

2025 ETHICS & COMPLIANCE REPORT

Program Trends & Employee Perceptions

*A dual-lens view: measuring program
practices and workplace experience*

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

Key Themes

1 Executive Summary

2 Ethics & Compliance
as a Strategic Partner

3 Speaking Up

4 Risk Mitigation

5 Demonstrating the
Value of Compliance

6 Final Word

Executive Summary

Key issues for E&C leaders in a rapidly
changing world

Executive Summary

At a time when businesses face enormous uncertainty and pressure, data provides clear guidance to manage risk, develop opportunity, and build a blueprint for sustainable success, no matter what the future holds.

At Ethisphere, we are dedicated to building a better world by advancing business integrity. Our deep expertise in business ethics, combined with decades of partnership with the world's most respected companies, uniquely positions us to identify the most impactful trends shaping ethics and compliance programs in 2025.

Grounded in this perspective, the insights in this report are designed to help compliance leaders confidently navigate uncertainty and elevate program impact.

Drawing from Ethisphere's extensive dataset, we'll provide a clear view of the current landscape, highlight how leading organizations are navigating today's challenges, and offer guidance for building resilient, future-ready programs.

THREE TIPS TO NAVIGATE UNCERTAINTY

Take a Risk-Based Approach

Use your team's unique view of the enterprise to spot risk and solve small problems before they become large ones.

Strengthen E&C Programs and Practices

Show how the ROI in ethics and compliance pays off, builds value, and strategically differentiates your enterprise.

Advance Ethical Culture

Strong cultures deliver higher financial performance, reduce risk & misconduct, and create sustainable blueprints for success.

Real-World Ethics & Compliance Data

For years, Ethisphere has built datasets that prove strong ethics is good business. Millions of culture data points show how companies can make their own cultures more productive and profitable. Our program benchmarking data shows what excellence looks like for organizations seeking to develop best-in-class business integrity. And our Ethics Premium proves how much highly ethical organizations outperform their peers.

This report features insights from Ethisphere's proprietary datasets, the 2025 World's Most Ethical Companies® and Ethical Culture Data.

PROGRAM DATA ANALYZED:

136
organizations

32K
program data points

EMPLOYEE DATA ANALYZED:



1.2M+
employee responses



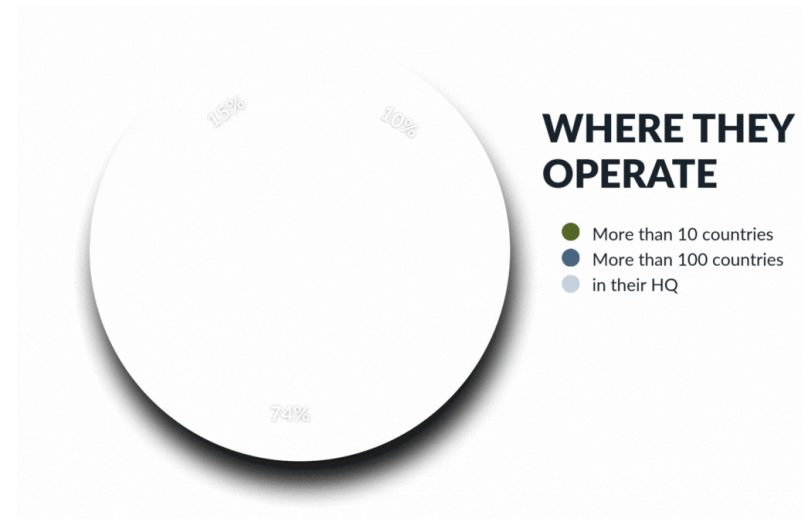
41.5M
data points



98
companies



58
countries



The Long-Term Value of Integrity

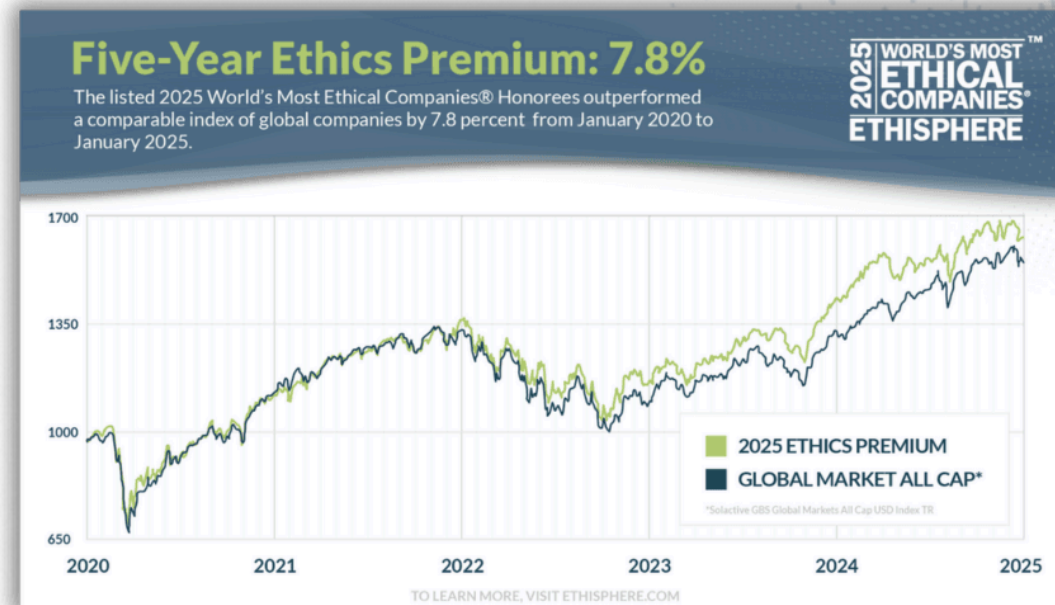
In times of economic uncertainty, ethics and compliance leaders are often asked to defend the business value of integrity. The data speaks for itself.

Ethisphere's Five-Year Ethics Premium for 2025 is 7.8%—a figure that reflects the margin by which publicly traded companies recognized as this year's World's Most Ethical Companies® outperformed a comparable index of global companies over the five-year period from January 2020 to 2025.

This is not just a financial statistic—it's a powerful signal. Even amid market volatility and global headwinds, companies that commit to ethical business practices continue to deliver stronger long-term performance.

Ethisphere began calculating the Ethics Premium in the wake of the 2008 financial crisis, when many questioned whether doing the right thing could coexist with delivering shareholder value. By tracking a shared data point—stock performance—we set out to answer that question.

Year after year, the results have been clear: ethical business is not a tradeoff. It's a differentiator.



WANT TO DIVE DEEPER?

Explore the data behind the Ethics Premium and learn how companies that prioritize integrity outperform the market.

[LEARN MORE](#)



Interactive poll not supported

[View online version](#)

Key Issues for E&C Leaders

Speaking Up

Globally, half of employees who witness misconduct acknowledge they did not report it. Reinforcing a speak-up culture allows risk to surface early and be mitigated more easily.

Risk Mitigation

Proactively identifying, assessing, and addressing emerging risks across the business demands unprecedented E&C visibility, agility, and alignment with enterprise priorities.

Making a Case for Compliance

Amid economic pressure and competing priorities, ethics and compliance teams are navigating cost constraints while remaining essential to enterprise risk strategy.

Ethics & Compliance as a Strategic Partner

E&C's evolving role as a strategic fixture within the business hinges on building credibility, demonstrating value, and helping leaders navigate ethical risks in pursuit of business goals.

Ethics & Compliance as a Strategic Partner

The benefits of a long-term commitment to outperforming through business integrity

Over the past decade, the E&C approach for most organizations has gone from rules-based systems to the emphasis on values. Having an E&C program that takes a risk-based view combined with values-based solutions enables organizations to have long-term sustainability even in a business environment so often consumed with short-term results.

Whether the topic is corruption, environment and social, or use of AI, it's those repeatable processes and core values that will enable you to quickly react. Operationally, instead of chasing the different regulations, think about it from a systems and values standpoint. Determining the type of controls or management systems you need can help you to meet any regulation, new technology, or expanded business opportunity that comes along.

The conscience of an organization is not with the E&C department but starts at the top. E&C leaders are increasingly being drawn into discussions around strategic decision making. Board members and executive leaders are becoming more sophisticated around risk. They are concerned with ethics and want to better understand how that can protect companies.

Executive leadership needs to be more hands-on to:

- Develop guiding values for how the business will be run
- Get people in key positions who will commit to those values in terms of how they lead and operate

If you are not focused on values and ethical culture, you are more likely to find yourself facing the same compliance missteps over and over again.

“

Our team is called Ethics & Integrity, so it's more than just complying with the law, it's ethics and integrity as fundamental values –it's not a sprint, it's a marathon.”

Felipe Maldonado, Director, Compliance Programs,
Salesforce

in

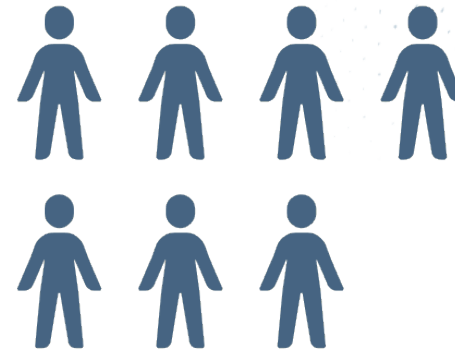
Reporting Lines Send a Clear Signal About E&C's Importance

Reporting lines and organizational charts send messages about the perceived importance of different functions. While regulators have not explicitly defined an "ideal" reporting line or level of seniority, they have made it clear that the location must be deliberate and in line with the entity's risks.

The Department of Justice encourages companies to assess how E&C compares to other control functions within your organization — with seniority and access to leadership being key to its influence.

Reporting directly to the CEO or president sends the strongest signal, placing ethics and compliance on equal footing with key control functions. Placing E&C within the legal department can also be effective but necessitates the program leader to have a Chief Ethics and Compliance Officer (or similar) title, with a dotted reporting line to the chair of the committee of the board with oversight of the E&C program.

STRUCTURE



71% of Ethics and Compliance functions are housed in the legal department



23% operate as an independent function reporting to the CEO, COO, or CAO equivalent

REPORTING

The Power of Presence: How E&C Gains Trust Across the Organization

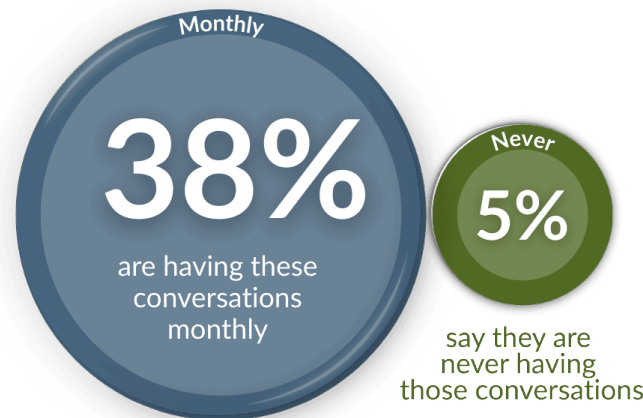
Ethics and compliance communication is more than just emails or talking to the board — it's about creating a visible, trusted presence across the organization.

At the top of the organization, E&C teams need to foster relationships with boards and senior leaders, ensuring ethics and compliance has a meaningful presence in the most strategic conversations.

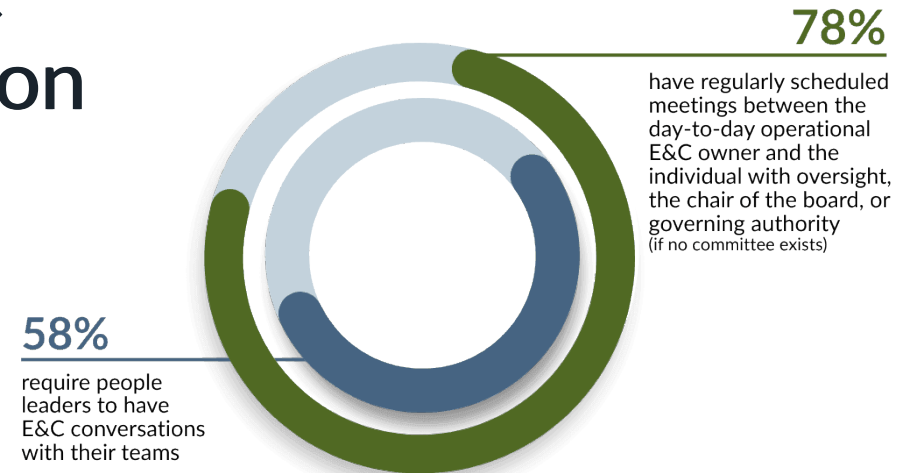
But *people leaders* sit at the heart of it. These leaders are the everyday face of E&C, shaping not just culture but also awareness of processes, expectations, and where to turn with concerns. When leaders engage their teams in regular (monthly) ethics and compliance conversations, employees are significantly more likely to report misconduct and trust the process behind it.

Strong communication isn't just about shaping values — it's about reinforcing that E&C is present, accessible, and essential to how the business operates.

WHAT EMPLOYEES PERCEIVE



HOW THE PROGRAM OPERATES



WHAT THE DATA SHOWS

People who are frequently having those conversations are:

30 POINTS MORE LIKELY
to report misconduct that they observe

43 POINTS MORE LIKELY
to believe that the organization will take action if they raise their hand

Real Conversations, Real Impact: E&C at the Strategy Table



Hear directly from leading E&C practitioners on how they navigate ethical risks, influence strategic decisions, and embed integrity into innovation, growth, and global expansion. These conversations offer practical insights and lessons from the front lines of compliance leadership.

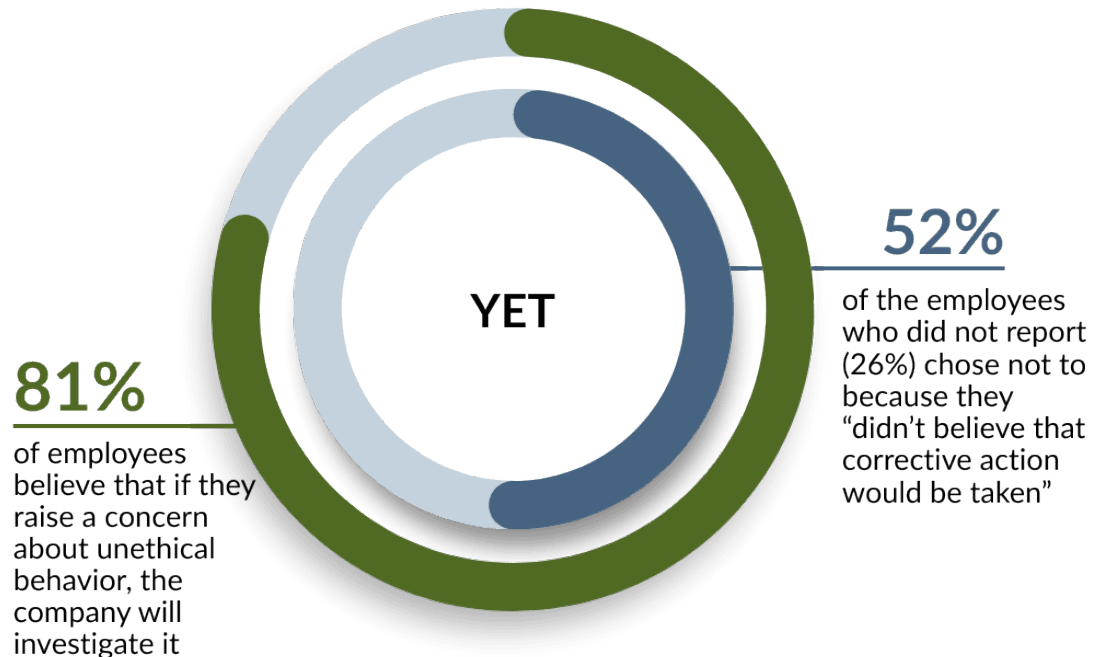
[SEE MORE EPISODES](#)



Speaking Up

How willing employees are to call out misconduct is a bellwether for organizational culture itself.

The Silent Majority: Employees Still Aren't Speaking Up



Companies offer reporting through these channels:

- 99% Documented open-door policy for direct supervisors
- 99% Web-based reporting tool
- 95% Third-party maintained hotline
- 94% Documented open-door policy for executive management
- 91% Organization-wide reporting email account
- 82% Mailing address
- 57% App or mobile-specific reporting tool or platform
- 26% Ombudsperson

YET

The top four reporting options employees chose are human-based:

Immediate Managers

Human Resources

Manager's Manager

Ethics & Compliance

SPEAK-UP CULTURE IS BUILT THROUGH PEOPLE

Creating a culture where employees are willing to raise concerns is foundational to any effective ethics and compliance program. Encouragingly, the data shows that employees generally trust their organization to take concerns seriously and investigate them.

But trust in the process doesn't always translate into action.

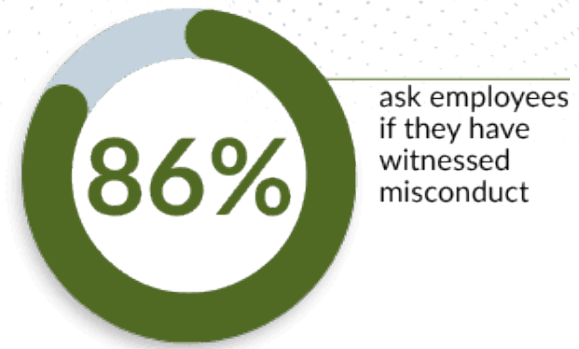
Many employees who observe misconduct choose not to report it—often due to fear of retaliation, concern about harming relationships, or skepticism about whether raising a concern will lead to meaningful change.

And while organizations offer multiple reporting channels, misconduct is overwhelmingly reported to people: direct managers, HR/E&C, and skip-level leaders. This underscores a crucial reality—speak-up culture is built through people.

To close the gap, organizations must empower managers to respond effectively, model transparency and accountability at every level, and create a workplace where speaking up is not only safe—but expected and valued.

Retaliation at a Glance

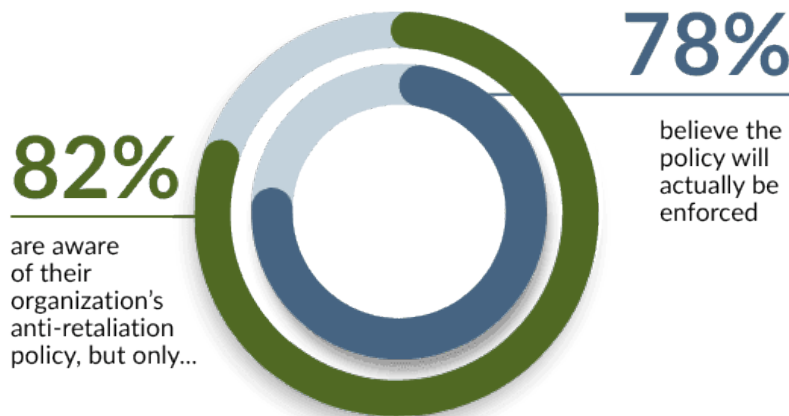
HOW THE PROGRAM OPERATES:



WHAT EMPLOYEES PERCEIVE:



of those who are unwilling to report misconduct cite fear of retaliation as a reason why



78%

believe the policy will actually be enforced

IN PRACTICE

Organizations have these processes in place to detect and prevent retaliation:

- 89% Reminder to manager about behavior during investigations
- 67% Monitor change in job status
- 65% Process if reporter/witness facing involuntary termination
- 57% Follow-up with reporter to see if felt retaliation
- 44% Monitor change in performance evaluations, job assignments
- 12% Monitor sick day use

GREAT CULTURE IS MORE THAN A FEELING

Measuring Culture at Every Level: Tone, Mood, and Buzz Matter

As more organizations integrate ethical culture questions into their employee surveys, they're taking important steps toward understanding where their culture stands. But data alone doesn't change behavior.

Real progress comes when organizations act on what they learn—closing feedback loops, addressing fear of retaliation, and empowering managers to handle concerns with care and consistency.

That's why it's critical to assess and address culture at all levels: the tone at the top, the mood in the middle, and the buzz at the bottom. Speak-up culture isn't just a metric to monitor. It's a daily practice that lives or dies in the moment when an employee chooses if they will raise their hand—and in how the organization responds when they do.



Interactive poll not supported

[View online version](#)

Risk Mitigation

The strategic shift behind E&C's growing role
within enterprise-wide risk management

Risk Mitigation is Rising on the E&C Agenda

Developing Foresight and Influence

As businesses navigate geopolitical volatility, regulatory uncertainty, AI prevalence, and reputational threats, the role of ethics and compliance in enterprise risk mitigation is expanding rapidly. No longer confined to reactive enforcement, today's E&C teams are being called on to proactively identify and address emerging risks—often in real time—and guide the organization through complexity with confidence.

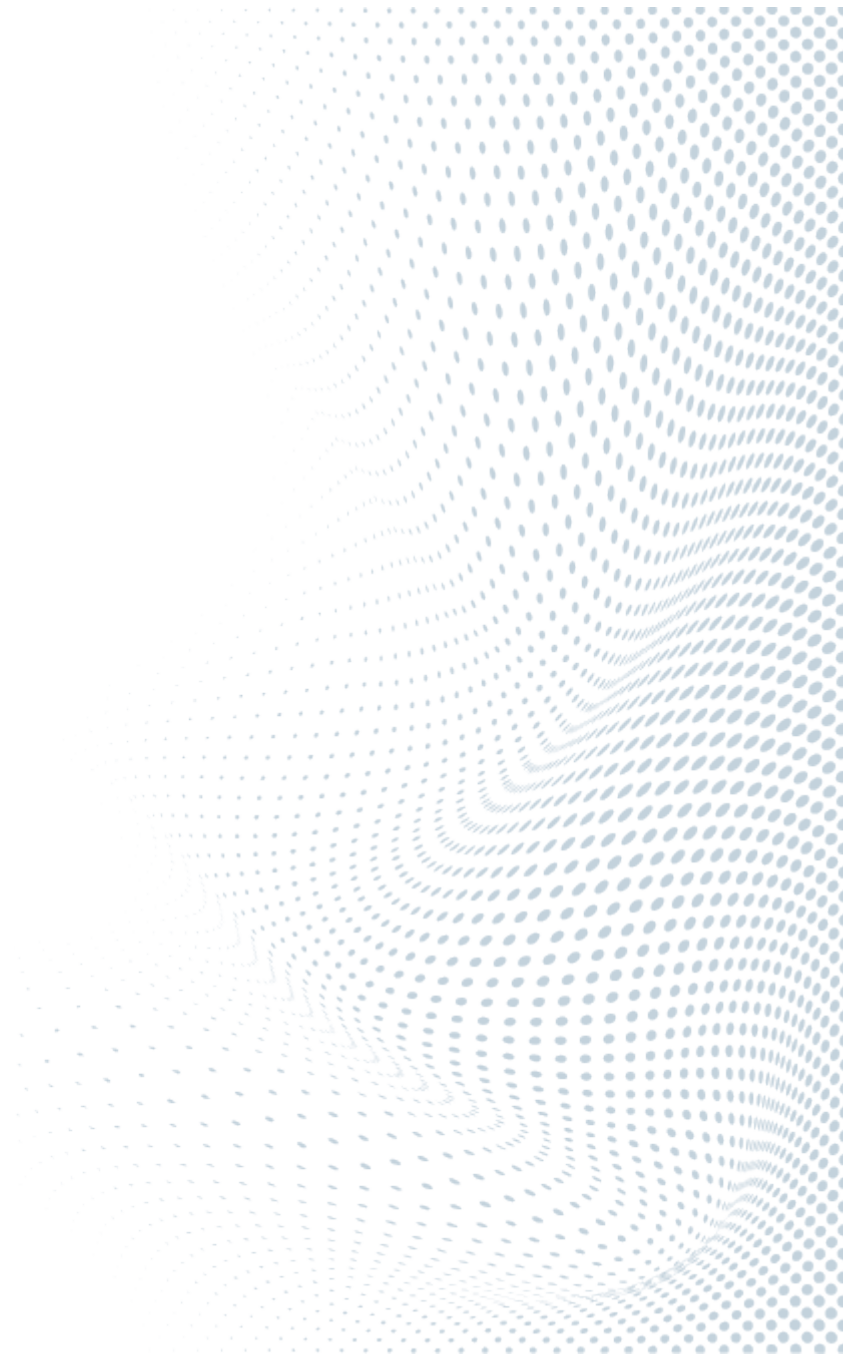
In 2025, effective risk mitigation is as much about foresight and influence as it is about controls and procedures.

90%

evaluate risk as part of an enterprise-wide process (ERM)

85%

evaluate E&C risk as part of a standalone, non-ERM evaluation process



Ethics & Compliance: A Strategic Risk Partner

Leading organizations are elevating E&C from policy enforcer to strategic risk partner. Today's most effective programs:

- Integrate with enterprise risk management (ERM) frameworks
- Provide board-level visibility into ethics, culture, and conduct risks
- Use data to flag early warning signs and inform decisions
- Partner across functions to address risk proactively, not reactively

The result? A stronger, more resilient organization—better equipped to anticipate, mitigate, and adapt to a fast-moving risk landscape.

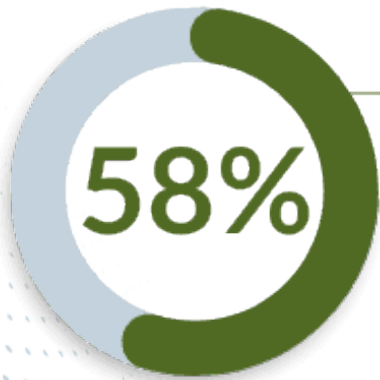
Planning and documentation of risk assessments includes:

INNOVATIVE PRACTICES

Forward-thinking programs are also adopting emerging technologies that increase their company's ability to detect and mitigate risk. We've seen programs leverage internal generative AI models to better provide employees guidance and answers to their questions in real time and "real speak" based on company policies and procedures. Other programs have built sophisticated risk dashboards that aggregate data from multiple internal and external systems to provide a constant and dynamic picture of, say, third party risk, informing audit plans, providing insight to business leaders, and supporting a cycle of continuous improvement.

Third-Party Risk

As supplier networks expand, ethics and compliance teams are under pressure to do more—faster. Evaluating third parties now requires greater rigor, smarter tools, and more bandwidth than ever before.



routinely monitor all third parties that are more than low risk



have audited at least 50% of third parties



of E&C teams own 3rd party risk management



Read more about how ethics and compliance teams are managing rising third-party risk—amid growing complexity and limited bandwidth

Demonstrating the Value of Compliance

A look at the data that underpins the ROI of
ethics and compliance

Making the Case for Compliance

Despite a narrative of “do more with less” and economic headwinds – brought on by geopolitical tensions, market uncertainty, and trade escalations, to name a few – many companies are cutting or reconsidering their costs, to which the ethics and compliance program is not immune. However, in our conversations and work with hundreds of ethics and compliance leaders over the past year, a different picture has emerged. Encouragingly, we’ve seen that companies are increasingly leaning on these leaders and their programs to help them navigate this uncertainty. In its ability to provide guidance and operate programs and controls that reduce risk, the E&C program is demonstrating its value in protecting reputation *while* also propelling business forward.

Culture is a Growth Driver:

Research from Arizona State University on Ethisphere's global dataset show that organizations scoring just one standard deviation above benchmark on Ethisphere's Culture Quotient delivered nearly 40% higher return on assets – a powerful reminder that culture and performance go hand-in-hand.

E&C Shapes Ethical Behavior:

Compliance failures rarely come down to a single “bad actor.” By setting expectations, providing training, and fostering ethical decision-making, E&C teams play a critical role in reducing risk and reinforcing shared values.

Speaking Up Internally vs. Externally:

The SEC Office of the Whistleblower [reported](#) a 49% increase in tips, signaling a growing willingness to report concerns externally. Strong *internal* reporting channels, transparency into the investigations process, and a true commitment to non-retaliation help organizations uncover and address issues early and proactively.

People Report to People:

When employees do speak up, the majority go to a person. [60% of reports](#) are made to a person, highlighting the importance of equipping people leaders to handle such concerns effectively.

Protecting Intangible Assets:

Today, much of an organization's value lies in intangible assets – its people, reputation, and intellectual property. Forward-looking E&C programs help safeguard these assets, driving not just risk mitigation, but long-term, ethical growth.

The Cost of Non-Compliance

21%

of organizations have experienced a significant integrity incident

40%

growth in number of violations and the number of companies with violations

\$1T+

U.S. companies have paid more than \$1 trillion in fines, penalties, and settlements since 2000

\$113.7M

Average monetary settlement amount since 2022

\$1.8M

Average monthly cost for FCPA-related investigation

Source: [*Foreign Corrupt Practices Act: Statistics & Analytics*](#)

“

If you think compliance is expensive, try non-compliance.”

Paul McNulty, U.S. Deputy Attorney General (2006-2007)

in



What Compliance Failures Really Cost

From soaring fines to reputational fallout, major compliance failures are leaving a mark. Explore key lessons from recent enforcement trends and what they signal for 2025.

[READ MORE](#)

Measuring and Showcasing Program Effectiveness



evaluate the effectiveness of their entire E&C program annually

81%

engage an external party to evaluate the effectiveness of their entire E&C program



60%

the majority do so at least every 3 years

MEASURE TO IMPROVE

To ensure its E&C program is effectively preventing violations, detecting issues, and promoting ethical behavior, organizations assess the performance of:

E&C training curriculum	Investigation process	Gifts and entertainment procedures and controls	Risk assessment processes/ protocols	Employee knowledge of compliance issues	Incentives for ethical conduct
-------------------------	-----------------------	---	--------------------------------------	---	--------------------------------

REPORTING TO THE BOARD

98% of organizations provide the Board with deep-dive briefings by subject matter experts of ethics and compliance risks
87% provide written data reports from outside sources
58% provide interactive sessions for Board members



Interactive poll not supported
[View online version](#)

A Final Word



The early months of 2025 have tested the resolve and agility of even the most experienced ethics and compliance leaders. Against a backdrop of uncertainty, evolving risks, and heightened stakeholder scrutiny, one truth continues to emerge: no organization should have to navigate this landscape alone.

That's why community matters. Within the Business Ethics Leadership Alliance (BELA), leaders are not only finding support—they're gaining access to collective intelligence, real-time benchmarking, and a trusted network of peers facing many of the same challenges. This shared space for learning and collaboration accelerates impact, shortens the path from question to action, and helps teams align more effectively around integrity as a business imperative.

By combining the power of data with the perspective of community, organizations can make more confident decisions and ensure their programs stay resilient, relevant, and ready for what's next.

They say your network is your net worth, and to showcase the power and community that BELA embodies, we invite you to listen in on some of our favorite sessions from the 2025 Global Ethics Summit.

Erica Salmon Byrne

Chief Strategy Officer
Chair, Business Ethics Leadership Alliance

ETHISPHERE

About Ethisphere and the Data

ETHISPHERE

Ethisphere is the global leader in defining and advancing the standards of ethical business practices that strengthen corporate brands, build trust in the marketplace, and deliver business success. Companies turn ethics, compliance, and culture into a business advantage by leveraging Ethisphere's data-driven program and culture assessments featuring the latest guidance and the practices of hundreds of global organizations across the 8 pillars of an ethical culture, and 240+ ethics, compliance, social, and governance data points delivered through a proprietary software platform.

Ethisphere also honors superior integrity programs through World's Most Ethical Companies® recognition, brings together a community of industry experts with the Business Ethics Leadership Alliance (BELA), and advances ethical business practices through the Global Ethics Summit, Ethisphere Magazine and the Ethicast podcast.

For more information, visit <https://ethisphere.com>.



This report draws on two core data sources from Ethisphere's global research and benchmarking efforts:

2025 World's Most Ethical Companies®

Insights from honorees recognized for their commitment to integrity, ethics, and strong governance. This data reflects leading practices across industries and regions, gathered through Ethisphere's Ethics Quotient® framework, which evaluates companies on areas including culture, compliance, governance, and leadership. The data in this report consists of 136 organizations' responses to 240+ questions. Learn about The World's Most Ethical Companies [here](#).

Ethical Culture Data

Findings from Ethisphere's Ethical Culture Assessment, a proprietary software that captures employee perceptions on key dimensions of ethical culture. This reflects employees' perspectives and provides a rich view into speak-up culture, trust, perceptions of fairness, and leadership credibility. The data in this report consists of 1.2 M+ employees, 41.5M data points, across 58 countries, and 98 organizations. Learn about Ethisphere's Culture services [here](#).

1

Measure Your Culture

Learn if you have a speak-up culture of compliance and where you can make improvements.

START HERE:

Learn about the 8 Pillars of an Ethical Culture

Check out [this guide](#) to understand elements of a robust culture.

BELA MEMBERS:

Talk with your Engagement Director about your Ethical Culture Accelerator Assessment benefit.

2

Engage Leadership

Share the benefits of an ethical culture and provide ways to drive positive change.

START HERE:

Ethicast: How Do I Drive Tone at the Top in Today's Business Environment?

Hear how to get leaders involved in fostering a values-based culture. [Watch now.](#)

BELA MEMBERS:

Check out the Ethical Leadership Masterclass featuring Penn State's Dr. Linda K. Treviño, in the BELA Member Hub.

3

Leverage Data

Learn if you have a speak-up culture of compliance.

START HERE:

Ethicast: How to Supercharge Your Culture With Assessment Data

Check out [this Ethicast](#) to learn how to leverage survey and other data.

BELA MEMBERS:

In this Masterclass series, learn how to leverage cross-organization data to analyze your ethical culture.

4

Focus on Managers

Address expectations, including monitoring and reporting.

START HERE:

Supporting Managers as Models

Learn how Best Buy supports managers as models of behavior. [Read now.](#)

BELA MEMBERS:

Check out the Ethical Leadership Guide for Managers contributed by BELA Member FedEx.

5

Tell Stories

Fast track your program with peer learnings.

START HERE:

Ethicast: Storytelling is Your Ethics Superpower

Learn how Eaton leverages storytelling to engage leadership and employees with authenticity [here](#).

BELA MEMBERS:

Visit the BELA Member Hub and access 300+ program examples contributed by peer companies.

BUILD A STRONGER,
SMARTER E&C PROGRAM

Partner with Ethisphere to elevate your strategy.

Let's discuss how Ethisphere can help you advance your program, foster a strong culture, and deliver measurable results.