



Racism, Discrimination and Abuse of Power (RDAP)— Shifting Awareness to Action

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ECI



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ECI provides ethics and compliance professionals with the resources they need to become great leaders, build exceptional Ethics and Compliance (E&C) teams, and create thriving ethical workplaces that set the highest standard. ECI is a leader in the business integrity space, helping professionals build and sustain programs that power strong ethical cultures and drive business success.

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Racism, Discrimination and Abuse of Power (RDAP)—Shifting Awareness to Action

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Foreword

The tragic murders of George Floyd, Breanna Taylor and Ahmaud Arbery, among too many others, once again brought to the forefront issues that have plagued our societies for centuries. Racism, discrimination, and the abuse of power (RDAP) were center stage in the public forum; social inequities were being discussed as enormous threats to the health of our world. In response, ECI issued a public statement to add our voice to the growing call for an end to the deeply rooted injustices that have persisted far too long. We also felt compelled to do more than just decry the issue; we wanted to take action in our own community.

That was the beginning of the Working Group that for quite some time has dedicated itself to further understanding the issue of RDAP; in workplaces, in society and in the E&C profession. This report is the end result of their passion and persistence. We are deeply indebted to them for their hard work and thought leadership.

The pages that follow offer deep insights based on research, experience and best practice. The survey conducted by this Working Group and the resources they cite offer a deeper look at how RDAP is experienced and addressed in modern workplaces, with an emphasis on the role of E&C practitioners as champions for ethical workplace cultures that truly celebrate diversity. Some of the major points from the report's content are outlined below.

- E&C professionals play a crucial role in ensuring a healthy workplace that offers employees safety in sharing their ideas and celebrating their individuality.

- Anti-racism and anti-discrimination policies and trainings are happening in many organizations—but most often, the driver of such initiatives has been the potential harm to the company's reputation rather than a desire to holistically implement the organization's ethical values.
- As evidenced by the case studies in this report, from recruiting practices to accountability metrics, employers are already taking steps to counter RDAP and the ways that it manifests.
- Despite progress being made, there is room for improvement. There are concrete steps that any organization can take to build an inclusive culture within their workplace.
- Because RDAP-related incidents can be so destructive to the strength of any organization's workplace culture, ECI's framework for High-Quality E&C Programs can be a helpful starting point for E&C teams endeavoring to build a culture that does not tolerate RDAP.

To sum it all up, there is no place for RDAP in the workplace; neither is there room for the harm it inflicts on the world. On behalf of ECI, I want to thank the Working Group once again for their tireless efforts. I also thank readers of this report for your attention and dedication to improving the E&C community and the societies in which we live.

Patricia Harned

Patricia J. Harned, Ph.D.
Chief Executive Officer, ECI

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Acknowledgements

ECI would like to thank Con Edison of New York for sharing details of their Diversity, Equity and Inclusion (DE&I) Challenges and General Mills for sharing details of the history and success of their Employee Resource Networks (employee resource groups.) These case studies provide excellent examples other organizations can follow for strengthening their own internal programs, including education and allyship as important elements in building cultures of trust and belonging for all.

More than 200 individuals responded to a survey from ECI to its mailing list, answering a variety of questions about racism, discrimination, and the abuse of power (RDAP), including their personal experiences and observations about their workplaces and the E&C profession. Their input is truly appreciated, and the survey results form a key element of this report. Lastly, we thank all the contributors and group members that helped to complete this white paper who are not listed below.

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Executive Summary

The murder of George Floyd on May 25, 2020, closely following the murders of Ahmaud Arbery and Breonna Taylor, was one of a series of tragedies and high-profile cases that prompted global racial justice protests and led to intense public dialogue about racism, discrimination and the abuse of power (RDAP) in all aspects of society, including within workplaces. Recognizing that Ethics and Compliance (E&C) functions and practitioners may have unique opportunities to address RDAP within their organizations, the Ethics and Compliance Initiative (ECI) convened a working group to explore relevant research, best practices and opportunities. ECI's leadership asked the working

group to consider what can be done by the Ethics and Compliance profession, by individual E&C practitioners and by organizations both within their workplaces and in the broader context of their communities.

Data from ECI, the Workplace Bullying Institute and Society for Human Resource Management provide evidence of the presence of RDAP within workplaces. To obtain additional insight into RDAP in the workplace, ECI conducted a survey of E&C professionals on behalf of the RDAP Working Group. Survey results identified some race-based experiential differences among E&C practitioners and suggested opportunities for action and for future research.

Recommended actions include the application of ECI's Principles of a High-Quality Program (HQP), particularly in risk identification and mitigation related to RDAP. In addition, examples are provided of actions being taken by organizations in areas including recruiting, interviewing, investing in communities, fostering allyship, using metrics and taking collective action. Case studies from Con Edison of New York and General Mills provide deeper dives into education via peer-led discussions and into the effective use of Employee Resource Groups, respectively.

Some international examples are provided, but this report admittedly has a United States focus. The working group concluded that meaningful reviews of RDAP issues and solutions specific to individual countries or regions other than the United States, would be best addressed in a future report dedicated to that purpose.

The report concludes with a Call to Action including recommendations for companies and their E&C functions, ECI and the broader E&C profession and individual E&C practitioners. These range from learning to recognize and avoid the use of offensive language, to pursuing community collective action and to developing a profession-wide inclusion initiative for E&C practitioners.



Recommended actions include the application of ECI's Principles of a High-Quality Program (HQP), particularly in risk identification and mitigation related to RDAP.

Racism, Discrimination and Abuse of Power (RDAP) Definitions¹

Racism is defined as the psychological process whereby persons categorize other groups as different and inferior, on the basis of physical appearance, characteristics or cultural markers, or national origin. This process also involves the use of economic, social, or political power, with the purpose of legitimating exploitation or exclusion of the group so defined.

Abuse of power in this context involves a system of advantage based on race that is created and maintained by an interplay between these psychological factors (i.e., thoughts, beliefs, feelings and actions) and sociopolitical factors (i.e., prejudicial laws, policies, institutional practices).

A key point here is that racism pertains to a system of structuring opportunity and assigning value based on social othering² that unfairly disadvantages some individuals and communities, unfairly advantages other individuals and communities and saps the strength of the whole society through the waste of human resources.

There are three elements contained within the notion of racism:

- Racist stereotypes—beliefs or categories about characteristics of members of various groups;
- Prejudice—attitudinal values toward group members (based on racist stereotypes); and
- Discrimination—harmful behaviors or policies toward group members (based on prejudicial racist stereotypes & attitudes).

Thus, racism is a multidimensional and highly adaptive system that ensures an unequal distribution of resources between racial groups with one group dominating and promoting their interests over other groups.

The Role of Ethics & Compliance

Why is the Ethics & Compliance Initiative addressing racism, discrimination and abuse of power and DEI?

For one reason, according to the 2021 Ethics & Compliance Initiative (ECI) Global Business Ethics Survey of ethics professionals, *The State of Ethics & Compliance in the Workplace—A Look at Global Trends*, nearly 90 percent of respondents reported that the Ethics and Compliance (E&C) function is at least somewhat responsible for addressing issues related to racism, discrimination and abuse of power in their workplace. In addition, nearly two-thirds of the survey respondents (64%) indicated that their organization's E&C function will have more responsibility for addressing RDAP issues in the future.³

Company codes of conduct regularly incorporate language explicitly forbidding racist and discriminatory behaviors and abuses of power such as harassment. And, similar to fraud, corruption and other forms of employee misconduct, RDAP offenses are subject to disciplinary actions, including termination. Furthermore, as detailed in their codes of conduct, organizations expect employees, contractors and board members to speak up and report RDAP-related incidents that they experience or observe, and they remind everyone subject to these codes of conduct that retaliation for speaking up is not tolerated.



Company codes of conduct regularly incorporate language explicitly forbidding racist and discriminatory behaviors and abuses of power such as harassment.

Beyond the E&C office, stakeholders ranging from investors to customers to employees are speaking up and seeking more accountability from corporate boards and senior leadership, especially in the area of Environmental, Social and Governance (ESG) strategies, all of which intersect with concerns around diversity, equity and inclusion.

According to a 2020 Ernst and Young (EY) report, “RDEI (Racial Diversity, Equity and Inclusion) has re-emerged as a key priority to drive business sustainability, performance, and value.” Consequently, boards, that are primarily responsible for setting corporate strategic direction, must “influence and lead their companies in strategically and systemically addressing the societal and performance drivers for RDEI within their own ranks, and throughout the workforce and among business partners.”⁴

The 2020 murders of Ahmaud Arbery, Breonna Taylor and George Floyd, and the aftermath of these tragedies, brought to light a deeper awareness of the pervasiveness of racism, discrimination and abuse of power for citizens and organizations around the world, along with the will to change things for the better. However, since then, a backlash has led to boycotts as well as political retaliation and lawsuits against corporate giants who have publicly spoken up or taken a stand to protect the rights and well-being of their employees and members of the communities they serve. Long-established brands including Disney, Target and Bud Light have not been spared. Unfortunately, many companies have decreased funding of DEI initiatives and some have discontinued marketing campaigns with inclusive messages.





Combating RDAP is not about making race or gender-based employment decisions, or taking on the roles and functions of DE&I.

Although a study by Edelman found that 64% of consumers around the world will buy or boycott a brand solely because of its position on a social or political issue, corporations as well as not-for-profit organizations can no longer afford to remain neutral because not taking a position is viewed as complicit.⁵ Combatting RDAP and creating a workplace that is inclusive and safe for all employees is the right thing to do and good for the bottom line.

ECI's leadership understands the importance of not remaining silent or on the sidelines. As an organization that advocates for doing the right thing and speaking up, ECI encourages Ethics and Compliance functions and practitioners to explore the unique opportunities E&C professionals have to address RDAP within their organizations. Combatting RDAP is not about making race or gender-based employment decisions, or taking on the roles and functions of DE&I. And DEI initiatives are not a form of reverse discrimination, but rather a means to provide outreach and rectify underrepresentation.

As protectors of our organizations' reputations and a resource where employees should expect to be treated with respect and dignity, E&C professionals and functions help all organizations at every level to create and maintain a strong, ethical workplace culture. To this end, we must not fear the risk of increased litigation or threats by some to take their business elsewhere if we are standing up for our employees, communities and values.

RDAP Experienced in the Workplace

After poring over a variety of sources and research studies, some of the most illuminating evidence is found in the data below.

According to the 2021 Ethics & Compliance Initiative (ECI) Global Business Ethics Survey® (GBES®), "The State of Ethics & Compliance in the Workplace," 22% of employees in U.S. workplaces reported having observed abusive, intimidating, or hostile behavior.⁶ This finding was almost unchanged from the 2018 GBES survey, in which respondents provided additional information about their observations. Approximately 60% categorized the misconduct they observed as "serious" or "very serious" and more than 60% identified the majority of perpetrators as either a senior leader, middle manager, or first line supervisor.⁷

A 2021 "Bullying Survey" by the Workplace Bullying Institute (WBI), which found that 79.3 million (48%) of U.S. workers are affected by workplace bullying either directly or indirectly, corroborated ECI's 2018 findings, reporting that approximately two-thirds of the perpetrators of bullying behavior were higher in rank than their victims.⁸ Although the Workplace Bullying Institute's survey does not break down the percentage of bullying cases related to racism, the survey's findings warn us about the pervasiveness of abuses of power taking place in the workplace.



The SHRM research calculated that racial bias in the workplace is costing U.S. businesses \$54.1 billion in increased absenteeism, \$58.7 billion in lost productivity and \$171.9 billion in turnover, every year.

In ECI's 2018 GBES survey, respondents identified race (58%) and ethnicity (47%) as two of the top three reasons for observed workplace discrimination. Furthermore, 37% of observed discriminatory behavior consisted of multiple incidents and 19% were seen as part of an ongoing pattern. Additionally, 43% of observed abusive or intimidating behavior consisted of multiple incidents and 24% was seen as part of an ongoing pattern.⁹

It is also worth noting that 40% of employees who reported abusive behavior in the 2018 ECI GBES survey experienced retaliation and among employees who reported discrimination, a higher percentage (51%) were subjected to retaliation. Unfortunately, the rate of retaliation against U.S. employees who reported wrongdoing rose to 79% in 2021, an increase of 35 percentage points in just three years.¹⁰ The same report included a global median 61% rate of retaliation.

Research published in 2015 in the *Journal of Organizational Behavior* found that perceived racial discrimination has a negative effect on work and health. It also suggested that women and minorities “are more likely to perceive discrimination and/or respond more strongly to perceived discrimination” and that perceived diversity climate and coping behaviors may influence the effects of discrimination.¹¹

In a separate 2021 “Cost of Racial Injustice” research report based on a survey of American workers conducted over 5 years, the Society for Human Resource Management (SHRM) disclosed that 42% of Black workers reported having felt they were unfairly treated in the workplace due to race or ethnicity 2–3.5 times more than

their Asian (26%), Hispanic or Latino (21%), or White (12%) colleagues.¹² **The SHRM research calculated that racial bias in the workplace is costing U.S. businesses \$54.1 billion in increased absenteeism, \$58.7 billion in lost productivity and \$171.9 billion in turnover, every year.**¹³

In looking at U.S. employees' experiences reporting misconduct, ECI reported in 2022 that both Black and Asian employees are less likely than White employees to be satisfied after reporting misconduct and to report future misconduct.¹⁴

RDAP in the workplace is not a uniquely American phenomenon. For example, a 2019 paper published in *Sociological Science* examined discrimination in hiring in nine countries (Belgium, Canada, France, Germany, Great Britain, Netherlands, Norway, Sweden and the United States). In all nine countries, White applicants were more likely to receive callbacks for interviews, with the highest level of discrimination observed in France and Sweden.¹⁵

Specific forms of racism and discrimination vary country by country, as discussed by a 2022 study commissioned by the European Parliament.¹⁶

In financial terms, in 2020 the International Monetary Fund estimated that France's GDP could jump 1.5 percent over the next 20 years (\$3.6 billion) by reducing racial gaps in access to employment, work hours and education. Additionally, the IMF cited Brazil as a country that is losing out on vast sums of potential consumption and investment because of its marginalized communities.¹⁷



In Brazil, where 56% of the population self-declares as Black,¹⁸ according to a Locomotiva Institute survey in partnership with Carrefour Brasil, the majority of young Black Brazilians face a series of obstacles in entering the labor market, with 74% never going through professional qualification programs.¹⁹ The survey indicates that 84% of Brazilians recognize that the racial prejudice exists in Brazil and that it affects multiple instances of the lives of Black people. Importantly, 76% of Brazilians consider that Black people are discriminated against in the labor market, with:²⁰

- 52% of Black workers declaring having suffered prejudice in the workplace.
- 57% of Brazilian workers declaring having witnessed a Black person being discriminated against or humiliated in his/her workplace.

The higher the hierarchical level, the lower the presence of Black workers, with only 31% of manager and director-level positions being occupied by Black professionals. Similarly, the higher the compensation, the lower the participation of Black professionals, with only 13% of the positions earning above 30 minimum salaries being associated with Black workers.²¹



The survey indicates that 84% of Brazilians recognize that the racial prejudice exists in Brazil and that it affects multiple instances of the lives of Black people.

Combatting Racism, Discrimination and Abuse of Power in the Workplace and Beyond

What are an employer's responsibilities when issues related to racism, discrimination and abuse of power (RDAP) surface in the workplace?

If we answer this question purely from a legal point of view, we might say it depends on where the employer does business. While a majority of governments have legislation prohibiting various forms of discrimination and abuses of power, there is no legal protection from discrimination at work based on race and ethnicity in nearly 25 percent of 193 United Nations member states. And in more than half of UN member nations, there are no laws to safeguard workers if an employer retaliates for reporting discriminatory treatment.²²

However, from the broader compliance perspective, a multitude of discrimination and harassment laws and regulations do exist with which employers have an obligation to comply or they will risk facing significant financial penalties, costs associated with lawsuits and reputational damage that can negatively impact shareholder value. Since organization leaders have a fiduciary responsibility to their stakeholders to know the applicable employment laws and regulations that govern all jurisdictions where they conduct business, knowledgeable law and compliance professionals may serve as valuable resources to assist with risk management audits and strategies that address RDAP policies and enforcement. An employer may also find useful the local, state and country-level government websites that provide information specific to equal employment, anti-discrimination and anti-harassment laws and regulations where individual organizations do business.

Finally, from an ethics standpoint, it really is not complicated. A strong ethical culture does not permit or tolerate racism, discrimination and abuse of power in the workplace. Such behavior creates



a toxic environment that harms employee morale, lowering employee engagement and productivity. Most employees appreciate values such as respect, kindness, decency, integrity and teamwork, and they want to feel safe so they can focus on doing their jobs.

Research suggests that intergroup contact can reduce prejudice by increasing empathy and decreasing anxiety.²³ However, on a cautionary note, an Australian study suggests that if intergroup contact is not done well, the opposite can be true, increasing prejudice.²⁴ Organizations may create opportunities for positive intergroup contact, for example through employee resource groups or community engagement initiatives and intentional assignments made to work teams.

While combatting racism, discrimination and abuse of power is not the same as promoting diversity, equity and inclusion (DEI), 21 U.S. state attorneys general endorsed the need for DEI efforts in the workplace in their letter to Fortune 100 CEOs following the June 2023 U.S. Supreme Court decision, “Students for Fair Admissions, Inc. v. President and Fellows of Harvard College” (SFFA):

“We applaud the Fortune 100 for your collective efforts to address historic inequities, increase workplace diversity, and create inclusive environments. These programs and policies are ethically responsible, good for business, and good for building America’s workforce. Importantly, these programs also comply with the spirit and the letter of state and federal law.”²⁵

Using the ECI Principles of a High-Quality Program (HQP) to Assess RDAP Risks

Given this reality, E&C professionals would benefit from reviewing and implementing the [ECI Principles of a High-Quality Program \(HQP\)](#), particularly recognizing its relevance to identifying and mitigating RDAP-related E&C risks to an organization.

ECI PRINCIPLES OF A HIGH-QUALITY PROGRAM (HQP)

In 2016, an ECI Blue Ribbon Panel published a report identifying five principles that distinguish “high quality” E&C Programs.²⁶

- Principle 1: E&C is central to business strategy
- Principle 2: E&C risks are identified, owned, managed and mitigated
- Principle 3: Leaders at all levels across the organization build and sustain a culture of integrity
- Principle 4: The organization encourages, protects and values the reporting of concerns and suspected wrongdoing
- Principle 5: The organization acts and holds itself accountable when wrongdoing occurs

Over the last decade, more organizations across the globe have recognized the value of a strong E&C program and have increased investment in establishing or improving their E&C programs. They may be driven by significant events (internal

and/or external to the organization), legislation, regulations, safeguarding reputation and/or working towards a strategic goal of conducting business with integrity,²⁷ in effect underscoring the importance of **HQP Principle 1**. Further, Ethisphere annually calculates an “Ethics Premium”: the publicly traded honorees among their 2022 World’s Most Ethical Companies outperformed the large cap sector over five years by 24.6 percent.²⁸

E&C PROFESSIONALS AS RDAP RISK MITIGATION PARTNERS

The risk management process prescribed by **HQP Principle 2** recommends evaluating both the current state of the organization from an E&C perspective (e.g., risk of an employee violating a law) and the E&C program itself.²⁹ Since racism, discrimination and abuse of power concerns are risks to the organization from a legal and regulatory standpoint in most countries, E&C professionals are indispensable resource partners for Human Resources, Talent Management, Diversity/DEI, Law and leadership teams. Additionally, RDAP concerns may interfere

with creating a speak-up culture, increasing the risk that E&C concerns or violations may not be reported and addressed.

Optimally, E&C professionals are well positioned to identify and address internal RDAP risks by collaborating with business partners across their organizations as an RDAP Risk Task Force. Such a cross-functional team can mitigate risks and accomplish meaningful changes by taking the lead on targeted initiatives (see Calls to Action). A shared approach to promoting a culture of integrity among leaders at all levels of an organization is the **HQP Principle 3**.

E&C teams are well-suited to assisting with mitigating RDAP-related risks with new process implementation and policy development, training and communication campaigns. In addition, E&C may partner with HR/DEI to provide guidance and support to employees on how to handle key risks according to their roles. This may include training on relevant policies, procedures and guidelines specific to the identified risks.





In addition, for the E&C program evaluation, the process used for preventing and detecting misconduct, the strength or weakness of organizational culture and employee willingness or fear to report must be evaluated as potential risks to the organization. This is an essential component of **HQP Principle 4**.

Last, the **HQP Principle 5** addresses accountability. Once RDAP risks are identified and owned by appropriate leaders, they must be managed and mitigated. In many organizations, E&C, HR and DEI colleagues frequently partner to document risks in electronic record systems, along with details about specific situations, observations, recommended mitigation actions, designated owners and due dates for mitigation. It is also necessary to establish processes for revisiting each specific risk, provide updates on the mitigation progress and ensure resolution.³⁰



Many organizations have prioritized the establishment of a speak-up culture.

Interpersonal Misconduct and the Reluctance to Speak Up

Over the last six years workplaces have undergone significant transformations, some of which may be attributed to the evolution of the E&C function, based on the United States Department of Justice (DOJ) Guidance for the Evaluation of Corporate Compliance Programs, first issued in 2017 and subsequently updated. There has been a growing trend towards adopting HQP Principle 4 and Principle 5 to meet the DOJ's evaluation criteria for the adequacy and effectiveness of the corporation's compliance program.

Many organizations have prioritized the establishment of a speak-up culture. Boards and management have invested substantial time, money and effort to provide training and raise awareness about what is and is not acceptable behavior, how to say something when we see something that is not right, as well as protections against retaliation.

Yet, despite most organizations' best efforts, more needs to be done to boost employee willingness to speak up and their leaders' preparedness to



Shortly after the RDAP Working Group was established, a survey was distributed to Ethics and Compliance (E&C) professionals representing various industries around the globe. An anonymous link was sent to approximately 1,400 individuals in the E&C profession.

listen and do something. According to a Gartner Report in 2019, “just 41% of workplace misconduct is reported.”³¹ Additionally, employment discrimination and resolutions for all retaliation-based U.S. Equal Employment Opportunity Commission (EEOC) charges dropped 26 percent in fiscal years 2016 – 2020, while retaliation-based charges rose 10 percent during the same time period.³²

When we consider these trends along with ECI’s 2021 findings that the rate of retaliation has skyrocketed to 79% (U.S.)/61% (global) against workers who report misconduct, it is clear that we can and must do better.

ECI Surveyed E&C Professionals to Learn More About RDAP in the Workplace

Shortly after the RDAP Working Group was established, a survey was distributed to Ethics and Compliance (E&C) professionals representing various industries around the globe. An anonymous link was sent to approximately 1,400 individuals in the E&C profession. The survey was available from August 4, 2021 to September 13, 2021. 237 usable responses were collected.

The underlying demographic makeup of the E&C profession and the individuals who received the survey link are unknown. Respondents to the survey self-identified as being approximately:

- 61% female; 37% male; 2% prefer not to answer;
- 59% White/Caucasian, 16% Black/African American, 11% Asian/Pacific Islander, and 14%

other or not identified; with 12% identifying as of Hispanic, Latino or Spanish origin;

- 50% between the ages of 50-64, 24% between 40-49, 12% 30-39 and 4% under 30, 8% 65 or older, and 2% unidentified; and
- 46% from organizations of 10,000 or fewer people, 19% from organizations of 10,001-50,000, 12% from organizations of 50,001-100,000, 18% from organizations larger than 100,000, and 5% unidentified.

The following findings and analysis are based on the usable responses.

The RDAP Survey asked various questions focused on seven (7) areas:

1. Organizational Action
2. Responsibility for Addressing RDAP
3. Observing RDAP in the Workplace
4. Investing in RDAP
5. Impact on Addressing RDAP
6. E&C Function
7. E&C Profession

Responses from the seven focus areas and associated findings are included here. The full survey is available in the Appendix: ECI RDAP Survey.

ORGANIZATIONAL ACTIONS THAT PROMOTE EFFORTS TO REDUCE RDAP

Overall, survey respondents indicated that investigations of concerns related to racism, discrimination and/or abuse of power in the workplace are fair and neutral. This shows a good level of confidence in the investigative processes.



However, there are several opportunities for delivering more effective anti-racism training and sharing stories about racism, discrimination and/or abuse of power and the disciplinary actions taken. It is also important to note that Black/African American survey respondents consistently show the least favorable responses across all measures in this section. There are several statistically significant instances where Black/African American survey respondents were more likely to disagree that their organization promotes efforts to reduce RDAP (e.g., disagree that they hear senior leaders make public statements committing to reduce RDAP and disagree that their organization promotes policies or procedures to address RDAP issues).

Overall, of respondents:

- Almost 75% believe their organization regularly promotes policies related to RDAP
- More than two-thirds believe their organization's values explicitly address issues related to RDAP in the workplace

- Slightly more than half believe their organization dedicates sufficient resources to address RDAP in the workplace
- About half believe their organization delivers effective anti-racism training on topics like racial privilege/bias, micro-aggressions and intersectionality
- About one-quarter believe their organization regularly shares anonymized stories about reports related to RDAP and the disciplinary actions taken
- Only 27% agree their organization considers the extent to which employees demonstrate anti-racist behaviors and practices in performance reviews and promotion decisions. (Regarding performance reviews and promotion decisions, it is important to note that White/Caucasian and Black/African American survey respondents are aligned within their responses [approximately 25%], while Asian/Pacific Islanders had a higher favorable response rate [36%.])



It is also important to note that Black/African American survey respondents consistently show the least favorable responses across all measures in this section.

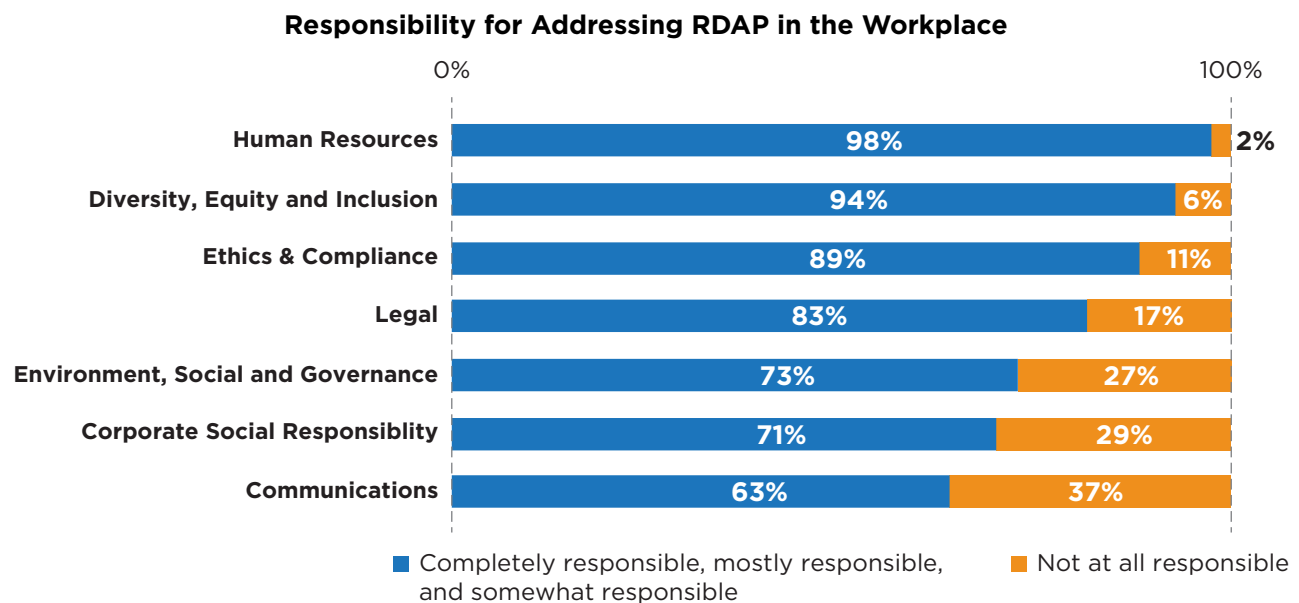


RESPONSIBILITY FOR ADDRESSING RDAP IN THE WORKPLACE

It is the responsibility of every employee in the workplace to address RDAP, but the example must come from top management, and multiple functional groups have roles to play in comprehensively addressing RDAP.

Most survey respondents (98%) felt that their Human Resources department is responsible for addressing RDAP, followed closely by Diversity, Equity and Inclusion (94%), most likely due to the role these departments play in guiding their organizations, people and culture. Ethics & Compliance was not far behind as 89% of respondents identified E&C as having more responsibility for combatting RDAP than their Legal departments (83%). Interestingly, Asian/Pacific Islander survey respondents were less likely to identify any department as being responsible for addressing RDAP, compared with other groups. This may be an area of further study or consideration.

We recognize that companies choose to organize in different ways, and some choose to contract out the functions and/or responsibilities, thus companies may or may not have all of the departments reflected in the following chart.



For future data gathering, there may be an opportunity for the roles across the groups who oversee Environmental, Social and Governance (ESG), Corporate Social Responsibility (CSR) and Communications initiatives to be clarified in a manner that promotes more integration and collaboration.

OBSERVING RDAP IN THE WORKPLACE

Black/African American survey respondents were most likely to observe RDAP and most likely to report their observations. Unfortunately, Black/African American employees are also most likely to experience retaliation.

- One-third of respondents observed an incident of racism, discrimination and/or abuse of power in their organization in the past 24 months
- Almost two-thirds of respondents who observed an incident of RDAP reported their observation
- Nearly one-third of respondents who reported their observation experienced retaliation for reporting

INVESTING TO ADDRESS RDAP

There is general agreement that organizations are making investments to address RDAP. Survey respondents expressed that organizations have made moderate strides in creating opportunities for workers from under-represented racial or ethnic groups to enter the industry and invest in philanthropic initiatives. Asian/Pacific Islander survey respondents were least likely to agree that their organizations have invested to address the larger systemic RDAP concerns.

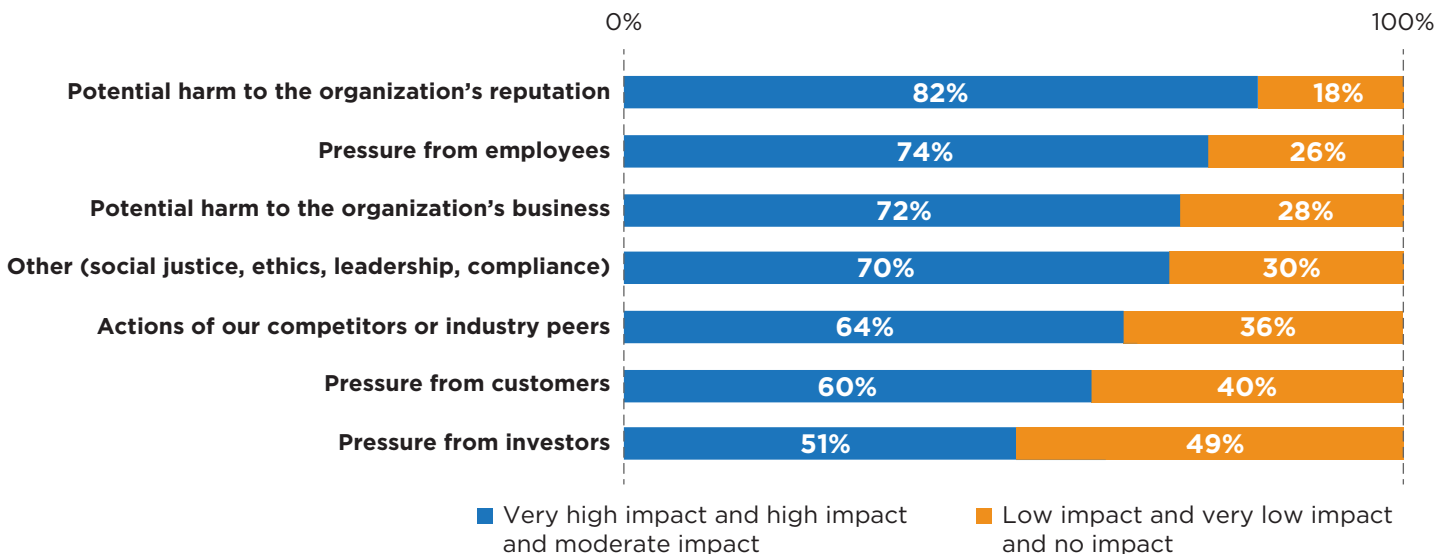
However, there are still opportunities for improvement within these areas and others, including representation at the board level and increased spending on contracts with business partners from under-represented racial and/or ethnic groups.

IMPACT OF DRIVERS IN PROMPTING ORGANIZATIONS TO ADDRESS THE LARGER/SYSTEMIC ISSUES OF RACISM, DISCRIMINATION AND ABUSE OF POWER

Survey respondents shared that the top drivers that prompted their organization to address RDAP were the potential harm to the company's reputation (82%), pressure from employees (74%) and the potential harm to its business (72%).

A company with a reputation for positively addressing RDAP will have greater success in attracting and retaining diverse employees. Survey respondents also believed that actions of their competitors or industry peers (64%) and pressure from customers (60%), and to a lesser extent investors (51%), also drove organizations to address RDAP. These responses also acknowledge the priority companies place on their bottom lines and their desire not to lose revenue or market share.

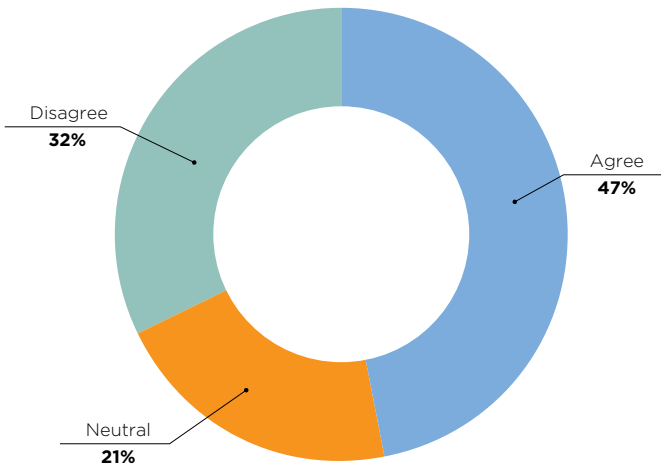
Impact of Drivers in Prompting Organizations to Address the Larger/Systemic Issues of Racism, Discrimination and Abuse of Power



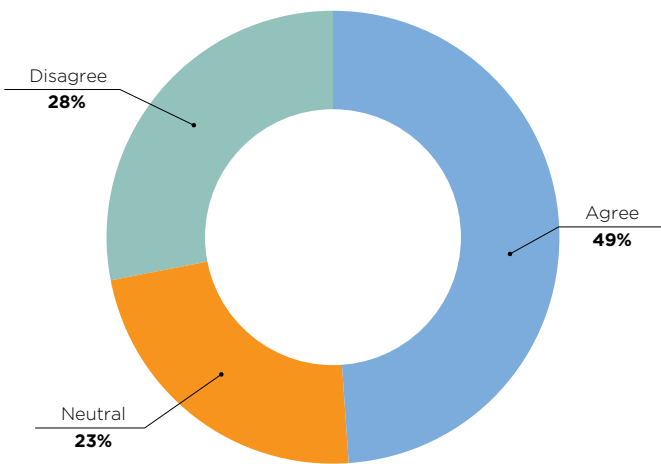
ETHICS & COMPLIANCE (E&C) FUNCTION

More than three-quarters of survey respondents felt that the E&C Function provides opportunities for people of all backgrounds to succeed and advance; however, there are opportunities for improvement. Sixty-four percent (64%) of survey respondents indicated that they feel that the E&C function will have more responsibility in the RDAP arena in the future, providing an opportunity to advance RDAP-related objectives.

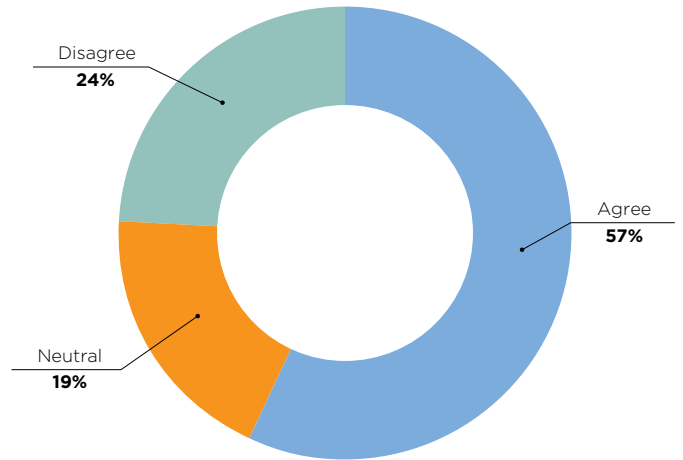
Less than half of the E&C functions analyze disciplinary measures for racial bias and revise as needed



Almost half of the E&C functions review the investigatory process for racial bias and revise as needed



Nearly 60% of the E&C functions review E&C policies and procedures for racially biased language and revise as needed



ETHICS & COMPLIANCE PROFESSION

Survey respondents felt that the E&C Profession provides sufficient opportunities for all individuals to advance their careers (76%). However, there are differences in opinion between respondent groups. White/Caucasian survey respondents were most likely to agree that E&C functions provide sufficient opportunities, while Black/African American survey respondents were least likely to agree. This is a clear opportunity for the profession to take action.





The most effective programs spark engagement, increase contact among different groups, or draw on people’s strong desire to look good to others.

What Employers Are Doing

Notwithstanding the challenges of recent backlashes against DEI initiatives and concern about pending court and legislative decisions, organizations are taking action to address RDAP in a variety of domains, ranging from recruiting practices to investing in communities and education.

Research from Frank Dobbin and Alexandra Kalev finds that, “Companies do a better job of increasing diversity when they forego the control tactics and frame their efforts more positively. The most effective programs spark engagement, increase contact among different groups, or draw on people’s strong desire to look good to others.”³³

Following are overviews of a few companies’ initiatives. These are not intended to be endorsements of the companies’ ethics programs or ethical postures, but rather are intended to provide examples of what can be done to combat RDAP.

RECRUITING

Many companies have modified their recruiting approaches to enhance applicant readiness and access. A few examples:

At Netflix, as reported in “Inclusion Takes Root at Netflix: Our First Report,” there is recognition that systemic issues have excluded certain groups from the entertainment and tech industry, and that Netflix could dismantle those systems by creating access to people early on in their careers.³⁴ Therefore, it developed the first technical boot camp with a Historically Black College and University (HBCU) at Norfolk University to help

improve access. Launched in January 2021, the 16-week program divided participants into three program tracks—Java Engineering, UX/UI Design and Data Science. Netflix subject matter experts co-designed the content of each track and members of the Data Science, Engineering and Design teams served as mentors.³⁵

A few years after the COVID-19 pandemic caused a historic disruption in travel and corresponding mass layoffs across the hospitality industry, demand for hotels has rebounded. However, companies continue to face the challenges of filling job openings as they compete for staff. To attract and retain talent, Marriott International adapted its strategies to help the company become more competitive. They recognized that times have changed. In the past someone who started as a bellboy was likely to stay a bellboy, but today a pilot project is cross-training their employees across different functions, offering opportunities for career growth.³⁶

In Brazil, in 2019, Procter and Gamble (P&G) launched “P&G pra Voce,” a hiring process that focused on Black and Brown candidates and offered scholarships for English courses and mentorship. P&G became more active and intentional in recruiting at universities with more Black and Brown students and sponsored recruiting fairs for these students and affinity groups. Internally, P&G also promoted conversations to create an inclusive culture by raising awareness, literacy and best practices to help employees feel comfortable talking about racial equality and inclusion.³⁷

A word of caution for the many organizations using software to assist in screening applicants: such software may discriminate because of bias in its algorithms.³⁸



INTERVIEWING PANELS AND CANDIDATE POOLS

Employers now have data that shows the correlation between creating diverse interviewer panels and candidate pools and their increased ability to hire more diverse talent. However, researchers caution that including only one diverse candidate as a finalist for a position may not be enough.

CISCO Systems reported that their use of Diverse Interviewer Panels (DIPs) led to significant strides in attracting and interviewing more diverse candidates. In addition to a 14% increase globally in the number of women candidates interviewed, Cisco found that DIPs improve the likelihood of hiring African-American/Black candidates by as much as 70 percent and Hispanic/Latino and women candidates by 50 percent.³⁹

A 2016 study of finalist pools for university teaching positions found that “when there was only one woman or minority candidate in a pool of four finalists, their odds of being hired were statistically zero. But when we created a new status quo among the finalist candidates by adding just one more woman or minority candidate, the decision makers actually considered hiring a woman or minority candidate.” The researchers “believe this ‘get two in the pool effect’ represents an important first step for overcoming

unconscious biases and ushering in the racial and gender balance that we want in organizations.”⁴⁰

Perhaps some of the strongest evidence of the value of diverse interview candidate pools comes from the Legal profession. According to Vault.com, “Mansfield Certification has become an important and powerful indicator of a [law] firm’s commitment to diversity and inclusion through commitment to the Mansfield Rule.”⁴¹ The Rule helps firms and legal departments expand candidate pools, thereby increasing diversity in leadership.⁴² Since 2017, more than 300 U.S., U.K. and Canadian law firms and legal departments have participated in the Mansfield Certification process. The process requires firms to participate in monthly knowledge-sharing forums, create and publish job descriptions for leadership roles, and continue to meet routine milestones that include data collection and reporting.⁴³ Originally, focused on women and underrepresented racial and ethnic minorities, the process has expanded to include LGBTQ+ lawyers and lawyers with disabilities. According to Bloomberg Law, “In several instances, Mansfield firms have significantly increased the racial and ethnic diversity of their leadership and outpaced non-Mansfield firms’ progress.”⁴⁴

TRAINING

There are many forms of training that can help address RDAP, often differentiated for leaders and individual contributors, or by function and role in the organization. In particular, leaders should learn how to avoid discrimination and bias in decisions for hiring, promotion and even making job assignments. Education should not be limited to formal courses; it can also be delivered and reinforced informally through other formats, including embedding messaging in communications and training on other topics.

At the Estée Lauder company, “fostering an internal culture of advocacy and inclusion to help employees share their voices, be heard, and collectively affect change” is a commitment. According to its Fiscal 2021 Social Impact and Sustainability Report, unconscious bias training is now mandatory globally for all full-time employees, an Inclusive Leadership Behaviors and Talent Planning program has been launched and various skill-building workshops have been globally implemented on issues of race and micro-aggressions for specific brand and corporate audiences.⁴⁵ Note that it can be helpful to provide tailored unconscious bias training to E&C, Human Resources, Security and other personnel who conduct investigations, helping them learn to recognize and avoid bias in the investigative process.

Brazilian retailer Magalu implemented the first edition of its *Trainee Program Exclusive for Black Professionals* in 2021. The program sought to accelerate the transformation of the company’s leadership staff, mirroring it to Brazilian demographics. In addition, it triggered a vast discussion about systemic racism, while being widely reported by the press.⁴⁶

INVESTING IN COMMUNITIES AND EDUCATION

Many large corporations have a long tradition of giving back to their communities through funding, donations of goods and services and employee volunteer efforts.

In addition to supporting diverse organizations that assist underserved groups including veterans and people with disabilities, The Ernst & Young Foundation supports a variety of community organizations they believe address the root causes of inequity, discrimination and/or racism.⁴⁷ According to the company’s website, in 2020 Ernst & Young LLP (EY US) launched “Bridging the digital divide,” an initiative to narrow “the gap between households with and without access to computers and broadband internet connectivity.” By year-end 2021, EY US succeeded in establishing partnerships with corporate, public and nonprofit organizations that connected 75,000 underserved students to the internet and provided 78,000 laptops to underserved students.⁴⁸

In 2020, Danish toymaker LEGO announced it would donate \$4 million to organizations dedicated to supporting Black children and educating all children about racial equality.⁴⁹ In 2022, citing concerns about the loss of early childhood care and education services impacting children from low-income and refugee families globally, the company’s foundation offered a special grant of \$143 million to support early learning and the development of holistic skills, with the objective of enabling children to reach their full potentials.⁵⁰



By year-end 2021, EY US succeeded in establishing partnerships with corporate, public and nonprofit organizations that connected 75,000 underserved students to the internet and provided 78,000 laptops to underserved students.

FOSTERING ALLYSHIP

At Google, #ItsUpToMe is a global program in over 30 offices across Europe, the Middle East, Africa, Asia-Pacific and parts of the Americas. The program helps leaders, managers and Googlers become more proactive allies to all types of communities. According to Google Diversity Annual Report 2022, #ItsUpToMe reached over 5,000 people managers in 2021. Participants worked closely with the People Operations specialists, DEI experts and Employee Resource Group leaders to define specific, meaningful goals—and achieve them. The company also launched a digital hub with resources like learning materials, podcasts and short stories to help all participants become more inclusive leaders.⁵¹

In addition, “Google created new opportunities for Googlers to mentor one another. In Europe, the Middle East and Africa, the company relaunched Elevate+, a three-to six-month-long program that offers one-on-one mentorship opportunities and executive coaching to Black employees.” The program aims to cultivate a stronger sense of belonging at Google by matching experienced Googlers with mentees looking to grow their leadership skills and advance their careers.⁵²

USING METRICS FOR ACCOUNTABILITY

The working group reviewed published data from many companies to see what information they use. Organizations parse demographics by underrepresented racial groups, looking at board membership, leadership level, and primary categories of job types; population growth by level; new hires by functional category; intersectional hiring; and training and development hours. Also note that while this discussion speaks to metrics for racial groups, the suggested data sets may also be used for other marginalized populations, including LGBTQ+ and the differently abled. It is important to look at things by organizational unit as well as by geography and to monitor the data annually.

Note that privacy laws may limit what can be collected and reported in some countries, as well as what may be shared across international boundaries. Additionally, there may be changes in law regarding the use of race as a differentiator. Therefore, ongoing consultation with legal counsel is recommended regarding data collection and usage.

Lily Zheng, in an article for Harvard Business Review written after the Supreme Court struck down race-conscious admissions in *Students for Fair Admissions v. Harvard*, offers guidance on the effective and legal use of racial data.

<https://hbr.org/2023/07/how-to-effectively-and-legally-use-racial-data-for-dei>

COMPANIES ALSO MEASURE:

- **Levels of Giving**—Organizations operate in complex ecosystems and have the potential to influence the advancement of underrepresented groups significantly and positively in their community of stakeholders. As organizations and their employees direct foundation, corporate and individual giving, it can be valuable to have insight regarding the impact of that giving on each group.
- **Representation in Branding**—To have a positive impact, consumer-facing organizations may benefit from insights regarding the representation of racial groups in company branding. Popeye’s introduced such a scorecard in 2021 that included data on consumers, their advertising and the companies and partners behind their ads. The scorecard is available at: <https://www.popeyes.com/diversity>
- **Procurement Spending with Underrepresented Group Enterprises**—Monitoring levels of spending over time with underrepresented group enterprises can provide the insight needed for supplier diversity programs to support and focus source identification, engagement and education activities.

Additionally, organizations may find the following metrics useful:⁵³

- Frequency and type of RDAP/DEI incidents
- Participation in DEI activities
- Promotion rates
- Pay parity (equal pay for all employees performing the same duties, regardless of gender, race, or any other defining characteristics)
- Retention metrics across population groups

SUPPORTING EMPLOYEE RESOURCE GROUPS

Employee Resource Groups (ERGs), or affinity groups, trace their origins to the Civil Rights movement. The first affinity group was formed at Xerox in response to race riots near the company's Rochester, New York headquarters. CEO Joseph Wilson worked with Xerox's Black employees to establish the National Black Employees Caucus in 1970.⁵⁴ Now in 2023, 90% of Fortune 500 companies have ERGs, aligned with and supporting company mission and strategy.⁵⁵

Groups form based on race, ethnicity, gender, (dis)ability, age, religious affiliation, or other common characteristic or interest. Participation is voluntary and may include allies who join and support the ERG. ERGs provide a safe space for conversations within the group and with company leadership, provide leadership and other development opportunities for emerging talent, build and strengthen networks across an organization. ERGs can identify and help address issues within the workplace and cross-ERG collaboration can address intersectional interests.

ERGs have been credited with improving retention, productivity, a sense of belonging and job satisfaction. A case study later in this report describes General Mills' decades of experience with ERGs, which they credit as being a differentiator for the business.

ERGs should be open to all, so as not to unintentionally discriminate or exclude anyone interested in joining. ERGs offer an excellent

opportunity for allyship, networking and intergroup contact, allowing employees to learn more about their colleagues.

TAKING COLLECTIVE ACTION

Brazil's Movement for Racial Equity (MOVER) is composed of companies that have jointly undertaken the commitment to increase the participation of black professionals in their staff, with the goal of reaching 10,000 leadership positions occupied by black people by 2030 and generating opportunities for another 3 million.⁵⁶ It is supported by multiple companies, including Ambev, Gerdau, GPA, Nestlé, Vale and 3M. Also in Brazil, the Pretalab initiative, created by the nonprofit organization Olabi, connects black and indigenous women to technology and innovation labor markets, by means of corporate partnerships (e.g., Google, OLX), education, professional networks, research and consultancy.⁵⁷

In Atlanta, Georgia, more than 250 companies have signed on to a multi-year effort initiated in 2021 to advance racial equity. Participants include public and private for-profit entities as well as non-profits and government organizations. The participants have access to a variety of resources including playbooks on Corporate Policies, Inclusive Economic Development, Education and Workforce Development and shared best practices. Key Performance Indicators (KPIs) are being monitored and progress is being tracked through periodic survey assessments, with results publicly available.⁵⁸





Case Study: Con Edison of New York Law Department Conducts “DE&I Challenges”

Con Edison’s Law department organized a series of peer-led discussions about the structural, institutional and cultural aspects of racial inequality in America.

Over a two-week period at the end of June 2021, members of the department’s Diversity, Equity and Inclusion (DE&I) Council presented content adapted from a version of the “21-Day Racial Equity Habit-Building Challenge®,” published online by the American Bar Association. Law employees were invited to sign up for one-hour lunch and learn sessions hosted online via Microsoft (MS) Teams. The first session of their 10-day challenge launched the Monday after Juneteenth.

Since participation in the challenge was voluntary, organizers anticipated the turnout would be about 10 percent of the department. However, nearly 50 percent of their Law colleagues attended at least one of the virtual sessions. A diverse mix of staff, attorneys and senior leaders engaged in the daily discourse.

Following the overwhelmingly positive response to the June 2021 challenge, the Law department added a second DE&I challenge and has continued organizing 3- and 5-day challenges twice per year. In April 2023, the department’s most recent challenge drew more than 60 percent of employees.

The friendly, conversational style of the challenge’s cohosts, a mix of topics (e.g., ableism, antiracism, antisemitism, ageism, classism, genderism and sexism, tribalism) presented using curated, relevant multimedia content (e.g., YouTube videos, books, articles) rather than overstuffed PowerPoint slides and a podcast/webinar format that allowed for earnest engagement among participants, encouraged other Con Edison business units across the company to host similar challenges that have also been well received.

Participants found the material thought-provoking and challenging to prior assumptions, which then led to great conversations. Several employees also shared their personal stories, expressed emotional reactions to the history covered, and told their families about what they learned. Many expressed interest in participating in additional sessions or similar events in the future.

The Law Department's DE&I Council received recognition from department officers, managers, staff and members of the company's corporate Office of Diversity and Inclusion and corporate leadership, including Con Edison's CEO.

In summary:

- The initiative was launched in response to the racial turmoil felt throughout the country. It offered a forum for Law department employees to discuss effective social justice strategies they could adopt.
- Con Edison's Law Department DE&I Council's objectives included helping colleagues become better informed about history and important social justice topics while making it easier for everyone to speak up as allies who can effect change. A disclaimer read before every session reminded everyone that participation in each session was voluntary.
- Subsequent challenges have compared the experiences of department colleagues and their identities as members of racial, ethnic and religious groups, as well as by their gender, generation and sexual orientation.
- The MS Teams platform gave attendees the feeling they were watching a podcast that allowed for audience participation via chat and the ability to raise their virtual hands, turn on their cameras and share their perspectives.
- Law department leaders formalized the hosting of DE&I challenges as a key departmental performance indicator: "The DEI Council will offer two 5- or 10-Day Challenges and 50% of the Law Department will attend at least one day." (The original metric was to, "Advance Diversity & Inclusion through Learning...").
- The organizers also credit their senior leadership's support and participation as a key factor in the success of the challenge. Con Edison's Law Department DE&I Council has been grateful for the support of Con Edison's CEO, General Counsel and Senior Leaders, who have fostered a culture where DE&I presentations and discussions are welcomed and encouraged.

- There are some logistical issues and hurdles prospective challenge organizers might encounter, including limited time. Therefore, organizers of future sessions should allow time for learning and disseminating the material. In addition, organizing each challenge requires months of planning, coordination and communication. Con Edison's Law Department DE&I Council obtained the necessary approvals for content and messaging prior to implementation.



Case Study: General Mills Validates the Impact of Employee Resource Groups

General Mills points to its long history of championing belonging, underscored by its belief that a diverse workforce fostered through inclusion—and a sense of belonging—is the right thing to do not only for society but for its business. The company elevated Champion Belonging in 2022 by making it a company value, further integrating it into the company's culture: "We actively acknowledge, respect and value all dimensions of diversity—including gender, race, sexual orientation, ability, background, and beliefs—and are committed to creating a culture where everyone has a seat and a voice at the table. Champion Belonging is a core value at General Mills, and one way this comes to life is through our employee resource networks."

Employee resource networks have been a key differentiator for General Mills since the early 1990s. The company's seven corporate employee resource networks are focused on building equity through community and professional development for underrepresented employees. They include the Asian Leaders Network, which seeks to champion

the development of the Asian community; Betty's Family (LGBTQ+), which promotes and supports the company's LGBTQ+ employees; Black Champions Network, which supports and empowers Black professional development within the company; Disability Network, which promotes and develops employees with physical, mental and/or emotional disabilities and provides support to caregivers; The Familia Network, which develops Hispanic/Latino talent at the company; Veteran's Network, which engages, empowers and develops veteran talent and supports family members and/or spouses of active duty military; and Women's Leadership Network, which focuses on creating a culture where women can thrive in the workplace and advocate for employee benefits.

General Mills employee resource networks are open to all employees and allies are encouraged to get involved. General Mills believes allyship, the authentic support of individuals and communities who have been marginalized or overlooked, is critical to achieving a culture of belonging. Intentional actions such as listening, learning and uplifting help ensure all voices are heard and respected.

ERG ACTIVITIES AT GENERAL MILLS

General Mills and its employee resource networks have led several historic moments in support of human rights. One of the company's shining moments included raising of the Pride flag alongside the American flag at campus headquarters in 2019, the same year General Mills was recognized as a top company to work for by the Human Rights Campaign Foundation. Betty's Family collaborated with the Veteran's Network to lead the ceremony.

In 2020, the Black Champions Network hosted its first Juneteenth celebration. Now an annual event, the company's Juneteenth commemoration offers an opportunity for employees to learn more about the history of Juneteenth. Events have included speakers in connection to Juneteenth, such as Annette Gordon-Reed, author of the book *Juneteenth*, Emmanuel Acho and others.

In addition, each year, the Women's Leadership Network, the largest employee network at General Mills, celebrates International Women's Day with a focus on personal and professional development. Brought together by the theme "Break the Bias" in 2022, nearly 3,000 people in 550 different locations across 17 countries participated in the event.

In 2022, many of the company's employee resource networks gathered in Minneapolis, Minnesota, for its bi-annual Employee Network Summit. Driven by the theme, "Boldly Being: Boldly Belonging," the summit explored and celebrated what it means to boldly bring your most authentic self to work. Of the nearly 800 employees and guests who attended, 99% said the event increased empathy for employees in other networks; 97% left feeling more empowered to be their authentic selves at work; and 94% left with an increased commitment to their allyship journey.



THE EFFECT OF ERGS AT GENERAL MILLS

General Mills is extremely proud of their employee resource networks and the sense of community and belonging they create. General Mills' 2023 employee survey data highlights network maturity in quality and impact of programming and company support. Results show:

- 98% feel the overall quality of the programming is strong.
- 93% say the networks provide them a professional value.
- 92% say the networks create a sense of community and connections.
- Nearly 90% report an increased sense of belonging because of the networks.

Armed with the above knowledge, General Mills knows employee resource networks are

an important part of fostering a culture of inclusion and belonging, and that employee network members and allies bring their passion for inclusion back to their teams across the organization. Ninety-nine percent (99%) of employee network members are committed to progressing on their own allyship journey, taking intentional actions such as listening, learning and uplifting those around them to ensure all voices are heard and respected.

It is clear General Mills has achieved demonstrated employee resource group engagement results in employee satisfaction and a general feeling of belonging. General Mills also has been transparent with the sharing of information and has publicly released their allyship resources on their website. We would like to applaud General Mills for its willingness to be bold and intentional on this important initiative.

CALLS TO ACTION

Following is a variety of actions which can be taken by companies, E&C Practitioners and ECI and others on behalf of the profession.

ACTION BY COMPANIES

Employee Engagement	<ul style="list-style-type: none"> • Establish and support Employee Resource Groups using best practices for participant positive experience while aligning with business priorities. Include intersectional opportunities and cross-ERG collaboration. Regularly evaluate the value of the ERGs to both participants and the business.
Functional Collaboration and Integration	<ul style="list-style-type: none"> • Establish structured collaboration between Human Resources, Communications, Environmental, Social and Governance (ESG), Corporate Social Responsibility (CSR), Legal and Ethics & Compliance (E&C), clarifying roles and promoting integration. This might include review of organizational roles and responsibilities, coordination of annual priorities and action plans, and partnering to define (secondary) RDAP messages for inclusion in mandatory communications and training on other related topics. • Create a cross-functional RDAP Risk Task Force to lead implementation of RDAP risk mitigation, including opportunities identified in this Call to Action.
Risk Assessment Processes	<ul style="list-style-type: none"> • Include RDAP questions in enterprise risk assessments. • Incorporate RDAP risks into the due diligence process for third parties with Supply Chain/Procurement and other groups as needed. • Monitor and test for RDAP risks and support for anonymous reporting of RDAP-related concerns with Human Resources, Diversity, Equity, & Inclusion, and E&C teams. • Include RDAP assessment questions in parallel with general data collection for internal audits. • Participate in meetings and listening sessions with Employee Resource Groups (ERGs) to hear their members' experiences and identify related risks.

ACTION BY COMPANIES

<p>Policies, Processes and Training</p>	<ul style="list-style-type: none"> • Review codes of conduct, policies and procedures for racially biased language and images; revise as needed. • Review investigatory processes, outcomes and disciplinary results for evidence of racial bias and to ensure procedural justice; revise processes as needed. Consider surveying both reporting parties and subjects of investigations to support these reviews. • Ensure that there is a robust anti-retaliation policy which is widely communicated and ensure there is related training, particularly for leaders. • Adopt a strong anti-harassment policy, periodically train each employee on its contents, and vigorously follow and enforce it.⁵⁹ • Provide supplemental training on abusive behavior, bullying/harassment and anti-bias to members of investigation teams that handle retaliation cases. • Share anonymized stories about incidents involving RDAP themes as a way to supplement formal training, using multiple communication channels such as e-mail, company intranet and internal social media. • Integrate messaging into other mandatory training from E&C, Security, IT and other organizations when possible.
<p>Accountability</p>	<ul style="list-style-type: none"> • Develop and regularly communicate Key Performance Indicators (KPIs) related to RDAP issues to demonstrate how performance is trending. • Include objectives related to addressing RDAP and DEI in the performance management system.
<p>Monitor Progress</p>	<ul style="list-style-type: none"> • Include RDAP-related questions in employee census and pulse surveys, interviews and focus groups, allowing for anonymous response. Identify hot spots and monitor trends for action. Include RDAP-related questions in exit surveys.
<p>Evaluate and Update Hiring, Selection, and Promotion Practices</p>	<ul style="list-style-type: none"> • Create diverse interviewer panels and seek to ensure there are at least two candidates from underrepresented groups in any finalist pool. • Adapt EEOC (or similar) best practices for hiring, selection and promotion processes.⁶⁰ • If the organization is using Artificial Intelligence in these processes, make sure it is lawful and free of bias.
<p>Community Engagement</p>	<ul style="list-style-type: none"> • Explore existing options for community collective action like the Metro Atlanta Chamber of Commerce's ATL Action for Racial Equity and Brazil's MOVERS. Where no such option exists, work with local businesses (and local instances of national/multinational companies) to create such an initiative.

ACTION BY ECI (AND THE ETHICS AND COMPLIANCE PROFESSION)

<p>Engage other organizations in the Ethics and Compliance professional domain to create an industry-wide inclusion initiative for E&C practitioners.</p>	<ul style="list-style-type: none"> • Develop a tool for comprehensive organizational assessments to identify gaps and determine the steps needed to become a community rooted in principles of diversity, equity and inclusion (DEI); conduct those assessments, share results and develop an industry action plan. • Establish a baseline understanding of the current demographic dimensions of E&C professionals. • Establish an organizational Diversity, Equity, Inclusion and Belonging (DEIB) action plan, including provisions for membership, programming and governance. • Collaborate to establish a means to grow the pipeline of candidates for E&C jobs to reach more people from underrepresented groups.
<p>Adapt the Global Business Ethics Survey to measure progress on RDAP and/or periodically repeat the surveys discussed in this report.</p>	<ul style="list-style-type: none"> • Collect longitudinal data so that trends can be monitored and action plans updated. • Ensure the methodology used provides a robust data set for analysis, including demographics of respondents, considering some of the opportunities noted in this report.
<p>Generate a similar report to address RDAP outside the United States.</p>	<ul style="list-style-type: none"> • Convene a Working Group, possibly in cooperation with other E&C professional organizations, to conduct this work.
<p>Add RDAP component to ECI educational programs.</p>	<ul style="list-style-type: none"> • Include the Ethics Academy and the training for Leading Professional in Ethics Certification.
<p>Provide ready-to-use resources.</p>	<ul style="list-style-type: none"> • Develop and release RDAP-related program materials like the 21-Day Racial Equity Habit-Building Challenge[®],” from the American Bar Association.





ACTION BY E&C PRACTITIONERS

<p>Speak up on RDAP related concerns, become allies and serve as role models/ambassadors for coworkers.</p>	<ul style="list-style-type: none"> • Actively participate in Employee Resource Group events as a member or as an ally
<p>Seek and/or create opportunities for our respective companies to collaborate on RDAP-related concerns within the community.</p>	<ul style="list-style-type: none"> • Partner with community organizations and/or educational institutions seeking to positively influence RDAP related concerns.
<p>Educate ourselves about, and avoid using, terminology that may be offensive.</p>	<ul style="list-style-type: none"> • Refer to resources such as the Antiracist Language Guide from the University of Arizona, https://lib.arizona.edu/employees/anti-racist-guide
<p>Educate ourselves about the terminology used in discussion of racial equity</p>	<ul style="list-style-type: none"> • Refer to resources such as the Racial Equity Tools Glossary, https://www.racialequitytools.org/glossary
<p>Educate ourselves and continually work on unconscious bias</p>	<ul style="list-style-type: none"> • Refer to resources such as the Harvard Implicit Association Test (IAT), https://implicit.harvard.edu/implicit/takeatest.html and • The Protection against racism, xenophobia and racial discrimination, and the EU Anti-racism Action Plan https://www.europarl.europa.eu/thinktank/en/document/IPOL_STU(2022)730304



Afterword

As this report demonstrates, there is still much work to be done in the E&C field if we are to encourage diversity, foster supportive professional networks and eradicate RDAP. The battle is not limited to our workplaces; elements of bias are also present in E&C programs themselves and the professional networks we have created. Continuing to improve is our duty in creating a stronger, more ethical field.

ECI is indebted to the RDAP Working Group for their thoughtful call to action, not only to the workplaces our members serve, but also to ECI and our profession. We have learned a great deal from the Working Group and this report, and we gladly accept the challenge to do our part. In response to the suggestions made by the group for ECI and the E&C profession, we commit to the following steps. Specifically, ECI will:

- 1. Serve as a catalyst to engage the E&C profession in an inclusion initiative for E&C professionals.** When it comes to the E&C profession, no organization can tackle the challenges posed by RDAP alone. As the Working Group rightly observed, ECI and other organizations that lead our profession need to work together. In order to facilitate that, ECI will convene a follow-up Working Group to help us carefully plan and then invite our colleagues in the field to launch such an undertaking.

- 2. Continue to measure the prevalence of RDAP in workplaces around the world and promote strategies to create respectful workplaces.** It is gratifying that our *Global Business Ethics Survey*[®] (*GBES*[®]) provided statistics that were helpful to the RDAP group as they authored this report. A challenge from the Working Group to ECI is to continue to leverage our research and continue to monitor the prevalence of the problem. This challenge is one that we gladly accept. Already, the GBES surveys employees in 42 countries around the world, and in 2023 we collected global data not only on the prevalence of discrimination, but also on the presence of workplace cultures that value diversity and inclusivity. A report on those metrics is forthcoming and ECI will continue to report on these and other worldwide RDAP-related issues in future iterations of the GBES research.



We have learned a great deal from the Working Group and this report, and we gladly accept the challenge to do our part.

3. Equip ECI members to recognize, address and eradicate RDAP in the workplace. It is our intention that the efforts of this Working Group are only the beginning. Our goal is to continue to integrate education, discussion and practical resources about the prevention of RDAP into ECI's programming and content on a regular basis. Consistent with the Working Group's suggestion in their Call to Action, we will identify opportunities in our upcoming programming and launch additional member-driven Working Groups to help us further this good work on an ongoing basis. We hope to equip ECI members with the tools and knowledge to confront and eliminate RDAP in the workplace.

4. Support and highlight the development of resources that educate E&C practitioners about RDAP. As evident in the case examples, research studies and resources highlighted in this report, important work is being done by many individuals and organizations to develop tools to help leaders pursue the end of workplace RDAP. ECI staff along with our future Working Groups will continue to monitor the development of new insights and resources, and we will be glad to share those with our members in the days ahead.

Lasting change can only happen when each of us is willing to hold a mirror to ourselves – to revisit our values, examine our biases and to truly listen when others tell us how we can do better. That is what this Working Group and its report have done for the ECI. It is our hope that this report equally inspires you as a reader.

We invite you to join us as we continue to work toward the establishment of workplaces and societies where the innate dignity and equality of all human beings are cherished and protected.



Appendix: ECI RDAP Survey

RACISM, DISCRIMINATION AND ABUSE OF POWER (RDAP) FULL SURVEY

Shortly after the RDAP Working Group was established, a survey was distributed to Ethics and Compliance (E&C) professionals representing various industries around the globe. An anonymous link was sent to approximately 1,400 individuals in the E&C profession. The survey was available from August 4, 2021 to September 13, 2021. 237 usable responses were collected.

The underlying demographic makeup of the E&C profession and the individuals who received the survey link are unknown. Respondents to the survey self-identified as being approximately:

- 61% female; 39% male (no other gender options were offered)
- 66% White/Caucasian, 13% Black/African American and 13% Asian/Pacific Islander with 12% of Hispanic, Latino or Spanish origin
- 50% between the ages of 50-64, 24% between 40-49, 13% 30-39 and 4% under 30 and 9% over 65

- 46% from organizations of 10,000 or fewer people, 21% from organizations of 10,001-50,000, 13% from organizations of 50,001-100,000 and 20% from organizations larger than 100,000.

The summarized findings and analysis included in the body of this report are based on the usable responses.

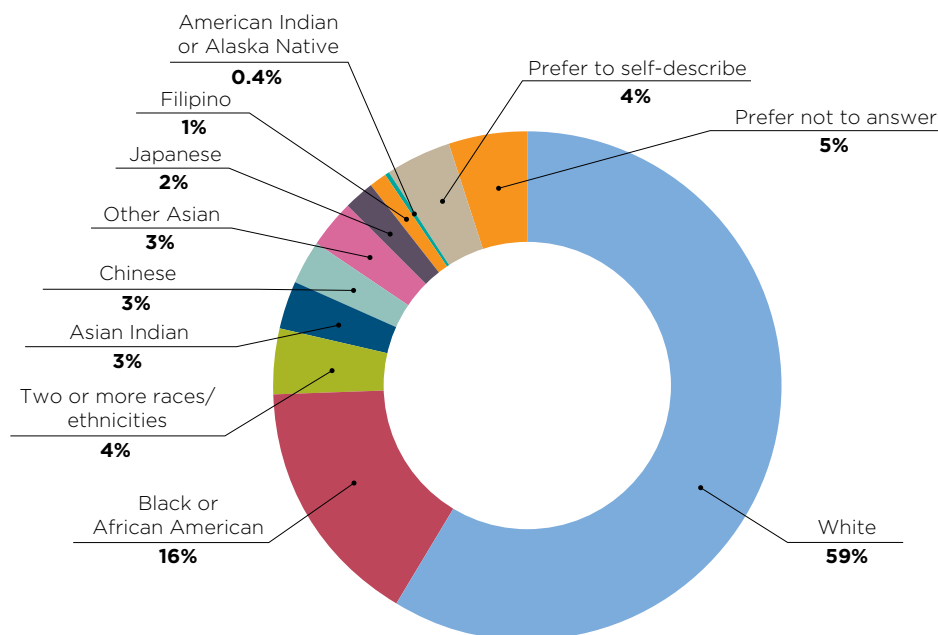
The RDAP Survey asked various questions focused on seven (7) areas:

1. Organizational Action
2. Responsibility for Addressing RDAP
3. Observing RDAP in the Workplace
4. Investing in RDAP
5. Impact on Addressing RDAP
6. E&C Function
7. E&C Profession

A graphical representation of the respondent demographics as well as key survey results from the seven focus areas now follow:

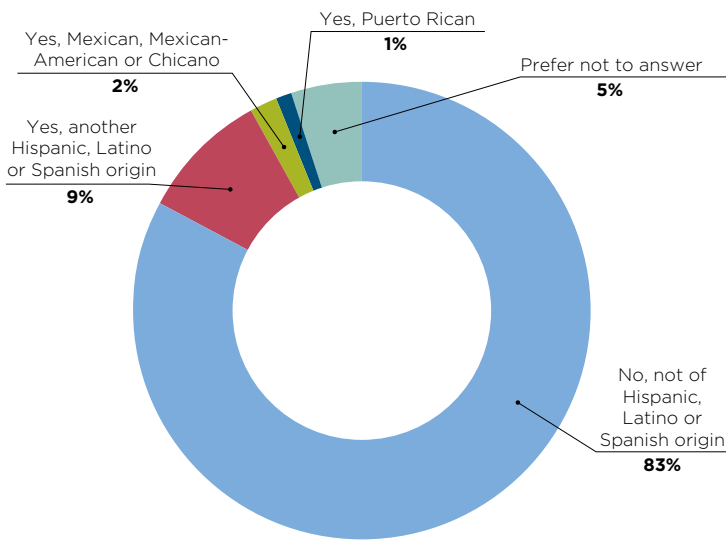
PERSONAL DEMOGRAPHICS

Race/Ethnicity

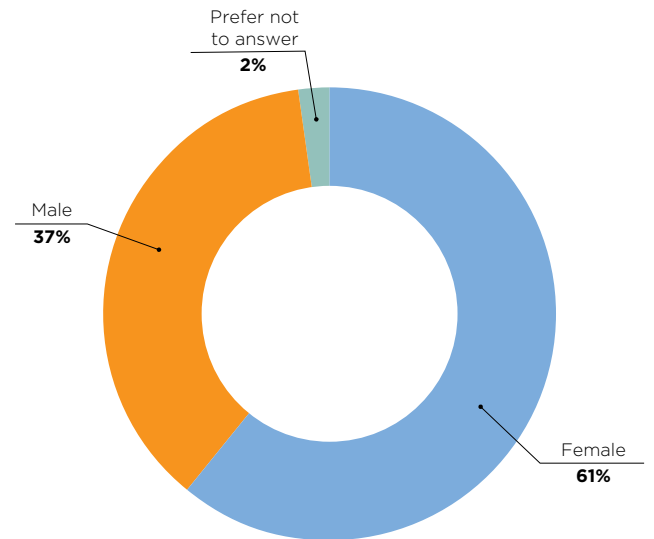




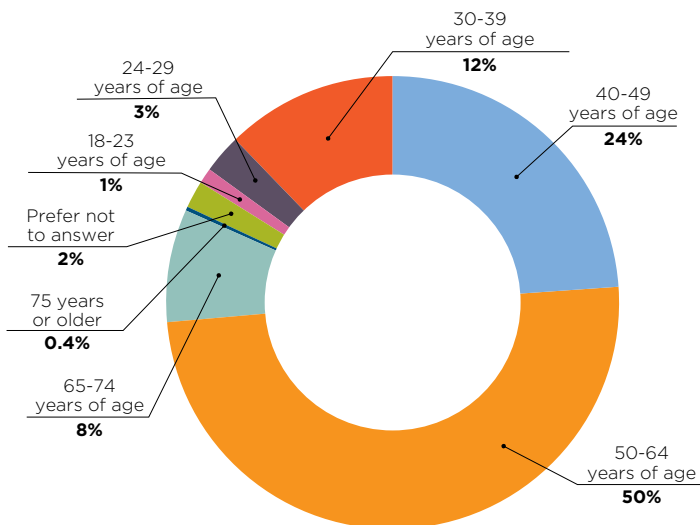
Hispanic, Latino or Spanish Origin



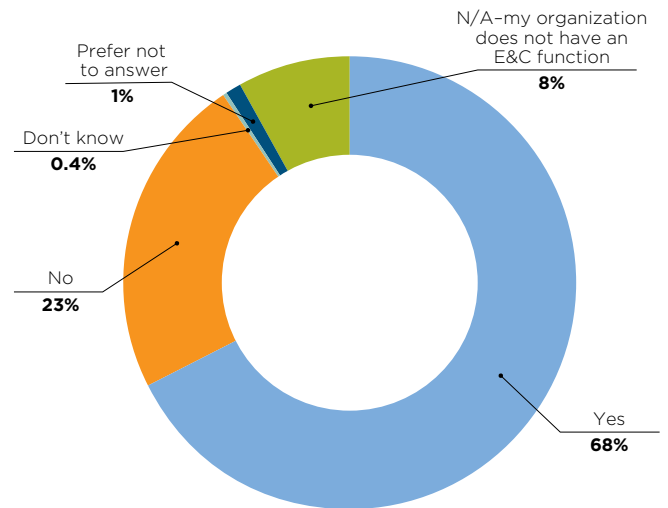
Gender Identity



Age

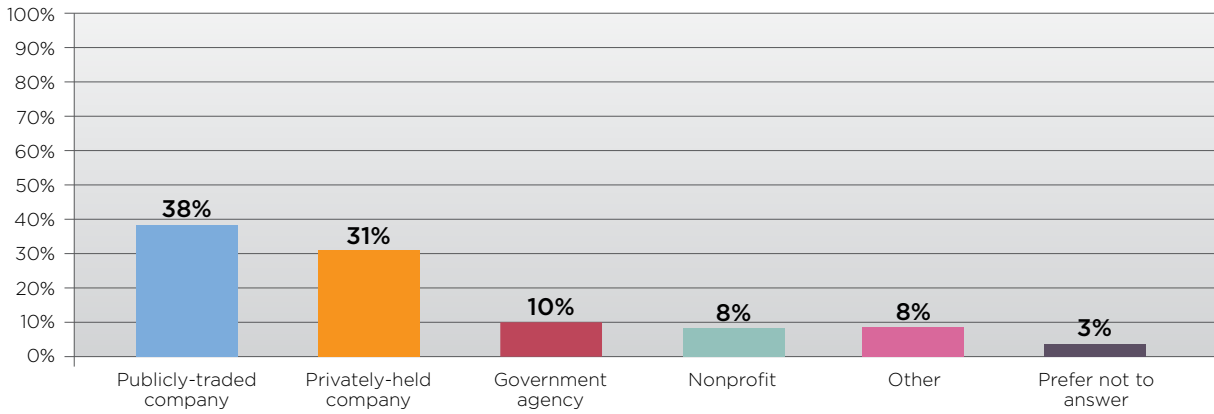


Work in E&C Function

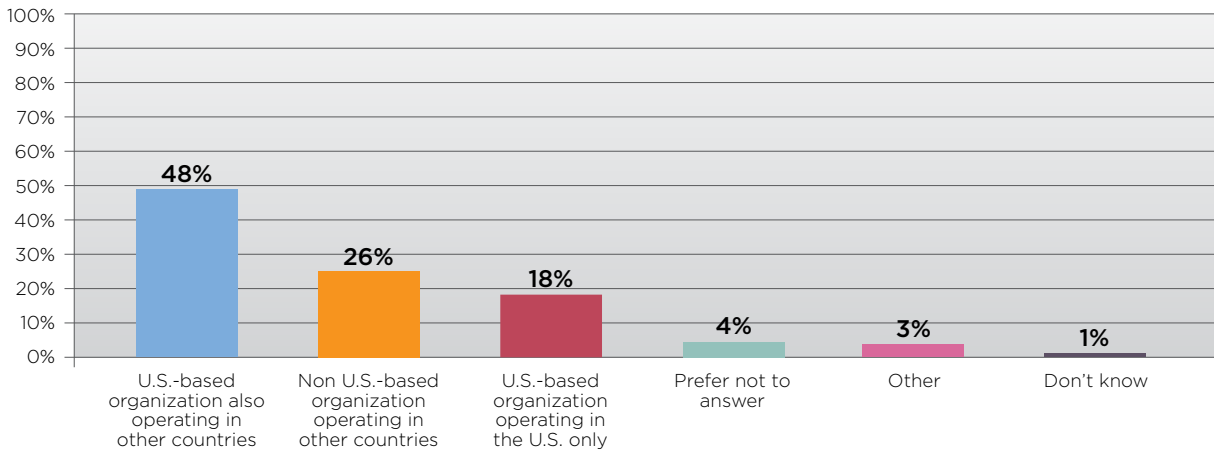


COMPANY DEMOGRAPHICS

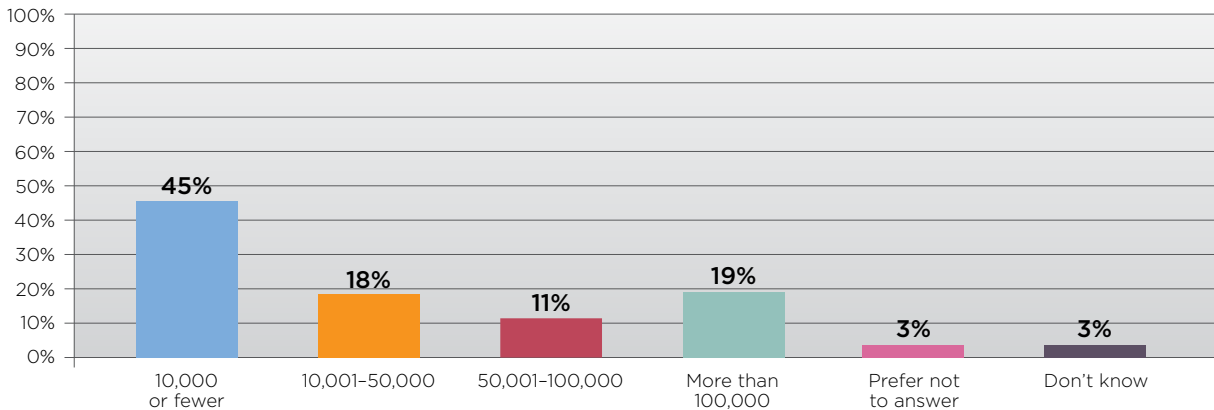
Organizational Sector



Global / Domestic Operations



Number of Employees

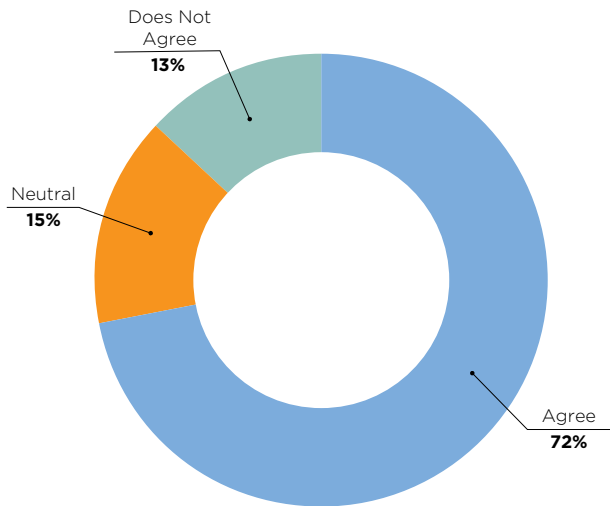


The information below summarizes the responses from the seven focus areas of the RDAP Survey.

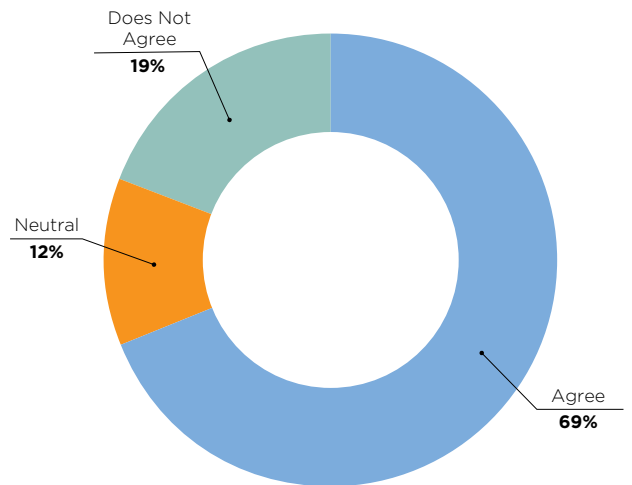
ORGANIZATIONAL ACTIONS THAT PROMOTE EFFORTS TO REDUCE RDAP

Overall, survey respondents indicated that investigations of concerns related to racism, discrimination and/or abuse of power in the workplace are fair and neutral. This shows a good level of confidence in the investigative processes.

Almost Three-Fourths of Respondents Believe the Organization Regularly Promotes Policies Related to RDAP



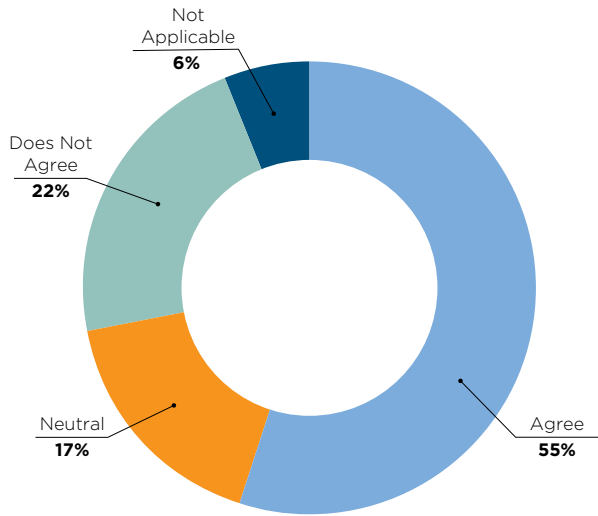
Over Two-thirds of Respondents Believe Their Organizational Values Explicitly Address Issues Related to RDAP In the Workplace



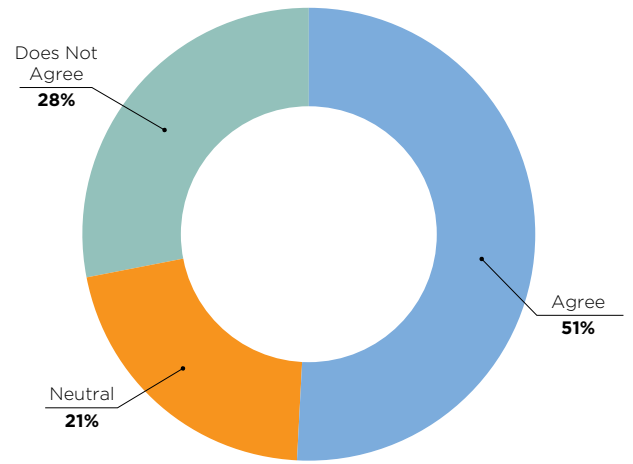
However, there are several opportunities for delivering more effective anti-racism training and sharing stories about racism, discrimination and/or abuse of power and the disciplinary actions taken. It is also important to note that Black/African American survey respondents consistently have the least favorable responses across all measures in this section. There are several statistically significant instances where Black/African American survey respondents were more likely to disagree that their organization promotes efforts to reduce RDAP (e.g., disagree that they hear senior leaders make public statements committing to reduce RDAP and disagree that their organization promotes policies or procedures to address RDAP issues).



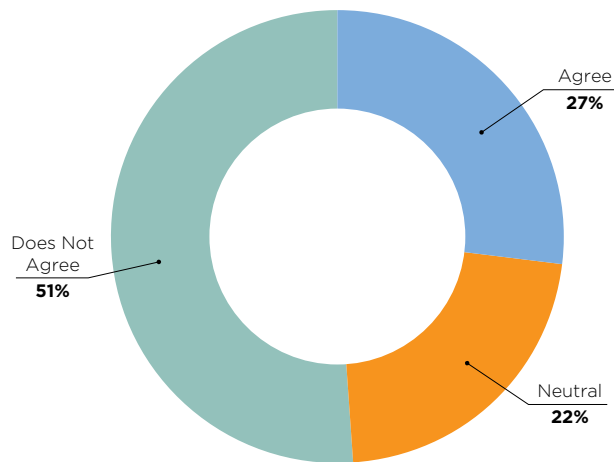
Slightly More Than Half of Organizations Dedicate Sufficient Resources to Address RDAP In the Workplace



Slightly More Than Half of Organizations Deliver Effective Anti-Racism Training On Topics Like Racial Privilege/Bias, Micro-Aggressions, Intersectionality



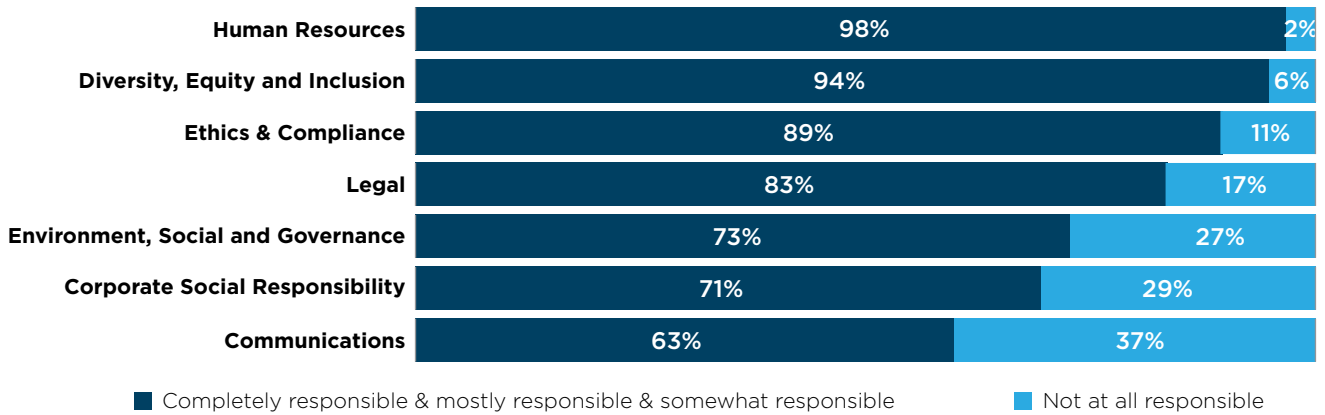
Less Than One-third of Organizations Regularly Shared Anonymized Stories About Reports Related to RDAP and the Disciplinary Actions Taken



RESPONSIBILITY FOR ADDRESSING RDAP

It is the responsibility of every employee in the workplace to address RDAP, but the example must come from top management. There are certain groups that may have different roles to play in addressing RDAP. The majority of survey respondents (98%) felt that Human Resources was responsible for addressing RDAP, most likely due to the role that it plays in guiding the organization, the people and culture. Survey respondents also felt that Legal had a major responsibility to address RDAP, due to its role in mitigating legal risk. Ethics & Compliance and Diversity, Equity and Inclusion were also assessed as being responsible for addressing RDAP. Interestingly, Asian/Pacific Islander survey respondents were less likely to identify any department as being responsible for addressing RDAP, compared with other groups. This may be an area of further study or consideration. We recognize that companies choose to organize in different ways, and some choose to contract out the functions and/or responsibilities, thus companies may or may not have the organizations reflected in the chart below.

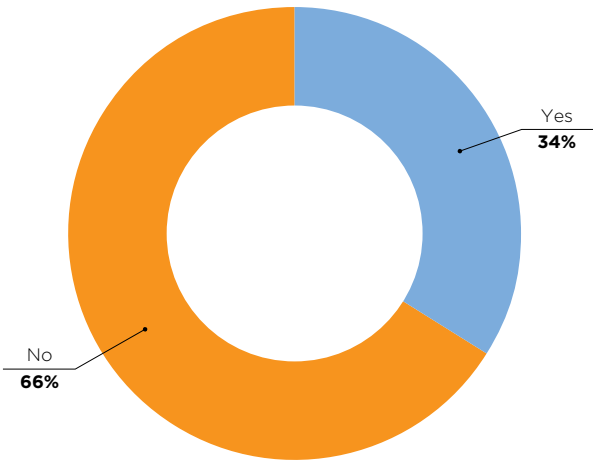
Responsibility for Addressing Racism, Discrimination or Abuse of Power in the Workplace



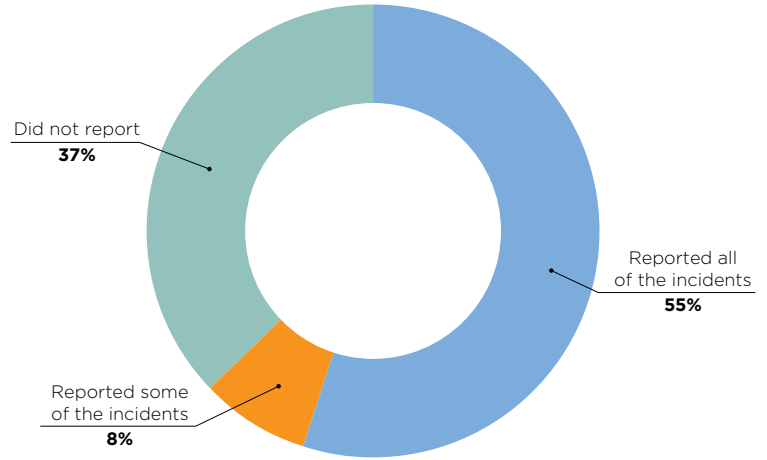
There may be an opportunity for the roles across the groups of Communications, Environmental, Social and Governance (ESG), Corporate Social Responsibility (CSR) and Ethics & Compliance to be clarified in a manner that promotes integration and collaboration.

OBSERVING RDAP IN THE WORKPLACE

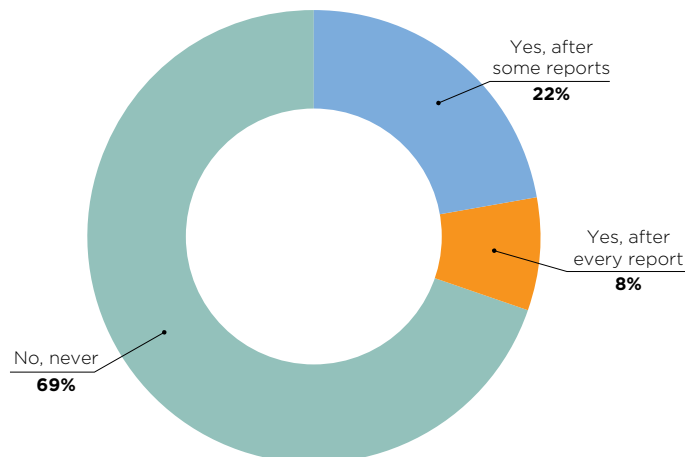
One-third of Respondents Observed an Incident of Racism, Discrimination and/or Abuse of Power in Their Organization in the Past 24 Months



Almost Two-thirds Who Observed an Incident of RDAP Reported Their Observation



Nearly One-third Who Reported Their Observation Experienced Retaliation for Reporting

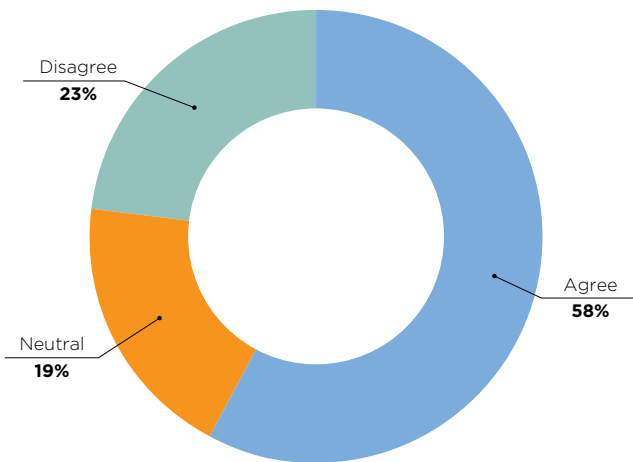


Black/African American survey respondents were most likely to observe RDAP and were most likely to report their observations. Unfortunately, they are also most likely to experience retaliation.

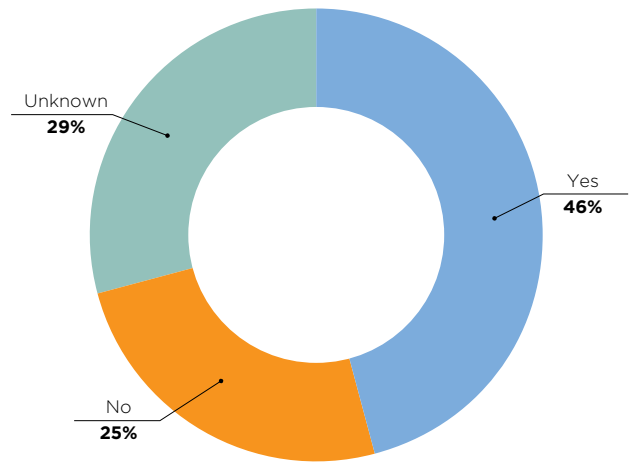
INVESTING IN RDAP

Although agreement that organizations are investing in RDAP appears to be positive, Asian/Pacific Islander survey respondents were least likely to agree that their organizations have invested in RDAP to address the larger systemic RDAP concerns. Survey respondents felt that companies and organizations have taken moderate strides in creating opportunities for workers from under-represented racial or ethnic groups to enter the industry and investing in philanthropic initiatives. However, there are still opportunities for improvement within these areas and others, including representation at the board level and increased spending on contracts with business partners from under-represented racial and/or ethnic groups.

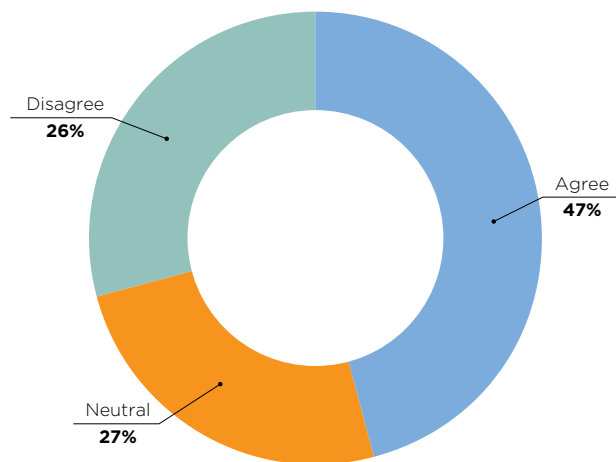
Organization has Invested in Philanthropic Initiatives/Organizations that Address Issues of Racism, Discrimination and Abuse of Power



Organization has Recruited at Least One Director from Under-Represented Racial or Ethnic Groups to Our Company Board



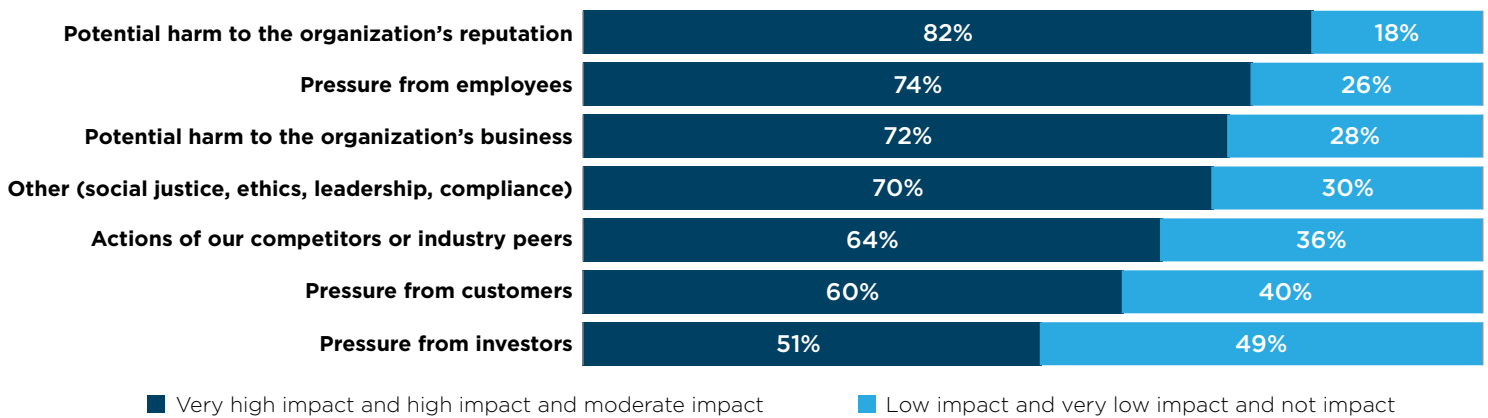
Organization has Increased Spending on Contracts with Business Partners from Under-Represented Racial or Ethnic Groups



IMPACT ON ADDRESSING RDAP

Survey respondents felt that the top drivers that prompted their organization to address RDAP were the potential harm to the company's reputation (82%), pressure from employees (74%) and the potential harm to its business (72%). A company's reputation can help or hurt its bottom line. A company that positively addresses RDAP internally will most often retain diverse employees. Interestingly, survey respondents also moderately felt that the actions of competitors (64%) and industry peers and pressure from customers (60%) also drove organizations to address RDAP. This again speaks to the company's bottom line and not wanting to lose sales or market share for not reacting to external events and/or social movements.

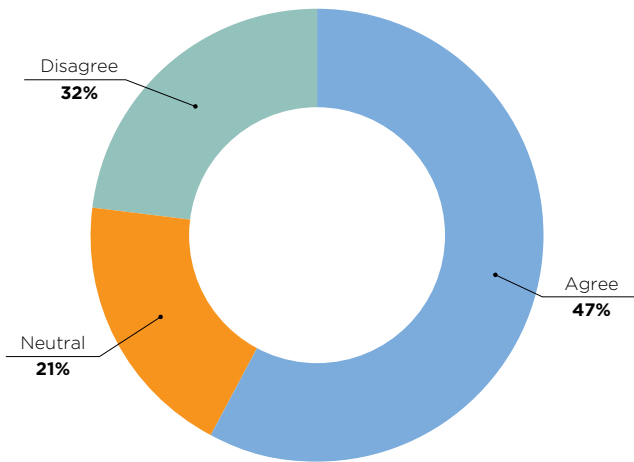
Impact of Drivers in Prompting Organization to Address the Larger/Systemic Issues of Racism, Discrimination, and Abuse of Power



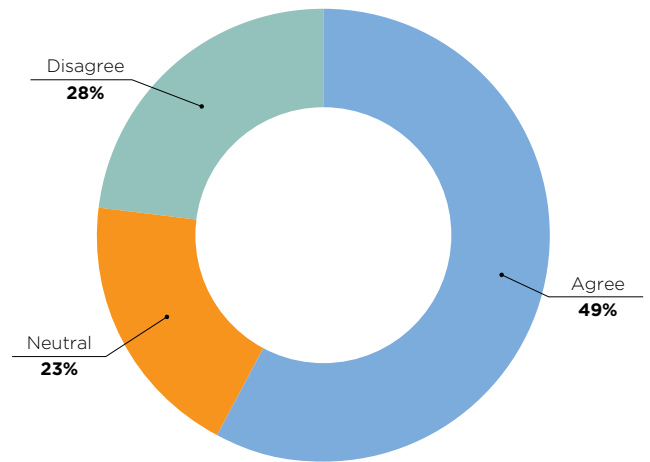
ETHICS & COMPLIANCE FUNCTION

Over three-fourths of survey respondents felt that the Ethics & Compliance (E&C) Function provides opportunities for people of all backgrounds to succeed and advance, however, there are opportunities by the function for improvement in other areas.

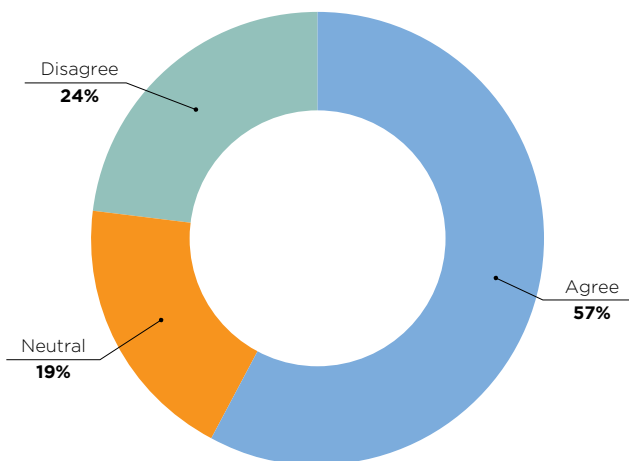
Less than Half of the E&C Functions Analyze Disciplinary Measures for Racial Bias and Revise as Needed



Almost Half of the E&C Functions Review the Investigatory Process for Racial Bias and Revises as Needed



Nearly 60% of the E&C Functions Review E&C Policies and Procedures for Racially Biased Language and Revise as Needed



Sixty-four percent of survey respondents indicated that they feel that E&C Function will have more responsibility in the RDAP arena in the future, providing an opportunity to advance RDAP-related objectives.

ETHICS & COMPLIANCE PROFESSION

Survey respondents felt that the Ethics & Compliance (E&C) Profession provides sufficient opportunities for all individuals to advance their careers (76%). However, there is a difference in responses. White/Caucasian survey respondents were most likely to agree that E&C functions provide sufficient opportunities while Black/African American survey respondents were least likely to agree.

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