changes in the context that surrounds the business. And this context extends into the environmental, social and governance ecosystems that the business operates in. Infosys has always been sensitive to how it can positively impact and be purposeful within this context.

We have balanced success as a business with unwavering focus on exemplary governance and responsiveness to the needs of the ecology and society. As an early proponent of responsible business, we have readily embraced our obligation to integrate ESG factors into what we do, which is only increasing in importance, particularly in the wake of COVID-19. For instance, in early 2008 we began to take action to combat climate change and have now announced Infosys' carbon neutrality achievement for 2020. Today, our 2030 vision reflects how ESG will continue to be integral to Infosys' sustainable business performance.

Infosys will continue to be carbon neutral across Scope 1, 2 and 3 emissions every year. Infosys will expand reskilling initiatives to empower 10 million plus people with digital skills and 80 million plus lives with technology for good programs in e-governance, healthcare and education. Infosys will nurture greater inclusivity and strengthen its gender- diverse workforce with at least 45 percent women employees.

***Source:*** *Infosys ESG Vision 2030*

ethical behavior in those situations, it leaves a lasting impact.

Finally, adopting technology and digital methods is also significant in shaping and informing the culture. It not only amplifies the training and communication programs but also enables organisations to make sense of large amounts of data and enables identification of patterns and continuous monitoring and enforcement of the values of the company.

The culture of an organisation is a footprint that the stakeholders leave on everything that they do. Organisations would be well served to put a lot of thought and care into shaping and propagating a culture of ethics and compliance.

*[1] Page 58, FCPA: A Resource Guide to the U.S. Foreign Corrupt Practices Act, second edition, Criminal Division of the U.S. Department of Justice and the Enforcement Division of the U.S. Securities and Exchange Commission.*

### About the Expert

***Nishant Prakash*** *is Principal Legal Counsel at Infosys Ltd. He has over 15 years of experience and has worked in diverse areas in the legal field. Nishant has been with Infosys since 2012, and in his current role he is responsible for ethics, anti-bribery, and third party compliance programs.*

# EATON: A CLOSER LOOK AT INVESTIGATIONS

Despite home offices, we remained connected and kept up with work, though there can be limitations for those in rural India lacking dedicated workspaces and connectivity.

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

In the following interview, Pankaj Dahibhate, Counsel, Ethics and Compliance, India and Southern Asia, Law Department, Eaton, shares insights on remote investigations to address the dynamic shift in the new hybrid environment.

**AM: What is the principal goal and expectation for the investigative function? Do you think it expanded within the last year?**

**PD:** As investigators, we must address issues and risks in a timely manner. This helps ensure that fair and equitable outcomes occur.

We must also protect those individuals who raise concerns. And we must do so while maintaining our commitment to upholding our company's values and ethics, which strengthen the foundation of good governance.

Corporate investigators must understand that they are an important pillar of their company and they have been entrusted with a huge responsibility. They must handle that with respect, empathy, and diligence. They must also take steps to ensure that there are no biases or blind spots.

We have experienced a dynamic shift in our work environment and must therefore evolve. It takes embracing and enhancing our communications skills to maximize results.

Quote: "The single biggest problem in communication is the illusion that it has taken place." – George Bernard Shaw

**AM: Given the pandemic, what were some unique challenges with remote investigations in India—for example, thinking about employees, there are two narratives in India. You have folks who live in remote areas, and others in cities, others who don't have the luxury of an office at home—what challenges did these situations pose for you?**

**PD:** The pandemic continues to pose unique challenges for all countries. Despite that, I believe employees and their companies have demonstrated amazing resilience, adaptiveness, and care for each other.

From an investigative standpoint, I do not believe the way we respond has changed much. We still follow the same steps, but often remotely. We still acknowledge the concerns raised through our tools or phone, draft an investigation plan, identify the issue or risk, make a list of allegations, identify the stakeholders who need to be contacted, and gather evidence.

Despite home offices, we remained connected and kept up with work, though there can be limitations for those in rural India lacking dedicated workspaces, connectivity, and an uninterrupted work environment.

As investigators, we need to be mindful of these challenges, appreciate the hurdles, and ensure that despite these bottlenecks, there is a continuous pursuit to create the right environment for all stakeholders to have open and candid conversations.

In addition to this, I believe an investigator also needs to conduct a thorough investigation and do their homework so all relevant evidence is gathered and ambiguity is mitigated prior to any discussions with relevant parties.

AM: Could you share best practices in **creating or modifying investigations protocols and systems for a more virtual world that meet legal and policy requirements, ensure quality outcomes, and impart employee confidence in the process?**

**PD:** This is not an exhaustive list, but the following should be considered:

- **Investigation plan and documentation:** Develop a thorough investigation plan and maintain robust documentation. List allegations to be investigated, evidence to be gathered, and interviews to be conducted.

- **Follow a schedule:** Plan investigation conversations well in advance. Record the sequence of conversations, date, time, and mode of communication. Provide a platform that ensures confidentiality and an opportunity for the stakeholders to share information in a transparent manner.

- **Video calls:** Insist upon and encourage conversations via video calls. However, if there are constraints, always back up verbal conversations with minutes of your meeting that are vetted by the respective stakeholders.

- **Call recordings:** If you intend to record calls, please ensure that the local laws and company policy requirements are met, such as notice, consent, and secure storage.

- **Flexibility:** Remain flexible and open to interruptions, and reschedule conversations as needed. While it is imperative to achieve a timely closure on matters, it is critical to note that stakeholders may be experiencing multiple challenges.

- **Avoid bias:** Identify biases for the parties involved and remind yourself to remain objective.

- **Maintain confidentiality and privacy:** This should always be maintained and observed. Information can be shared on a need-to-know basis.

- **Build trust:** Maintain a continuous connection with the reporter on progress and set the right expectations.

- **Show empathy and respect:** Be empathetic and respectful during the entire investigative process, and with all parties involved.

- **Collaborate:** Work with leaders to build a robust action plan and obtain their commitment.

- **Conduct root cause analysis and look for lessons learned:** The U.S. Department of Justice confirmed in its latest guidance, published in June 2020, that "[a] hallmark of a compliance program that is working effectively in practice is the extent to which a company is able to conduct a thoughtful root cause analysis of misconduct and timely and appropriately remediate to address the root causes." Root cause analysis is a fundamental part of our investigation process. Investigations involve an analysis of why the misconduct at issue occurred, including whether there were gaps in policy, leadership, training, or controls.

- **Provide feedback:** It is imperative that timely feedback is provided to the reporter to strengthen confidence in the reporting system and provide assurance that matters are handled promptly, discreetly, and professionally.

AM: **In a virtual setting, how did you manage the increased risk of an allegation being made publicly or being shared on social media?**

**PD:** Regardless of where we work, the growing dominance of social media platforms poses a risk that information could be shared publicly. It is important that organizations have a standard policy and script which emphasizes confidentiality, privacy, and non-retaliation. It must be read, understood, and complied with by all stakeholders before all discussions.

On matters that may risk an organization's reputation and go public, relevant stakeholders must be immediately looped in, and an appropriate communication strategy should be devised to address the news in a timely manner.

AM: **What other functions became increasingly important to help facilitate a remote investigation and why?**

**PD:** Every situation is unique. Whether it is a remote or in-person investigation, the functions potentially involved remain the same: legal, human resources, finance, audit, information technology, communications, and corporate security and facilities, given their proximity to critical processes and documents.

Having said that, every employee in the organization should also uphold the sanctity of the ethics process and be willing to report wrongdoing if they have knowledge of it. Also, if by design or accident an individual obtains access to confidential information, it is imperative they protect that and inform the relevant stakeholders.

AM: **What are confidentiality and privacy issues in India? And how are they handled?**

**PD:** These topics are extremely critical when it comes to investigations, regardless of where one works. In India, there has been an increased awareness among stakeholders to ensure these topics are taken very seriously. Some best practices include:

- Training all critical stakeholders on a continuous basis and emphasizing the importance of maintaining confidentiality to ensure the details of the reporter, target, or witnesses are kept private

*View the complete article on Ethisphere Magazine website.*

## About the Expert

*Pankaj Dahibhate is Counsel, Ethics and Compliance, India and Southern Asia, Law Department, Eaton, providing leadership, strategic oversight, advice, and counsel to APAC Regional Leaders on ethics and compliance, business advisory issues, enterprise risk management, investigations, monitoring, policy governance, training and communications, etc. He has responsibility for comprehensive areas of the ethics and compliance program, including the Code of Ethics, anti-bribery, third party risk management, conflicts of interest, the Supplier Code of Conduct, and the data protection program, including oversight of risk assessment and mitigation activities for the APAC region through collaboration with regional business leaders and functional leaders in audit, law, finance, HR, and other areas. Previously, Pankaj served as Head of Ethics and Compliance at Cummins India Limited and has held roles of increasing responsibility in ethics, compliance, audit, controls, investigations, and risk management with various multinational companies in diverse geographies.*

# HOW STAYING FOCUSED ON PURPOSE DRIVES ROLLS-ROYCE INDIA GC

If you influence one life, that one life can influence four more lives—that sort of chain reaction will take us closer to an inclusive society.

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

Ethisphere had the chance to catch up with Roop Loomba, General Counsel, India and South Asia, Rolls-Royce, about her career in legal and how she uses her skills and insights to empower others.

**Aarti Maharaj: Could you share more about your role and what are you most focused on right now?**

**Roop Loomba:** I have a dual role. I am responsible for the Ethics and Compliance Department and the Legal Department in India. In the current pandemic situation where everyone is working from home, one of my many goals is to ensure that we don't lose sight of our ethics and compliance policies. With the deployment of policies to employees, human engagement is imperative, and so is the tone from the top. The key methodologies that I have used in deployment of policies, especially during the pandemic, are regular and ongoing communications campaigns, along with virtual engagement with employees by conducting training.

**AM: What do you anticipate would be some changes to your role and what do you see coming out of the pandemic?**

**RL:** One major change that has come in is the lack of face-to-face interaction, which is vital in performing a legal function. On the flip side, there's a lot of emphasis on AI coming into the legal department and ethics and compliance department, and this is exciting. Now Compliance Officers and lawyers will rely a lot more on tools, and I see this happening more than ever. Departments are using these tools to become a lot simpler and more agile. I am a firm believer that a lawyer's brain cannot be replaced by artificial intelligence, but reliance on contractual tools and AI tools will only increase over time.

**AM: India has been hit hard with the second wave. How are you keeping it all together right now and continuing to work through a crisis?**

**RL:** India is a resilient nation. As more people are vaccinated, we'll start to see a drastic change, taking us closer to normalcy. In my opinion, staying focused on your purpose matters most during a crisis. It is OK to pause and reflect on what you are doing and why you do what you do. This continues to inspire me each day. In these times, when you look at yourself in the mirror, you should be able to see yourself as a better person than yesterday. It is sad and tough to see the loss of loved ones during this pandemic, and I pray for strength for the families who have lost their loved ones.

*India is a resilient nation. As more people are vaccinated, we'll start to see a drastic change, taking us closer to normalcy.*

**AM: You've worked in sectors that continue to struggle with gender diversity. How do you continue to empower others to address this divide that exists in the legal industry?**

**RL:** When I started out around 22 years back, I worked in the courts, and not many female lawyers were there arguing complex litigation matters. There were deep gender divides that existed then, and you were required to work very hard to be taken seriously. At the same time, the traditional mindset was another barrier—women were expected to be married and start a family at a certain age. I had to fight all these mindsets. It was especially tough when things were not working. However, I want to say, for all females who come from small towns and cities, there is nothing that can stop you if you are honest and have self-belief. I kept sharpening my axe during any downfall and converted the downfall into a learning opportunity.

As I developed a good command of the subject matter and started offering solutions confidently, it helped me to establish my credibility as a legal professional. Success is a byproduct of hard work and sincerity. Success should never touch you; only sincerity and hard work are your valuable assets. If you are saying something confidently backed by good domain knowledge, you won't find yourself in a challenging situation—even if you are the only woman in the room.

Authenticity and credibility matter in what we do each day. We have to trust our decisions and also respect others' as well. The most important virtues for me are the virtues of authenticity and compassion—that is a legacy I would like to leave behind. Some of those formative first ten years for me were not easy. When I crossed over to the corporate side, it was rewarding because much emphasis was being placed on diversity and inclusion. And it covers all genders instead of one gender. Not only organizations, but each one of us have to embrace diversity, recognizing, and celebrating each others' uniqueness.

Companies continue to play a role in effecting change. Many organizations have designed and framed policies that can retain women to a large extent. Mentoring and empowering others continues to be very gratifying for me. Unfortunately, I did not have many mentors along the way, and that's why I have taken it upon myself to empower and mentor others. Mentoring can start from home. The house staff, for example. If there are other passions they would like to pursue, you can support this, provide them with the tools and resources that they need, and empower them to take their dreams to the next level. It's the little things that can have the biggest impact. Through mentoring others, we can build and leave behind a society that is a better place for others to live.

**AM: What kept you inspired? Earlier, you mentioned that you did not have the opportunity to be mentored as much as you would have liked, I am sure the readers are curious to know what kept you inspired?**

**RL:** When I joined the profession, it was very clear that I had to make a place for myself. And like many, I've experienced massive downfalls. I've seen the peak and I've seen the base. This gave me a drive to push even harder to achieve my goals. Over the years, I've not felt badly about failure. My parents are my biggest supporters and influencers in my life. They gave me the willpower, grit, and resilience to overcome any challenge.

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🏆 **Recognition**

**BW Legal World's General Counsel 100 list: Roop Loomba**

In the following article Loomba spoke with BW Legal World on her illustrious journey in law, her day at work, learnings from the pandemic, thoughts on success and much more.

There have been many memorable and learning experiences. I do recall that in one of the Companies that I worked with, I was fastened with an uphill task of disposal of 21% litigation.

At the outset, I found it uphill; however when I sat down to think and brainstormed, I figured out that all Litigations (around 150 cases in one stream out of around 550 cases) could be classified into 4 broad legal issues. The task was difficult but not impossible.

Though the case numbers were overwhelming it meant devising a strategy for 4 key legal issues and aiming for closure. I strategized these four issues with the help of some seniors in the team and landed up closing 50% Litigation. I learnt that when you are an in-house counsel you have to learn to change your lens and look at things differently. If you conquer your mind and start looking at things differently you will find that solution lies in your own mind.

**Source:** *BW Legal World*

http://bwlegalworld.businessworld.in/article/In-Conversation-With-Roop-Loomba-General-Counsel-Rolls-Royce/13-05-2021-389642/

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👤 **About the Expert**

*Roop Loomba has over 21 years of experience in legal operations, encompassing legal strategy planning, litigation, business partnering, compliance, business divestment, integration, demergers, factory compliances, high-stakes government tenders, and drafting, vetting, and negotiating contracts. Ms. Loomba is well versed with civil, criminal, and commercial Laws, corporate laws, food laws, constitutional law of India, legal metrology laws, labour laws, sales tax laws, competition law, etc. She holds the distinction of administering legal operations across the Indian sub-continent, including South Asian countries like Sri Lanka, Bangladesh, Nepal, and Bhutan.*

# A CAREER IN LAW IS NOT WHAT IT USED TO BE... IT'S MORE!

Written by: Tejal Patil, Senior Legal Advisor, OYO Hotels and Homes, INSEA

A career is a marathon, not a sprint... and now we also have to plan for a second career! It is a challenge for both young students who don't know what they want to do in the first place and seasoned professionals seeking advancement.
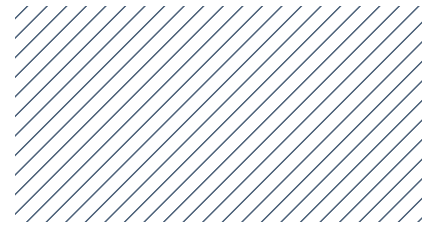
To begin, we first need to determine if we have the qualifications for a 30- or even 50-year career in our chosen field. This is not about lawyers and compliance officers who become jazz band players, but those who move into allied areas that utilize skills they have learned over years of studying, hard work, and experience.

No longer can one embark on a specific area of studies such as art, science, commerce or even a law course and hope to achieve a tenured, straitjacketed career. The American system of education—and largely liberal arts—is recognized by academics all over the world. It is commonly viewed as well rounded, but skeptics continue to say it creates "Jacks and Jills of all trades, but masters of none." Law and compliance, however, are fields that require multi-dimensional talents that evolve with time—knowledge of the law is essential, but so too is a deeper understanding of business, society, psychology, accounting, and even project management in order to accomplish business goals and objectives. Integrated programs should enable lawyers to approach challenges through an eclectic view of the world. Law and compliance were created for people and reflect society's need to function harmoniously. Compliance, still emerging, lacks defined qualification criteria.

What qualifies one to be a Compliance Officer? A moral science class in school certainly did not equip one to navigate the complexities and ambiguities of the environment in which individuals and companies operate today. Ethics courses provide a broad overview, but they are limited to the black and white areas, while often there are shades of grey in many situations. Traditionally, companies "lured" their counsels to take on compliance as an added responsibility, thinking that law and compliance are one and the same. Today, however, the emergence of the non-lawyer compliance professional who has a business management, finance, operations, and even sales background has expanded this role and launched infinite possibilities for a long, fruitful career in a very specialized arena.

Re-skilling and up-skilling are required to address the changing demands. Covid-19, while one of the deadliest pandemics in human history, has presented a plethora of opportunities and accelerated

> *"Social policy advocates have realized that improvements (if not radical changes) are required in the justice system to enable societal reforms."*

digitization and e-learning. It provides solutions for students to undertake study in almost any field while sitting in the comfort of their homes. This is not likely a trend, either. It is here to stay, and professionals should take advantage of the courses offered by the $250 billion ed-tech industry.

We know about traditional law firm careers where the aim is to become a Partner, a Barrister in black robes with no retirement age, or a Law Professor—and of course politics is the default option for many. But let's talk about some of the diverse career options that are growing in popularity in the last five years, particularly as a legal or compliance professional.

Unlike a local reporter who had a "court beat," jurisprudence today requires accurate and specialized reporting. The news is rife with reports, analysis, laws, news, and views. Dedicated online portals like Live Law, Bar and Bench were only started around 10 to 12 years ago and have now become required mobile apps for all aspiring and established legal professionals. The Supreme Court of India also advised that it was preferable for journalists reporting on legal matters to be law graduates.

In a recent online interview, my co-presenter shared how she quit her partnership at a leading law firm to become a diversity and inclusion advisor. Beyond the women's rights lawyers and activists we idolized growing up, where expertise was focused on marital, divorce, and property laws, many today pursue a wide range of gender-centric initiatives and interventions like gender impact investing, ESG compliance, women's economic empowerment,

> *"This is the era where tech meets law and compliance."*

women's entrepreneurship, and they also become members of sexual harassment committees in corporates since PoSH was promulgated in 2013.

Traditionally, legal recruitment was a small practice within the larger corporate hiring process. With almost 80,000 lawyers graduating every year and companies (not just publicly listed ones but even aspirants) hiring dedicated compliance heads, specialized recruitment agencies have been established. These are founded and led by professionals who have previously practiced in the field, have deep connections in the otherwise rather closed profession, and understand candidates' specific attributes. Even as this article goes to publication, there are 127 in-house counsel and 57 Compliance Officer roles open in India on LinkedIn. This says a lot about the expectations of lawyers in 2021.

Social policy advocates have realized that improvements (if not radical changes) are required in the justice system to enable societal reforms. Other than being active legislators and imminent lawyers, many are being called to participate in law-making committees, and independent think tanks' policy advocacy has been given new weight due to the government's openness to accepting public comments. For example, the Vidhi Centre for Legal Policy was set up in 2013 as an independent think-tank conducting legal research to make better laws and improve governance. One of the key projects undertaken by Daksh, another such organization, was on the Rule of Law in 2014.

With the overhaul of the Indian Companies Act in 2013, Boards of Directors—and especially the independent or non-executive directors—now have greater accountability for ensuring transparency and good governance. Many companies are actively looking for experienced professionals with legal, compliance, or regulatory backgrounds to join them to strengthen the governance and risk structure of the company.

This is the era where tech meets law and compliance. Driven by the tech boom and fueled by the lockdown, new ways of working have emerged, and with them many innovations by startups

in the areas of electronic contracting, litigation management, compliance, and due diligence tools—and this is just the beginning. Some, like Lexplosion and Legasis, which created compliance management tools (there are offerings also from the Big Four), were started by and hired legal and compliance professionals to enable better-designed tools and an improved user experience. All of these companies have also started allied valued added services. Similarly, with the focus given to alternate dispute resolution since 2015, Arbitration Centres in New Delhi (2009), Mumbai (2016), LCIA India (2009), and Chennai (2019) are seeing a lot of interest. Pre-institution mediation has even become mandatory for commercial disputes from 2018. Online arbitration centers are the new kids on the block. These provide additional avenues for professionals (not just lawyers) to participate.

It is a fascinating time to be a legal or compliance professional, as the field is rapidly evolving and creating a plethora of opportunities for people of caliber and vision.

### 👤 About the Expert

*Tejal Patil is the Senior Legal Advisor for India & South Asia for OYO Hotels and Homes since September 2020 and a key member of the OYO Global leadership team. Tejal is responsible for OYO's legal function in the region which includes managing regulatory, contractual, and legal compliance for the company, helping steering OYO's strategic initiatives, disputes resolution and providing senior management with actionable counsel on strategic business decisions and operational execution. An industry veteran with over 27 years of legal, compliance, risk and governance experience across Asia Pacific, Tejal has provided strategic and risk advice to CEOs, senior management and Board of Directors, assisted in accelerating growth as well as keeping the company safe. Tejal joined OYO after a 19-year successful stint in the global conglomerate, GE (General Electric Company) where her last role was as General Counsel of GE South Asia.*

## Environmental

- Emissions and pollution
- Deforestation
- Oil spills
- Waste disposal
- Water use
- Carbon trading

## Social

- Ethical supply chains
- Modern slavery and child labour
- Health and safety of products and people
- Employment and culture
- Data security and IT integrity

## Governance

- Money laundering
- Bribery and corruption
- Diversity and inclusion
- Directors' duties and commitments to values
- Tax transparency

# THE INVESTIGATIONS TOOL IN THE ESG TOOLKIT

Investigations are crucial to ensuring that a company is "walking the talk" in relation to its ESG commitment.

Written by: Mini vandePol, Head of Asia Pacific Compliance & Investigations Group, and Christine Cuthbert, Of Counsel, Baker McKenzie Hong Kong

## Investigations are an essential tool to ensure that a company is "walking the talk" in relation to its ESG commitments.
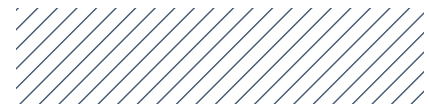
### 1. Introduction

Companies have historically considered efforts to adopt best practices in the environmental, social, and governance (ESG) space as being a purely voluntary undertaking, with limited legal or market risk. As a result, management, boards, and shareholders often took minimal notice of whether the company's ESG program was actually implemented. However, the recent exponential growth in ESG value and recognition has brought increased pressure on companies from regulators, investors, employees, and consumers to adopt and enforce high ESG standards. Now, falling short in the ESG space can have a material impact on a company's reputation as well as its bottom line.

Investigations are an essential tool to ensure that a company is "walking the talk" in relation to its ESG commitments. It is no longer enough to introduce controls and processes and expect they will be adhered to. Rather, robust and active testing—and investigating any complaints or issues that arise—are necessary for proving that the company's ESG standards are fully operational and embedded into its business culture.

### 2. What Is ESG?

For many, it is easy to think that ESG consists of only environmental and sustainability issues when formulating an ESG plan. The truth is, the concept is significantly broader and covers a number of areas, including:

These risks are not new but have been siloed into separate corporate functions such as compliance, audit, human resources, and IT security. The unification of these risks within the concept of "ESG" means that companies now have the opportunity to consolidate their resources and apply a consistent and higher-quality approach to risk mitigation and value.

We set out below some key trends we have observed in relation to the investigation and enforcement of ESG issues with respect to its E, S, and G components.

### 3. Environmental

The "E" component has been a priority for specific industries such as transportation and manufacturing. The automotive industry has been the subject of regulator and public scrutiny in a number of jurisdictions around the manipulation of carbon emissions, resulting in enforcement action and investigations into questionable business practices.

However, more recently, we have seen an increase in "greenwashing" litigation claims. These involve allegations against companies for making false or unsubstantiated claims in relation to the sustainable attributes of their products or services or even more broadly in relation to statements made about their ESG or corporate social responsibility achievements. Claimants have also sought to hold companies responsible for misconduct committed by their suppliers,

particularly in relation to human rights or carbon emissions.

In addition to potential scrutiny from regulators and courts, investors and financiers are also looking to ensure companies' compliance with environmental standards. For example, the area of green financing is experiencing significant growth, with a number of funds and financiers looking to invest in "green bonds" and other tax-incentivized climate-related projects.

### 4. Social

The COVID-19 pandemic and heightened geopolitical tensions have shone a spotlight on the "S" component.

As a result of significant media attention, most companies are aware of the potential reputational and legal risk arising out of poor data privacy and cybersecurity breaches and in particular the leaking of personal data.

More recently, the focus of the "social" component has expanded to supply chain and labour management. This follows the advent of the #MeToo movement and the disruptions in supply chains exacerbated by human rights violations.

In the event of a breach or an allegation of breach, regulators, financiers, shareholders, employees, and consumers all expect the company—its board and management—to conduct an independent and robust investigation and undertake appropriate remediation. It is no longer sufficient for a company to just "fix the problem" without first investigating what actually happened, how the misconduct occurred, who was involved, and how can it be prevented in the future.

### 5. Governance

The "G" component contains two categories: first, the requirement that a company has appropriate corporate governance in place, and second that it espouses proper corporate behaviour.

A strong ethical culture and compliance program are at the heart of good corporate governance. Unfortunately, governance failures often stem from a poor "tone at the top" or lack of attention and resources from management. Beyond exercising oversight and asking the right questions, the board of directors also has a role when serious alleged misconduct is raised to direct and oversee a well-resourced and independent investigation and to ensure appropriate remediation action is implemented.

The requirement to adopt proper corporate behaviour has traditionally addressed risks such as bribery and corruption, money laundering, and tax evasion. However, the FinCEN files published in September 2020 exposed a practice where more than USD 2 trillion was moved by global banks between 1999 and 2017, despite the funds being flagged as suspicious. This is despite money laundering being a known high-risk area, with detailed compliance policies and procedures being in place for risk management and mitigation by the relevant financial institutions.

The introduction of strict corporate liability offences under the UK Bribery Act and most recently in the Malaysian Anti-Corruption Commission Act has introduced even more stringent requirements for governance. The only defence to these strict liability offences is to prove that company has implemented "adequate procedures" designed to prevent corrupt acts. Such adequate procedures require not just a robust compliance program being in place but evidence that it has been implemented and enforced.

In addition to financial risks, senior management are also required to act in line with current corporate values in respect of diversity and inclusiveness. For example, the Hong Kong Stock Exchange has introduced diversity and inclusion requirements for new IPO applicants, along with certain requirements of issuers to ensure proper governance (e.g., anti-corruption and whistleblowing policies). Regulatory requirements aside, investors and consumers are less tolerant of companies who do not adopt a diverse and inclusive culture or whose management shows a disregard for corporate values.

### 6. Effective Use of Investigations to Mitigate ESG Risk

Complying with ESG standards and expectations can be a significant challenge for companies. With the fragmented nature of ESG regulation across the Asia Pacific region, more than half of the business leaders in the region cited regulatory enforcement and investigations as a top ESG risk, according to Baker McKenzie's report "From Strategy to Action — Advancing ESG in Asia Pacific," which surveyed 800 senior executives in Asia Pacific. Yet business leaders in every industry recognize the imperatives of accelerating ESG plans and meeting regulatory, investor, and consumer expectations. Adopting a robust compliance program is no longer a "nice to have" but is now an essential component of doing business. In fact, the ESG performance of companies is monitored and measured by third-party agencies such as MSCI, FTSERussell, ISS ESG, RobecoSAM, Refinitiv, and Sustainalytics and reporting frameworks and standards such as GRI and SASB. Achieving a high rating as an ESG leader is increasingly more crucial for companies to attract employees and consumers alike.

A key measurement of ESG performance is reviewing the action taken by companies to investigate and remediate breaches. This reinforces how important investigations are as a tool to measure the strength and value of a company's ESG program. Successful deployment of this tool includes:

- Assessing whistleblower and other complaints. Having a confidential avenue for both external and internal individuals to report any issues or complaints is an important control in any ESG program. Any complaints or reports received should be investigated at a level appropriate to the severity of the report. The whistleblowing program should also be regularly reviewed and tested for effectiveness.

- Looking into potential breaches in the supply chain. Making sure that new and existing suppliers are meeting the company's compliance expectations and understand the company's policies and procedures (e.g., anti-bribery and corruption). When suppliers fail to comply, an investigation should also look into associated weaknesses in a company's procurement, oversight, or audit function.

- Validating ESG and corporate social responsibility statements. With the increase in "greenwashing" claims, it is important that regular and robust validation investigations are conducted into the steps taken to meet any goals or targets to ensure that the statements are accurate and supported.

### About the Experts

**Mini vandePol** is the Head of Baker McKenzie's Asia Pacific Compliance & Investigations Group, after spending three years as the Global Chair. Mini focuses on anti-bribery and corruption, trade sanctions, fraud, and other senior executive misconduct investigations across Asia but most particularly in Hong Kong, China, and India. *Mini's full bio is available on Baker McKenzie.com*

**Christine Cuthbert** is a special counsel in the Hong Kong disputes practice, specialising in corporate crime and investigations. She has over ten years' experience in all forms of contentious work, including cross-border investigations and litigation, as well as other corruption-related matters. Christine's full bio is *available here*.

# COMPLIANCE LEADERS MUST FOCUS ON DATA SCIENCE

Companies should consider innovating, exploring, and implementing tools and processes to drive greater compliance and corporate governance practices.

Written by: Sonal Basu, General Counsel, Mindtree

Data science and data analytics are being explored around the world to find solutions to authentic societal problems such as increasing literacy quotient, fighting poverty, and making basic necessities accessible for the underprivileged. However, can data science and analytics be applied to effectively manage new ways of working and promote enhanced governance? General Counsels, compliance and data privacy leaders across the globe are ensuring that every new change, in the way we are working, such as collecting employee data and relevant information, understanding its impact and securing the sensitive data, are consistent with extant laws and regulations.

The pandemic has not been an easy phase for anyone. No one expected it to stretch so long, and surely enough, employees never expected remote work to continue beyond a year. This, from an organizational standpoint, has brought in a different dimension of the traditional employer-employee relationship. While remote work became the need of the hour, companies wanted to ensure that the compliance within it were watertight, and not compromised in any manner.

*Have the responsibilities for employees and the organizations changed in the dynamic work environment? Is data analysis a new requirement for enhanced governance in the organization? Let us evaluate this from a past, present, and future standpoint.*

When the pandemic struck, people across the globe had to adjust to new ways of life. It was a paradigm shift across all industries in many ways. Employers were forced to move ahead with remote work, the appropriate processes were established to ensure that policies are aligned, and business continuity plans were implemented. Courts started virtual hearings; the medical industry ramped up video consulting for their patients. Then came the phase where employers had to extend working remotely. The focus was to ensure that the employees had the proper infrastructure in place to support robust data security protocols. Various incentives and infrastructure were offered to make the employees settle into a virtual working mode; wellness programs were also promoted to help employees deal with this time.

Companies adopted multiple ways to drive enhanced transparency in relation to the new normal. Regular communication through numerous channels such as chatbots, implementing self-declarations, confirmation of compliance by employees, tracking productivity through tools, monitoring remote work location from an employee security standpoint, etc., were carefully architected.

Currently, we are in a state where life is gradually getting back to normal. But we all know that it is not going to be the same as it was pre-pandemic.

*What has changed? What are our learnings? What needs to be assessed from a transparency and enhanced governance standpoint? What did the pandemic teach us?*

- **Compliance officers need to think beyond traditional norms** in terms of ensuring that their organizations are prepared for the new way of working.

> *When the pandemic struck, people across the globe had to adjust to new ways of life. It was a paradigm shift across all industries in many ways.*

For example, making sure that the collection of a new dataset, such as vaccination status, body temperature while entering the office premises, contact tracing data, monitoring of employee productivity owing to remote work, etc., is rolled out for limited purposes abiding to the principles of processing and in accordance with data privacy laws. It is pertinent to ensure the data collected, stored, used and shared are designed in compliance with the data protection laws.

- **Enhanced employee responsibilities** in alignment with the company's policies in a remote work environment, keeping the employer updated on the efforts expended, and ensuring data integrity of claims and settlement to avoid any non-compliance in the process. Additionally, employees are required to update their personal details on employer platforms in terms of new work location—virtually, in terms of new work location in a timely manner; remain guided by the updated company policies; and cooperate fully with the employer from a compliance standpoint.

- **Robust virtual investigation process** is another element of compliance which became critical during the pandemic. Any investigation which would generally happen in-person shifted to a virtual mode. This required consent mechanisms, data storage and other compliance to be followed. Digitization of records, employee documentation, statutory obligations, and virtual audits in enterprises also transitioned from a physical to a robust digital documentation process.

- **Explore no geo-boundary resource regime**, requiring companies to track employee location from a global perspective and mobility of resources in a non-traditional manner. Most multinational companies had to ensure that they looked at their workforce and compliance procedures globally in terms of new locations.

- **Innovation and technology** to be leveraged for not just process improvement, but also for real-time service enhancements, compliance, and decision making. For instance, a financial service enterprise could use data to observe patterns and identify deviations in terms of unusual transactions in certain functions, and quickly remedy the adverse impact; the learning and development function could leverage insights from data points such as employee training credits, learning interest, etc. to assess enhancements and future skill requirements.

**Is Data science the new normal or the way forward?**

The above list is a collection of a few learnings from compliance leaders. But what is important to note is that data—not only personal data, but also certain behavioral patterns can be used as a new lever to drive enhanced corporate governance. With the integration of AI and machine learning, companies will no longer need to manually detect red flags. This enables a significant increase in the movement of information through data science.. Augmented with advanced tools, the system can auto-alert any deviated behavioral attributes. Be it cyber related non-compliance, fraudulent financial transactions, violation of the company's policies, etc., insights from data can help compliance leaders address deviations from the normal course in an informed and timely manner—averting any unwarranted business disruptions. An ability to predict and prescribe through data analytics will have a profound impact on governance.

**Will there be a paradigm shift in the way we operate?** While there may not be a massive shift, changes driven by regulators will need to be factored in, such as requesting listed companies to submit recordings of key company affairs, enhanced focus to drive ESG goals, etc. Given that the operations will primarily be data driven, it is imperative that the policies established, clearly articulate the intent of the data analytics tool, expectations from users, and how this will tie into the overall governance within the organization and across the stakeholder value chain. Transparency will be key. Employees need to be made aware of how their data will be consumed to drive a robust and healthy work environment, to protect them and the business from any vulnerabilities, both internal and external.

**Has Data Science evolved the role of compliance leaders ?** Definitely. The role of compliance leaders has evolved beyond ensuring that the day-to-day functioning of the company is within the contours of the laws and regulations of the land. The fact that advanced analytics can provide organizations the predictive and prescriptive ability, beyond just pattern identification and deviations, can help compliance leaders stay ahead of their game and deflect or diffuse any untoward incidents ahead of time.

It will be prudent to say that legal and compliance leaders must continue to innovate, automate, and drive corporate governance through the tenets of data analytics, by translating data to insights, and finally make informed decisions.

## About the Expert

*Sonal Basu* has spent nearly two decades in the information technology industry in various leadership roles. In her role as General Counsel, she is responsible for Mindtree's legal, regulatory and integrity functions. Sonal provides strategic advice to the board and management across global markets and is also a champion of diversity and inclusion initiatives.

*Sonal regularly speaks at various forums and prestigious educational institutions such as IIM, Bangalore. She has also been a visiting faculty for a Seminar Course on 'Cloud Computing' at the National Law School, Bangalore. With several articles on IT and outsourcing to her credit, Sonal is recognized as one of the top General Counsels in India.*

# THE 3 N'S: THE NEW NORMAL MEANS NEW SKILLS AND NEW STRATEGIES

If there is one thing the pandemic has taught us, it is that leadership matters.

Written by: Sameer Chugh, Former Group General Counsel, Bharti Group

Today's world needs well-rounded leaders armed and ready with solutions when businesses resume fully and seek out expensive ways to explore new opportunities.
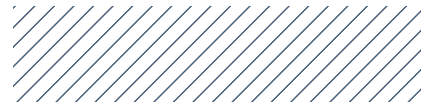
## Up-Skilling and Re-Skilling

The increasing focus on workplace compliance, which has been compounded by the pandemic both from regulatory compliance and health and safety risk perspectives, will need the guidance and support of versatile leaders.

Over the last 18 months, the world has been witness to a pandemic of the kind never seen before. Technological advancement, in certain areas, has seen a huge upsurge, and contrastingly some areas have remained stagnant. These are uncertain and unpredictable times—for the most part—yet everything around us continues to change and evolve, and as leaders, we are expected to keep up with an ever-changing world.

While over the last year we've heard a lot about "pivoting," now the focus is on how legal professionals up-skill and re-skill to ensure relevance in a post-pandemic world. It is clear that companies play a crucial role in preparing employees for the future by providing opportunities to up-skill and re-skill for a talented and sustained workforce to be available.

**Up-skilling** is a process to upgrade existing skills and capabilities by undergoing training and development on a continuous basis. On the other hand, **re-skilling** is learning or adding new skills to keep pace with the changing environment and market.

Given the recent technological advancements, the pace at which the same continues, and the new ways of working, while immense opportunities are opening up and will continue to open, they will also lead to a serious skill gap. That will hold true for all organisations, irrespective of the sector, scale, and size. However, any industry that employs highly skilled workers will have the maximum impact, such as manufacturing, construction, etc.

The re-skilling and up-skilling of the workforce must start now if the companies want to be back to their pre-pandemic levels and see growth going forward. The requirements will include having top-of-the-line training & development capabilities using technology—and that too in a remote environment.

## Up-Skilling and Re-Skilling Benefits

1. Hiring a new employee, even though they may possess better skills than the existing employee, is always going

to be expensive because employee turnover is costly both from a time and money perspective. Adding the time taken for a new hire to make meaningful contributions, the overall cost to replace an employee could be even higher. Comparatively, re-skilling your current employees by way of training and development is going to be relatively cheaper and more beneficial in the long run. A re-skilled worker will be more valuable than the skilled new hire. Therefore, the HR department must, in addition to ensuring the wellbeing of the employee, also continue to focus on developing skill sets by organising workshops, learning sessions, leadership programs, etc. These programs should cover the possible requirements of the business in the future—an example being that a manufacturing industry must impart training in the use of machines which use more robotics and automation. This will also improve retention of employees. *We must remember that a current skill of one company could potentially be an up-skill for another company.*

2. Up-skilled and trained staff will have a higher morale and a more positive outlook for the future and therefore have higher productivity. A company that is investing in re-skilling its workforce is also seen as a company providing a career path and future for its employees. It creates a stronger culture, as there's a renewed sense of purpose.

3. A content and happy employee will always result in better customer satisfaction. Remember, employees are a company's biggest brand ambassadors. A satisfied employee will always give 100 percent and contribute to increased productivity by doing better work. These employees will be up to date on industry trends, issues, and concerns. Therefore, they will be more solution centric. A satisfied customer will be willing to pay more, resulting in better revenues, and also be a stronger brand advocate.

4. Any organisation that provides proper talent management and opportunities to up-skill will be able to attract better and newer talent more easily. As a successful company that is looking to grow and also venture into newer areas, new talent is a key to success. This also results in employees referring and recommending the company to their contacts and friends.

5. Up-skilling and re-skilling employees creates a culture of innovation that can solve complex problems. It also improves agility in the organisations and allows for better prioritisation.

## Recommendations: Initiatives for Up-Skilling—What and How?

1. Planning. To create a beneficial up-skilling programme, a company must undertake a skill gap exercise to essentially map the available skills and the skills required in the short term (over the next one to two years) and the long term (three to five years years) and ascertain the focus areas and what already exists and what is needed. Once the skill gaps are determined, it will be clear to the company which skills are needed for their employees. The key here is to be ahead of the curve and anticipate well to acquire the desired and relevant skills.

2. Strategizing. Given the limited resources and the budget constraints, it is important to strategically plan the training sessions for the skills to be acquired. The sessions for the acquisition of the short-term skills should be commenced immediately, and the long-term skills should be staggered over the next 1-2 years so that employees obtain the most relevant knowledge. The intent here should aim to be proactive and stay relevant for the time and the need.

3. Accessibility and Cost. The training and development sessions must be made readily available and easily accessible. With the advent and enhancement of technology opportunities, the use of technology can allow for imparting training remotely—at least for the theoretical aspects. The costs also should be affordable and not result in a negative cost-benefit analysis.

## Individual Responsibility

As leaders, it is critical that we continue to up-skill and re-skill, given the changes that we are currently experiencing.

As companies adapt to the changing environment, several roles and requirements are bound to be outdated, leading to a situation of redundancy due to the skill gap. Therefore, even where companies may not provide opportunities for training and development due to any reason, it is important that every individual takes this opportunity to acquire new skills that make them relevant and marketable for the future. For example, lawyers with expertise in litigation in a certain field may want to develop additional areas of practise. As individuals, the onus will be on you to choose your path of development, and therefore identifying the skill gap is critical. In certain cases, the gap may be soft skills that may need attention and in some core subject knowledge or understanding. There is a plethora of online courses that give people the freedom and ability to up-skill

and learn at their pace and as per their requirements.

There are several ways for individuals to up-skill and re-skill in order to stay relevant and also ahead of the times, which include, among others:

1. In-house training: All individuals should voluntarily opt for the training sessions that are organised, including those which may not be relevant for their current job but could benefit a possible future role or area which the person may be interested in. This allows for the acquisition of additional knowledge, and if the current role becomes redundant, there are other roles to be applied for. For example, in a service industry, an individual may be in the finance function but can certainly seek additional training to be able to fill a customer service role.

2. Online courses to up-skill: Given the advancements in personal technology, individuals can register for online courses that help acquire knowledge and information on the latest in your field and allied fields. In most cases,

*Disclaimer: The article states my personal view and not the views of my organisation or state of compliance in any organization.*

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## About the Expert

*Sameer Chugh is currently a Partner with Cyril Amarchand Mangaldas (CAM) in its Corporate practice, with special focus on the technology, media, and telecommunication and regulatory spaces. Mr. Chugh was the former Group General Counsel for the Bharti Group and has recently moved into private practise. He has undertaken many cross-border M&A transactions and has over 30 billion dollars in transactions to his experience throughout his career. He also served as a General Counsel of NCR Corporation and helped the company in setting up their manufacturing plant in Pondicherry. Mr. Chugh studied law, majoring in company law and criminal law, from Symbiosis Society's Law College, Pune. He also has a master's degree in marketing management from Symbiosis Institute of Management Studies, Pune, and a MSc in telecom business from University College of London, London, UK.*

# Elevate Your Culture and Overcome People-Created Risks

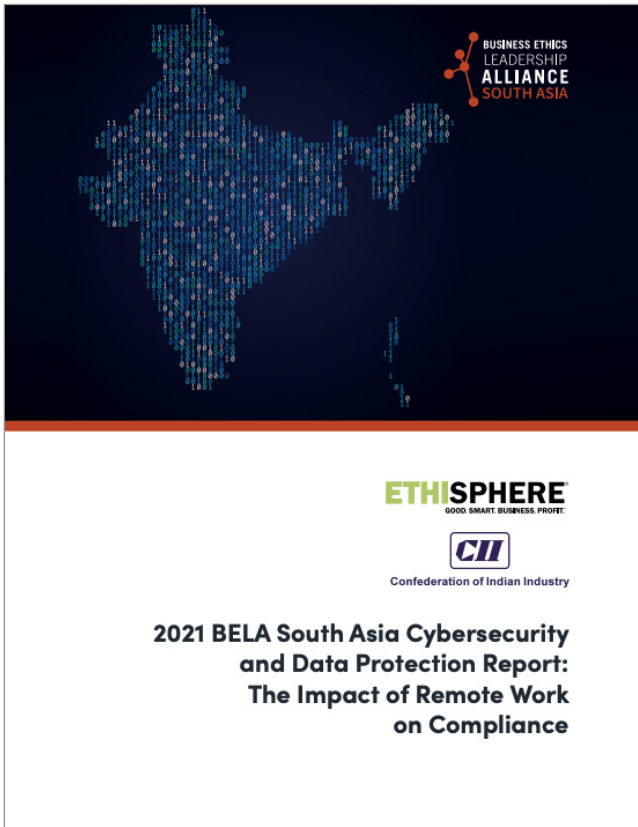Data, expertise, and toolkits to help ethics and compliance teams focus on sustainable culture change

## Measure Your Culture

## Turn Insights into Action

## Become an Agent of Change

LEARN HOW WE CAN HELP

# BELA SOUTH ASIA RESOURCES

**2021 Cybersecurity and Data Privacy Report**

This comprehensive report was compiled together with our partners at the Confederation of Indian Industry (CII), and under the direction of our BELA South Asia working committee, which consists of leaders from TATA Steel, Honeywell, Intel, and Cummins. We believe this report contains essential information that will help inform and arm you with data, resources, and thought leadership. To ensure the most thorough review of the data, and further validate the integrity of the report, an independent committee comprised of leaders representing Genpact, and Reckitt Benckiser conducted an additional audit of the content.

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