ETHISPHERE®

Inside the Ethics Premium

How highly ethical companies outperform and outlast

Inside the Ethics Premium™

The 2026 World's Most Ethical Companies® honorees outperformed the market over the last five years and recovered faster through volatile periods. The Ethics Premium reinforces a simple point for leadership teams: organizations that invest in ethics and compliance deliver strong results over time and show resilience during periods of market disruption. The business case is straightforward: strong programs help reduce surprises, strengthen decision-making, and protect trust, all of which support durable performance.

What is the Ethics Premium?

The Ethics Premium is a five-year lookback that compares the publicly listed 2026 World's Most Ethical Companies honoree cohort to the **Solactive GBS Global Markets All Cap USD Index (Total Return)**, a global benchmark used to represent the broader investable equity market across sectors. This provides a high-level signal of how ethics-leading companies performed across a full market cycle, including both expansion and contraction.

Correlation vs. Causation

The Ethics Premium reflects correlation, not causation. Market performance is shaped by many variables, and no single factor explains outcomes. World's Most Ethical Companies honorees earn recognition based on the strength of their ethics, compliance, culture, and governance practices, not financial results. The Ethics Premium shows that, over time, these companies deliver stronger performance and greater resilience than the benchmark.

Inside the Ethics Premium

Ethics is a Performance Advantage

Organizations recognized for leading in ethics and compliance delivered higher returns with less downside and faster recoveries. The business case is straightforward. Strong programs reduce surprises, strengthen decision-making, protect trust, and safeguard intangible assets—all of which support durable performance.

Five-Year Ethics Premium

+8.2pp

Jan 1, 2021–Dec 31, 2025

7.1%↓

Smaller max drawdown than the broader market

10.1%

Faster return to prior peak than the broader market

14.4%

Less time spent below the prior peak than the broader market

Five-Year Outperformance

Publicly listed 2026 World's Most Ethical Companies honorees displayed stronger share price growth compared to a broad global benchmark by 8.2 percentage points over the five-year period from 2021–2025. The gap is meaningful, and the more board-relevant story sits beneath the headline. The same dataset highlights how the cohort behaved when conditions turned, including the depth of declines and the speed of recovery.

+8.2pp

Five-year share price outperformance vs. global benchmark

Resilience

When markets decline, stakeholders and boards focus on two questions: how much value was lost, and how quickly momentum returned. Across the deepest stress periods of the last five years, the 2026 World's Most Ethical Companies cohort showed smaller downside impact and faster recovery than the benchmark. Honorees experienced a 7.1% smaller maximum drawdown, returned to prior highs 10.1% faster, and spent 14.4% less time below their prior peak. During a key stress month in September 2022, the cohort declined 12.5% less than the benchmark.

Ethics programs don't eliminate downturns.

They help organizations hold trust, stay operationally steady, and recover faster.

Max Drawdown
7.1%
smaller worst-case drop

Recovery Time
10.1%
faster return to prior highs

Time Underwater
14.4%
less time below prior peak

Stress Month
12.5%
September 2022: declined 12.5% less than benchmark

Participate in the upside. Protect on the way down.

Across the last five years, the 2026 World's Most Ethical Companies cohort captured more of the market's upside and less of its downside. This provides a useful, board-level shorthand: ethics-leading organizations can remain competitive when markets rise, while showing comparatively less exposure when markets fall.

104% Up Capture

97% Down Capture

Footnote: Capture compares how the cohort performs in up or down months relative to the benchmark (97% down capture means the cohort experienced ~97% of the benchmark's losses in down months).

Consistency

Not one lucky stretch

The Ethics Premium isn't dependent on a single moment in time. Across rolling 12-month windows, the cohort showed positive excess return in 65% of periods (31 of 48 windows), reflecting a durable relationship between leading programs and stronger results across macroeconomic cycles.

Positive excess return in

65%

of rolling 12-month windows in the last five years

Every year since Ethisphere began calculating the Ethics Premium, the honoree cohort has outperformed its peer group.

Stock performance is the outcome.

The operating system is what you can control.

Modern enterprise value is increasingly driven by intangibles such as trust, reputation, culture, confidential company information, and the ability to operate through disruption.

By the end of 2025, global consulting firm Ocean Tomo estimates that intangible assets represented ~92% of S&P 500 market capitalization, a dramatic shift in what markets reward.

So, how do best-in-class programs build the formal and informal systems that protect and empower the intangible assets that drive success? The World's Most Ethical Companies show what that looks like in practice.

By the numbers

2026 World's Most Ethical Companies

This is the **20th annual recognition** of companies that demonstrate a commitment to ethical business practices through programs that positively impact employees, communities, and stakeholders.

This cohort is the basis for the Ethics Premium and the program benchmarks that follow.

See The List

138
Honorees

17
Countries

40
Industries

85%
Publicly Traded

Best in Class
Proof Signals

The World's Most Ethical Companies evaluation is built on the Ethics Quotient®, a 240+ question assessment of the features that consistently demonstrate high-signal indicators of program maturity:

- Governance
- Program Structure
- Written Standards
- Training, Awareness, and Communication
- Risk Assessment and Detection
- Enforcement, Discipline, and Incentives
- Measurement of Ethical Culture
- Third Party Risk Management
- Impact Assessment and Reporting

Want your gap view vs. Honorees?

Get A Free Custom Benchmark

To increase employee trust in speaking up, 75% of honorees are sharing investigation and discipline statistics with all employees – a 6 percentage point gain over the last three years.

To capture employee attention, a majority of honorees are allowing test-out, test-up or progressive course difficulty in online training.

To leverage their culture carriers effectively, nearly every honoree is equipping managers with toolkits, talk tracks and other resources to discuss ethical dilemmas with their teams – and 51% require managers to do so.

What’s Changing in the E&C Playbook

Honorees are raising the bar and setting the standard for E&C programs around the world.
Here are the expectations we’re seeing accelerate most quickly across leading programs.

Governance

Improved board reporting practices overall, including more frequent meetings with directors to make sure they're getting the information they need to engage in effective oversight.

Root Cause

Widespread use of root-cause taxonomy to analyze and address compliance issues – and learn from them.

Documentation

Formal policies that are clear, compelling, informative, and inspirational – and ready for AI-driven assistance to help employees find the answers they need.

Training

Innovative, employee-centric test-out procedures boost knowledge retention and employee engagement.

The Bottom Line

In an uncertain world roiled with upheaval and transformation, the Ethics Premium provides the most compelling proof that an ethics-driven strategy produces strong organizational outcomes, no matter what the wider world throws our way.

Such robust ethical ecosystems result from long-term intent and investment. And in a world driven by short-term results, the Ethics Premium shields organizations against harmfully expedient strategic thinking.

But the Ethics Premium is just a start.

With this data to show how valuable an investment in ethics really is, it also opens the door to maximizing that return and accelerating an organization's ethics maturity journey. Use these insights to engage your strategic partners in a sustained, data-driven conversation about how to deepen and maximize your organization's investment in integrity.

Appendix

Definitions

Ethics Premium (five-year): The overall advantage observed for the World's Most Ethical Companies cohort versus the benchmark, reflected across market performance, drawdown resilience/recovery, and intangible-value indicators reported in this analysis.

GTR (Gross Total Return): Total return series assuming reinvestment of distributions; used for the cohort performance line.

Benchmark (SGMACUT): Solactive GBS Global Markets All Cap USD Index, Total Return.

pp: Percentage points.

Max drawdown: Largest peak-to-trough decline during the period.

Recovery time: Time to return to the prior peak after the drawdown trough.

Time underwater: Time spent below the prior peak during the drawdown episode.

Rolling 12-month excess return: Cohort 12-month return minus benchmark 12-month return for each rolling 12-month window.

Up capture / Down capture: Relative performance in months when the benchmark is up/down.

Data and Methodology

What the Ethics Premium analysis covers

- Cohort: 2026 World's Most Ethical Companies honorees (publicly traded constituents included in the index construction)
- Time period: Jan 1, 2021 to Dec 31, 2025
- Frequency: Daily index levels
- Return series used for publication: Ethics Premium GTR compared to SGMACUT (Total Return)

Portfolio construction

- Market capitalization screen: greater than $3B USD
- Liquidity screen applied
- Weights assigned by market capitalization
- Weights capped at 8% and redistributed pro rata
- Selection day: last business day of March
- Rebalance day: fifth business day of April

Benchmark

- Solactive GBS Global Markets All Cap USD Index, Total Return
  This is a cohort-level historical comparison and does not imply causation or provide investment advice
- All company-level data in this report is presented in aggregate; no individual company results are disclosed

Methodology

Ethisphere measured stock performance over January 1, 2021–December 31, 2025 for all publicly traded companies in the 2026 honoree cohort. Eighty-five percent of 2026 honorees are publicly traded. A peer index was constructed using companies with market capitalization above $3B and average traded value above $5M, weighted by market capitalization with weights capped at 8% and redistributed pro rata. The index selection and rebalance occur the last business day of March and the fifth business day of April. The benchmark used is the Solactive GBS Global Markets All Cap USD Index, Total Return.

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Thank you for reading

Inside the 2026 Ethics Premium