The Impact of Ethical Leadership on Business Performance

Society for Corporate Compliance and Ethics
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Peter Swinburn, CEO
Agenda

- Recent Findings on the Impact of Ethical Leadership on Business Performance
- One Company’s Approach: Some Examples from Molson Coors

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Ethical Leadership and Integrity Matter to the Bottom Line* 

- Integrity and Values Drive Performance 
- High Levels of Integrity are Correlated with Lower Levels of Misconduct 
- The Financial and Legal Costs of Unreported Misconduct are High 

*Results of a Recent CELC Study
Integrity and Values Drive Employee Performance*

Manager demonstrations of corporate values and ethical behavior improve performance 12% and 9% respectively.

*Results of a Recent CELC Study

The Costs of Unreported Misconduct are High*

50% of observed misconduct is never reported by employees

- US organizations lose 7% of their annual revenues to fraud
- Nearly a third of managers report observing serious misconduct
- High perceived ethics/integrity increases employee reporting

*Results of a Recent CELC Study
### Strongest Drivers for Cultivating a Culture of Integrity*

- Train Leaders to Model and Communicate Corporate Values (Ethical Leadership)
- Drive Comfort Speaking Up
- Foster a Perception of Organizational Justice

*Results of a Recent CELC Study

### One Company’s Approach

**Leaders Model and Communicate the Company’s Values**

- Our Brew and our Code
  - The “Right Way” vs. the “Wrong Way”
  - Storytelling and the Blogs
  - Performance Appraisals

- Ethical Leadership Sessions
  - Self-Assessments, 360 Assessments
  - Case Study discussions
"WIN THE RIGHT WAY" RATHER THAN "WIN AT ALL COSTS"

"Always do right. This will gratify some people and astonish the rest." — Mark Twain, author and wit

We have a duty to ourselves, the communities we live in, the suppliers we work with, the customers we serve and the beer drinkers we seek to delight to always do the right thing.

Our Values

Why do we need a set of values? We know that no two people are alike within Molson Coors. We come from many different backgrounds, so our values help to unite us. They help guide our decisions and our actions.

No matter where we sit within Molson Coors, Excelling, Passion, Integrity & Respect, Creativity and Quality must drive everything we do if we are to "win the right way."

When we are living the values, we are performing at our very best.

Excelling
Surprising one another, our customers & our competitors by what we achieve

Passion
Beer champions who love winning through our extraordinary brands and the beer moments they create

Integrity and Respect
Treating everyone as we expect to be treated

Creativity
Unlocking ideas to make us more competitive; doing the unexpected to challenge the norm

Quality
Talented people who go the extra mile to deliver beyond "expected quality" in everything
One Company’s Approach

Raising Self-Awareness around Ethical Leadership Skills
• Self-Assessment
• 360 Degree Assessments
• People Survey

Case Study Discussions lead to Cascaded Discussions
• Focus area of the Code
• Meeting in a Box
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**Driving Comfort Speaking Up**
- Transparency & Openness
- New Approach to the Helpline
- New Campaign for 2010

**Foster Organizational Justice**
- Ethics and Compliance Committee
- Common Process for Handling Reports, Investigations and Discipline Decisions
- Communications with Employees and Stakeholders