Ethical Leadership: More Important Than Ever Before

- The Community
- Now More Than Ever
- Looking Ahead

Tim Erblich
CEO
Ethisphere
Leaders

**Dana Perino**
Former White House Press Secretary, Host of Fox’s The Daily Briefing
2019 Gala

**Indra K. Nooyi**
Chairman and Former CEO PepsiCo
2018 Gala

**Senator Bill Bradley**
Managing Director Allen & Company LLC
2017 Gala

**Cameron Munter**
CEO and President EastWest Institute
2016 Gala

**Raul Midón**
Singer/Songwriter and Guitarist
2016 Gala

**Walter Isaacson**
President and CEO The Aspen Institute
2015 Gala

**Scott Harrison**
Founder and CEO charity: water
2015 Gala

**Ernie Allen**
Co-Founder, International Centre for Missing & Exploited Children
2014 Gala

**George Mitchell**
Former Majority Leader U.S. Senate
2013 Gala

**Madeleine Albright**
Former Secretary of State U.S. Department of State
2012 Gala
By the Numbers

**About the 2020 World’s Most Ethical Companies**

<table>
<thead>
<tr>
<th>132</th>
<th>51</th>
<th>21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies</td>
<td>Industries</td>
<td>Countries</td>
</tr>
<tr>
<td>6.18</td>
<td>2.61</td>
<td>7.57</td>
</tr>
<tr>
<td>Million Employees</td>
<td>Trillion in Annual Revenues</td>
<td>Trillion in Market Cap</td>
</tr>
<tr>
<td>First Time Honorees</td>
<td>Two-Time Honorees</td>
<td>Three-Time Honorees</td>
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<td>---------------------</td>
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<tr>
<td>14</td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>Eight-Time Honorees</td>
<td>Nine-Time Honorees</td>
<td>Ten-Time Honorees</td>
</tr>
<tr>
<td>8</td>
<td>14</td>
<td>9</td>
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</tbody>
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Full list: [https://www.worldsmostethicalcompanies.com/honorees/](https://www.worldsmostethicalcompanies.com/honorees/)
Top Ways Companies Are Stepping Up

<table>
<thead>
<tr>
<th></th>
<th>Radical Transparency</th>
<th>Sharing Innovation</th>
<th>Supporting Communities</th>
<th>Health Care Contributions</th>
<th>Taking the Long View</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Frequent and straightforward communications from the top</td>
<td>Product, technology and manufacturing expertise for the greater good</td>
<td>Intensive engagement lead by CSR-Ethics/ESG teams</td>
<td>Boosting the health care system</td>
<td>Supporting customers, employees, value chain and stakeholders</td>
</tr>
</tbody>
</table>
FIVE-YEAR ETHICS PREMIUM: 13.5%

Performance of the listed 2020 Honorees as compared to the Large Cap Index from January 2015 to January 2020

- 2020 ETHX
- LARGE CAP INDEX
Now More Than Ever
Trust in Business: An Opportunity to Lead

ETHICAL DRIVERS 3X MORE IMPORTANT TO COMPANY TRUST THAN COMPETENCE
Percent of predictable variance in trust explained by each dimension

<table>
<thead>
<tr>
<th>Competence</th>
<th>Ethics</th>
</tr>
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<tbody>
<tr>
<td>24%</td>
<td>76%</td>
</tr>
</tbody>
</table>

CEO's should take the lead
on change rather than waiting
for government to impose it

Collaborating on Change

Statement on the Purpose of a Corporation

While each of our individual companies serves its own corporate purpose, we share a fundamental commitment to all of our stakeholders. We commit to:

- Delivering value to customers
- Investing in our employees
- Dealing fairly and ethically with suppliers
- Supporting the communities in which we work
- Generating long-term value for shareholders, who provide the capital that allows companies to invest, grow and innovate
ESG: No Longer an Option for Long-Term Strategy

...addressing material ESG issues is good business practice and essential to a company’s long-term financial performance – a matter of value, not values.”

“We believe this crisis is the acid test for all this talk about purpose and stakeholder capitalism.”

“A strong sense of purpose and a commitment to stakeholders helps a company connect more deeply to its customers and adjust to the changing demands of society.

Ultimately, purpose is the engine of long-term profitability.”
Ethics Is a Driver for All

When it comes to Interest in Doing Business, ‘Most Ethical’ is Most Preferred

"Out of the three messages shown here, which would make you the most interested in doing business with this company?"

Consumers across the board favored the accolade ‘Most Ethical’ because it describes an honest company that would have their best interest at heart.

Source: Consumer Research from Voya Financial, conducted February 2018
Questions & Comments
World’s Most Ethical Companies®