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ZURICH, 3 MAY 2018

# Sharing lessons learned from Integrity training

Benefit from lessons learned?

Martin de Grijp



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# Compliance in action—Compliance and integrity training

Agenda—4 May 2017

Topics covered in our discussion today

- Why Conduct Training
- Sentencing Guidelines and FCPA Guidance
- Best practices for ethics and compliance programs
- How to prioritize based on a risk assessment and make it practical
- Effective training strategies—what works in the “field”
- Practical tips and techniques
- Putting Together an Effective Training Program
- Improving Your Compliance Program
- The ABB Integrity program

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# Compliance in action—Compliance and integrity training

Why conduct training?

?????

**Brief discussion/ brainstorming...**

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# Compliance in action—Compliance and integrity training

Why compliance training? (from DOJ SEC Resource Guide, 1/2)

- Compliance policies cannot work unless **effectively communicated throughout a company**. Accordingly, DOJ and SEC will evaluate whether a company has taken steps **to ensure that relevant policies and procedures have been communicated throughout the organization**, including through periodic training and certification **for all directors, officers, relevant employees, and, where appropriate, agents and business partners**
- For example, many larger companies have implemented **a mix of web-based and in-person training conducted at varying intervals**
- Such training typically covers company policies and procedures, instruction on applicable laws, **practical advice to address real-life scenarios, and case studies**

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# Compliance in action—Compliance and integrity training

Why compliance training? (from DOJ SEC Resource Guide, 2/2)

- Regardless of how a company chooses to conduct its training, however, **the information should be presented in a manner appropriate for the targeted audience, including providing training and training materials in the local language.** For example, **companies may want to consider providing different types of training to their sales personnel and accounting personnel with hypotheticals or sample situations that are similar to the situations they might encounter.** In addition to the existence and scope of a company's training program, a company should develop appropriate measures, depending on the size and sophistication of the particular company, **to provide guidance and advice on complying with the company's ethics and compliance program, including when such advice is needed urgently**
- Such measures will help ensure that the compliance program is understood and followed appropriately at all levels of the company. relevant employees, and, where appropriate, agents and business partners

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# Compliance in action—Compliance and integrity training

## Training program objectives

- For your employees and stakeholders (e.g. suppliers) to understand your (Supplier) Code of Conduct and company policies and directives
- Compliance with Laws
- Identifying, managing, eliminating and reducing risks (Red flags)
- Contributing to creating, developing and maintaining the required company ethics and compliance culture, including tone from the top and tone from the middle
- Training and communication complement each other over time, use the right mix to create a balanced message to employees and stakeholders
- How to handle dilemma situations
- Change culture, mentality, mindset.....

# Program fundamentals: prevent, detect and resolve

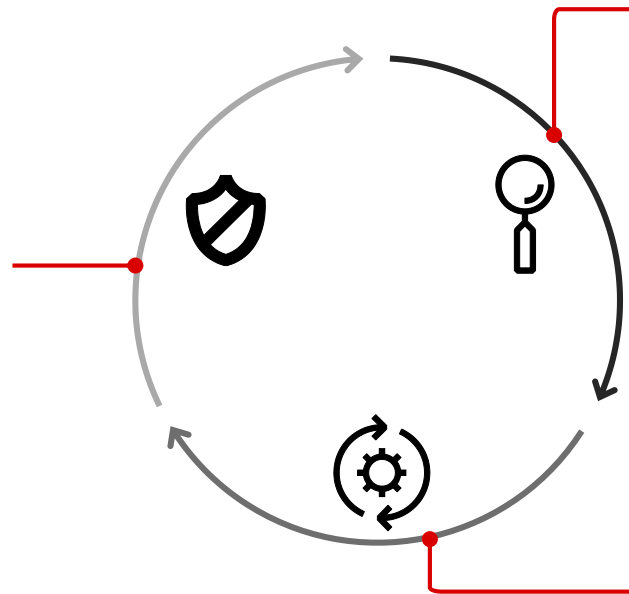
ABB is constantly raising the bar on integrity

## Fundamentals

- The fundamentals of the ABB integrity program are designed to **prevent**, **detect** and **resolve** any potential concerns

### Prevent

- Tone from the top
- Training
- Awareness raising
- Business accountability
- Group directives
- Risk review



### Detect

- Reporting channels
- Investigation
- Audits and reviews
- Processes and controls
- Risk monitoring

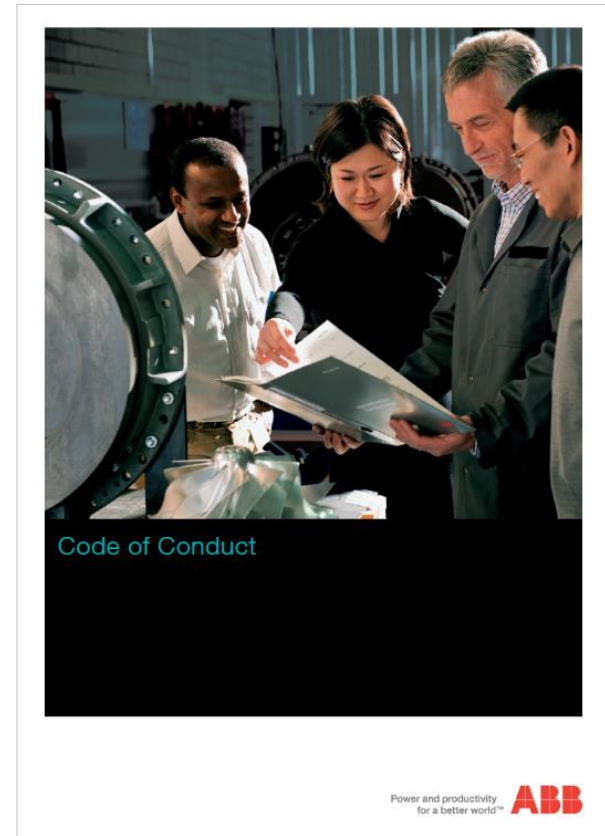
### Resolve

- Resolution
- Zero tolerance
- Ongoing improvement
- Disciplinary actions
- Analysis and response

Raising the bar and creating a fully integrated process

# Our framework: the ABB code of conduct

- The integrity framework which explains the behavior ABB expects of its employees and stakeholders, and practical instructions to help employees in their day-to-day work
  - Based on ABB's business principles: responsibility, respect and determination
- 
- The Code of Conduct has been translated into 45 languages
  - All current and new employees are required to take face-to-face and e-learning training, and to acknowledge their commitment to adhere to the Code of Conduct
- 
- ABB maintains a regular re-acknowledgement process for the Code of Conduct by managers





# Integrity in ABB

Don't look the other way

Five value pairs form the backbone of all operations and our daily life in ABB. As outlined in one of the CEO letters to employees, these value pairs are both fundamental and inspirational. **The value pair Safety & Integrity is the bedrock of our organization.** We do not accept business, if it means putting people at risk or engaging in unethical practices. At ABB, we take care of ourselves and we look out for our colleagues—**Don't look the other way.** We draw attention to behavior and actions that might compromise someone's health or wellbeing, or that might jeopardize their career or the reputation of the company.



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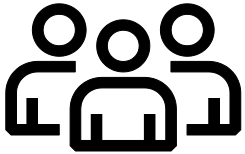
# Don't look the other way—Values

From compliance to integrity

## Compliance

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- Following the rules so we don't get into trouble
- Enforcing policies as a measured target
- Telling people what they should not do
- Controlled by sanctions
- Success measured by how well we follow the rules
- Can be delegated
- Knowing what is right



## Integrity

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- Following our framework because it's the right thing to do
- Rules are internalized and become second-nature
- Non-compliant behavior is simply not an option
- Supported by personal character/ values
- Success measured by how well we integrate integrity into our business
- Taking personal responsibility
- Doing what is right even if no one is looking

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# Integrity training—The world around us

Various perspectives on working with integrity

## ABB Group

- Tone from the top, developing tone in the middle, global divisions, a range of tailored business models, people make the difference, business is very dynamic and our people are facing diverse risks all the time

## Customers

- Developing integrity programme's similar or even more strict compared to that of ABB. Compliance with the law is one thing, respecting a customers Code requires extra focus. Intermediate customers is this channel to market appropriate?

## Regulators

- Many countries introducing new laws/ rules on integrity. International cooperation between agencies. Intensified investigation and enforcement efforts, going after both companies as well as individuals

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# Integrity training—The world around us

Various perspectives on working with integrity

## Suppliers

- Mixed picture of suppliers of products and services, many of them at very different levels of understanding on compliance and integrity. This is an area of risk that needs ongoing focus

## Competitors

- Some competitors have similar integrity programmes to ABB, others do not have anything at all and may follow the concept of the end justifies the means. A ongoing challenging factor

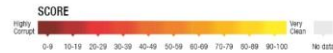
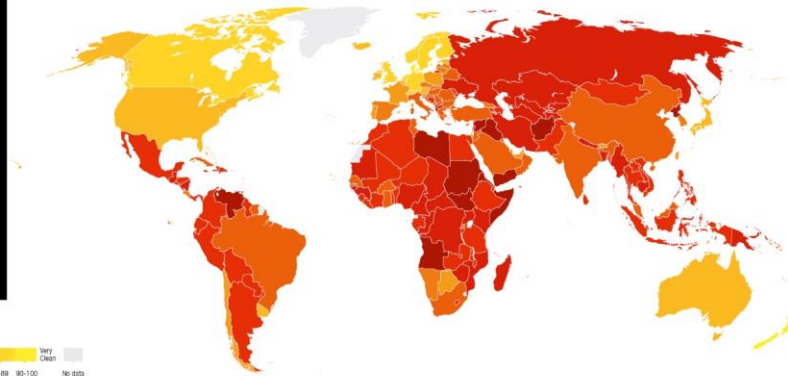
## Employee

- Increasing complexity of the world around us. Increasing demands to deliver better and more results. Needs to be aware of changes and needs to be have some knowledge

**Self-learning but also company driven education!**  
**What analysis and decision making is going into your compliance/ integrity training program?**

# Integrity training—The world around us

## TI perspective—Corruption perception index 2016



RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE
1	Denmark	90	21	Uruguay	71	60	Italy	47	85	Sri Lanka	36	138	Myanmar	28
2	New Zealand	90	22	Estonia	70	61	Sao Tome and Principe	46	86	China	40	139	Nigeria	28
3	France	89	23	France	69	62	Saudi Arabia	56	87	India	40	140	Papua New Guinea	28
4	Finland	89	24	Bahamas	66	63	Spain	56	88	Algeria	35	141	Equatorial Guinea	27
5	Sweden	88	25	Chile	66	64	Montenegro	46	89	Bosnia and Herzegovina	39	142	Guinea	27
6	Switzerland	86	26	United Arab Emirates	66	65	Oman	45	90	Thailand	35	143	Mauritania	27
7	Singapore	84	27	Ethiopia	65	66	Cyprus	55	91	Azerbaijan	35	144	Haiti	26
8	Norway	85	28	Israel	64	67	South Africa	45	92	Timor-Leste	35	145	Republic of Congo	26
9	Netherlands	83	29	Poland	62	68	Senegal	45	93	Trinidad and Tobago	35	146	Angola	18
10	Canada	82	30	Portugal	62	69	Suriname	45	94	Mongolia	36	147	Bangladesh	26
11	Germany	81	31	Czech Republic	62	70	Greece	44	95	Paraguay	34	148	Laos	26
12	Luxembourg	81	32	Denmark	61	71	Bahrain	43	96	Cote d'Ivoire	34	149	Cameroon	26
13	United Kingdom	81	33	Barbados	61	72	Qatar	43	97	Zambia	34	150	Gambia	26
14	Iceland	78	34	Catar	61	73	Costa Rica	56	98	Egypt	34	151	Eritrea	18
15	Belgium	77	35	Slovenia	61	74	Cuba	47	99	Ethiopia	34	152	Iraq	17
16	Hong Kong	77	36	Korea (South)	53	75	Burkina Faso	42	100	Kenya	34	153	Venezuela	17
17	Austria	76	37	Namibia	52	76	Guinea	43	101	Madagascar	30	154	Guinea-Bissau	16
18	United States	74	38	Slovakia	51	77	Dominican Republic	42	102	Sierra Leone	30	155	Algeria	15
19	Ireland	73	39	Croatia	49	78	Serbia	42	103	Guyana	34	156	Tajikistan	14
20	Japan	72	40	Malaysia	49	79	Solomon Islands	42	104	Armenia	33	157	Libya	14
				St. Vincent and The Grenadines	60	80	Bulgaria	41	105	Bolivia	33	158	Uganda	14
				Cape Verde	59	81	Kuwait	41	106	Nepal	33	159	Comoros	14
				Dominica	59	82	Turkey	41	107	Russia	29	160	Wenmen	14
				Lithuania	59	83	Tunisia	41	108	Vietnam	33	161	Turkmenistan	22
				Cuba	47	84	Ukraine	41	109	Mali	32	162	Syria	13
						85	Brazil	40	110	Bahrain	36	163	Korea (North)	12
						86			111	Ecuador	35	164	South Sudan	11
						87			112	Peru	35	165		
						88			113	Philippines	35	166		
						89			114	Thailand	35	167		
						90			115	Timor-Leste	35	168		
						91			116	Trinidad and Tobago	35	169		
						92			117	Mexico	30	170		
						93			118	Laos	26	171		
						94			119	Sierra Leone	30	172		
						95			120	Guatemala	28	173		
						96			121	Kenya	34	174		
						97			122	Uzbekistan	21	175		
						98			123	Maldives	36	176		
						99			124			177		
						100			125			178		

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# Integrity training

## Generic requirements

- Internal control over compliance or integrity
- Policy or directive
- Code of Conduct/ Supplier Code of Conduct
- Training at All Levels
- Record-Keeping—Training and Education File
- Resources (people and budget)

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# Integrity training

## Key elements

- Annual Integrity calendar for your country—include local requirements
- Maintain proper attendance records
- Feedback from Audits and Reviews as well as Surveys
- Training budget and resources
- Partner Codes of Conduct—Customers or Business Partners wanting ABB to attend Integrity training
- Risk awareness and identification. Consider new risks for example through acquisitions, changes in political and economical landscape, new suppliers or business partners, countries opening up for business

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# Integrity training—Practical examples

## ETHICANA—Introduction

- ETHICANA is a movie about construction in an inherently corrupt political and social environment. The story includes international investments as well as an expatriate ETHICANA construction engineer who returns to his homeland to build a major infrastructure project and finds the pervasive culture of corruption as bad as ever
- The goal is to create open, lively and in-depth discussion about the nature of corruption among a wide range of construction industry and engineering professionals
- The Global Anti-Corruption Education and Training (ACET) Initiative that produced the ETHICANA project was conceived by the American Society of Civil Engineers and directed by the National Institute for Engineering Ethics





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# Integrity training—Practical examples

## ETHICANA—Objectives and outcomes

### Sensitivity

- To raise awareness of ethical aspects of professional work at ABB

### Knowledge

- To learn about the standards of ethics and integrity expected of every ABB employee

### Judgment

- To develop skills in moral reasoning

### Commitment

- To strengthen personal dedication to working with integrity

# Practical example—Case of consequence example

## Harassment and safety—“Exhausted”

### Real Case

- A Country Integrity Officer received a visit from an employee who reported that his manager was shouting, threatening and using foul language to manage his staff
- The reporter claimed that his supervisor’s actions were intimidating to his employees by subjected them to foul language, threats and shouting, as well as embarrassing for those having to witness his behavior
- Investigations confirmed that the manager regularly threatened to fire employees during meetings or in the presence of others and used discriminatory nicknames or remarks with reference to culture, ethnicity, gender and nationality in a way that was insensitive and offensive
- After a review by the Regional Disciplinary Committee, the manager’s contract was terminated



# Integrity training—Practical examples

## Consideration—Cards on the Table (Dilemma Game or App)

**DILEMMA**

I am the director of the 'African' division of a large multinational company. The head office is located in a country with a deplorable human rights record. One of my staff members was picked up by the military and has been jailed for months without any sort of trial. I have heard the he has even been tortured. The person in question seems to have been involved in setting up an illegal trade union. His partner asks me to help. What do I do?

*Cards on the Table*

- 1. I use my personal connections to obtain his release.
- 2. I threaten the authorities with publicity and possible disinvestment in order to obtain his release.
- 3. I distance myself publicly from the person in question because he has transgressed the local law.
- 4. I decide to sit and wait.

**CHOICE**

2004-08

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# Integrity training—Practical examples

## Consideration—Cards on the Table (Dilemma Game or App)

### In a nutshell

- A game where players are confronted with ethical dilemmas—they need to make difficult decisions, experience the reputational and financial impact of their decisions and are then evaluated by their fellow players

### How is it played?

- Played by up to six groups of four (1 – 1.5 hours). Part of training program or stand alone sessions

### Benefits

- Awareness raising, sharpens ethical decision making skills, indicator of individual values/ shared values

### Through dilemma discussions

- Creating awareness of integrity and compliance risks ('eye-opener'). Learning to address and discuss
- Clarity of rules, regulations and laws
- Approachability of Integrity resources or direct colleagues

# Integrity training—Practical examples

## Consideration—Cards on the Table (Dilemma Game or App)

**DILEMMA**

I work in a department where a great deal of payments are made. Although the procedures are basically secured against their misuse, I find that the others are not very careful with the access and authorization codes for the computer systems. One day, I notice that one of my colleagues has left a note with his passwords on the desk of the person who will assume his duties while this person is away on holiday. What do I do?

*Cards on the Table*

- 1: I confiscate the note and discuss the matter with him after he returns from holiday.
- 2: I throw away the note and then bring the matter up during the next work meeting.
- 3: I give the note to my boss and point out my colleagues' carelessness to him.
- 4: I do nothing. After all, it's not my responsibility.

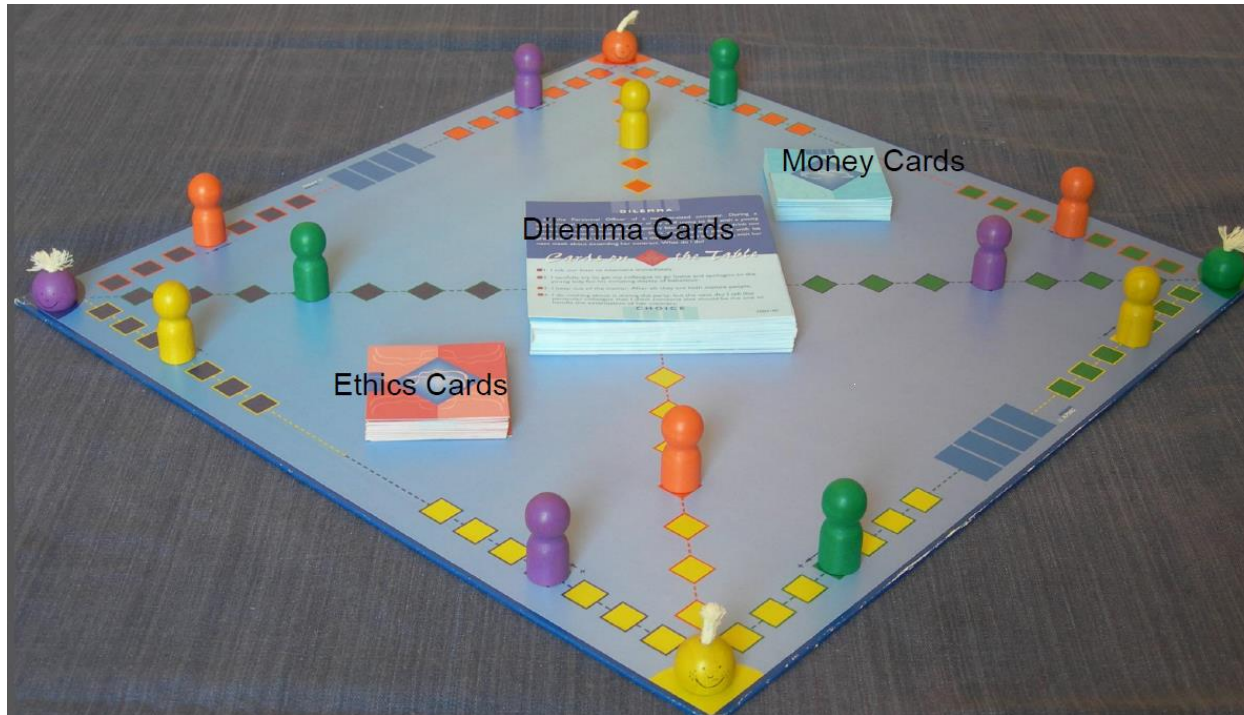
**CHOICE**

2004-43

2004-43

# Integrity training—Practical examples

Consideration—Cards on the Table (Dilemma Game or App)



Any appetite for this Dilemma Game? Thoughts? Suggestions?

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# Integrity live workshop—Practical examples

## The spectrum of ethical questions

- The challenge lies in working in the middle, the gray area



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# Integrity training—Practical examples

## Ethical Dilemma Methodology

Consider the following example

- Today I have to leave my work early to be home at exactly 18.00 to pick up my partner. Because it is our anniversary, we are going to the theater. The performance begins at exactly 19.00, so to be on time, we have to leave the latest at 18.00. Everything goes well and when I arrive just in time at 17.58, my partner comes down the stairs wearing a red outfit. I think the outfit is just awful. My partner asks me “How do I look?” What do I do?

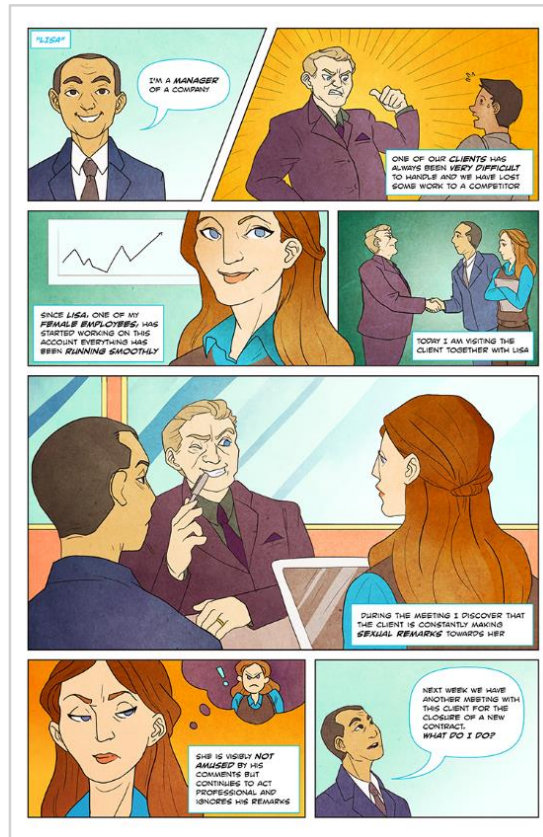


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# Integrity live workshop—Practical examples

## Making decisions—Introducing a methodology

- I am a country manager at ABB. One of our clients has always been very difficult to handle and we have lost some work to a competitor. Since Lisa, one of my female employees is working on this account everything is running smoothly and she even managed to get some extra orders from this client. Today I am visiting the client together with Lisa. During the meeting, I discover that the client is constantly making sexual remarks towards her. She is visibly not amused by his comments but continues to act professional and ignores his remarks. Next week we have another meeting with this client for the closure of a new contract. What do I do?



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# Integrity live workshop—Practical examples

## Introducing a methodology

- If you value Lisa as an employee, you MIGHT decide to tell the customer that he is behaving inappropriately and not to treat your employees in this way
  - What do you need to know?
- If you value the customer's business more, you MIGHT ignore the issue, or make sure Lisa is in charge of all business with that customer
- What are some other ways you can handle this situation? Some alternatives?

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# Compliance/ integrity training

## Hallmarks of an effective compliance and ethics program

The Compliance & Ethics Program section measures your company's program across the "hallmarks" of an effective compliance and ethics program as outlined by the Federal Sentencing Guidelines, including

- Program structure, responsibility and resources
- Program oversight and the tone at the top
- Written standards (Code of Conduct, etc.)
- Training and communication
- Due care
- Detection, monitoring and auditing
- Enforcement and discipline

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# Compliance/ integrity training

## Compliance and ethics risk assessments

- Does your company conduct compliance and ethics risk assessments?
- How often does your company conduct formal risk assessments to determine compliance, regulatory and ethics-related risks?
- Is the compliance and ethics risk assessment part of a more broad, company-wide risk assessment or is it a stand-alone process?

# Integrity risk profile—General considerations



<b>Direct contact with government officials</b>	- Modest salaries combined with significant decision making power
<b>Medium to large (expensive) projects</b>	- Incentive is there, illicit third party markups and orders can easier be hidden
<b>Need for highly specialized sub-contractors</b>	- Depending on the country, it is not always easy finding appropriate suppliers
<b>High risk industries</b>	- Per Transparency International (TI) Corruption Index: highest risk industries are 1. Public works contracts, 2. Utilities, 3. Real estate, 4. Oil and Gas, 5. Mining 6. Power Generation and transmission
<b>High risk countries: emerging markets</b>	- Per TI Corruption Index: high risk countries or geographies
<b>Developing countries</b>	- Corruption including facilitation payments are many times the norm
<b>Remote project sites</b>	- Oversight and control is challenging
<b>Working with consortium partners/ JV partners</b>	- Oversight and control is limited
<b>Heavy reliance on third parties</b>	- Exercising control over third parties is always a challenge. Note: A company may be held liable if its employees neglect what vendors and customers (e.g., channel partners) are doing while working with them
<b>Export business</b>	- Importing vs exporting countries, who is responsible?
<b>People</b>	- Experience, culture, background, business environment, etc.

So how about your risk profile? (industries and geographies)

# Antitrust risk profile—Some general considerations



<b>Antitrust risk profile industries</b>	- Certain industries in which you operate may have been prone or are prone to cartel conduct
<b>Direct contact with competitors</b>	- Your company may be an existing supplier to and/ or a customer of direct competitors
<b>Antitrust awareness competitors, customers, suppliers</b>	- Depending on the player, awareness of antitrust rules differs significantly
<b>Geographic spread</b>	- Depending on the country, adherence to antitrust rules differs significantly, but enforcement by antitrust agencies increasingly strict
<b>Antitrust Enforcement</b>	- Increasing across the globe—including on abuse of dominance, and in vertical relationships
<b>Working with consortium partners/ JV partners</b>	- Possible, but potentially challenging under antitrust law
<b>Reliance on third parties</b>	- Increasingly antitrust agencies also hold those who «facilitate» illegal conduct liable
<b>Distribution Channels</b>	- When does management of a distribution channel tip over into illegal conduct (e.g., Funneling versus Resale Price Management)
<b>People</b>	- Experience, culture, background, business environment, etc.

So what about your company's risk profile? (industries and geographies)

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# Don't Look the Other Way

More on developing risk areas (maybe moving targets...)

Any risk areas you have not yet considered?

- New business models (channels to market)
- New geographies
- New employees not properly introduced to ABB, etc.
- New customers or new customer requirements, etc.
- New technologies or products, etc.
- New legal requirements
- Employees being promoted, now with added responsibilities, etc.
- Mergers or acquisitions or joint ventures or consortia, etc.

Do you know how to handle these risk issues?



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# Compliance/ Integrity training

## Compliance and ethics risk assessments

What does your company consider when conducting its compliance and ethics risk assessment?

- Recently passed regulations, trends, or developments in the compliance and ethics field (e.g., legal decisions, regulatory actions/ settlements/ fines)
- Adequacy of current policies, procedures, and controls
- Employee interviews
- Employee surveys and assessments
- External documentation review
- Internal documentation review (e.g., hotline reports, audit reports)
- Focus groups of management
- Interviews of management

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# Compliance/ Integrity training

## Compliance and ethics risk assessments

Which types of risks are reviewed during the compliance and ethics risk assessment?

- Criminal compliance misconduct (e.g. antitrust)
- Civil compliance misconduct (e.g. harassment)
- Ethical compliance misconduct (e.g. conflicts of interest)
- Operational risk
- Risk of not properly protecting trade secrets or intellectual property
- Reputational risk
- Personnel (talent management) risk
- Culture of ethics
- New risks, for example cyber or IT/ IS risks, etc.

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# Compliance/ Integrity training

## Compliance and ethics risk assessments

How does your company use the findings from the compliance and ethics risk assessment

- To revise company policies (other than the Code)
- To revise our company's Code
- To revise our company's procedures
- To update training or the training plan
- To update communications or the communication plan
- To revise the annual audit plan (Internal Audit or other)
- Etc.

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# Compliance/ Integrity training

## Training (and communication)

- Does your company provide compliance and ethics training to its overall workforce?
  - White collar vs blue collar employees
  - Permanent, part-time, temporary, casual workers, etc.
  - People in particular risk groups
  - Board of Directors
  - Integrity Officers
- Does your company have a formally documented compliance and ethics training curriculum or plan?
- Does your company have a formally documented compliance and ethics communication plan complementing the former?

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# Compliance/ Integrity training

## Training plan

- What is covered in this plan?
  - Subjects such as UK Bribery Act, FCPA, local laws, etc.
  - What time period does it cover?
  - Who delivers the training? (Regions, countries, structure)
  - Who handles logistics and records management?
  - What target groups do you intend to cover?
    - Employees—What is an employee? (define)
    - Board of Directors
    - Compliance Officers
    - Suppliers and service providers
    - Third parties such as representatives
  - eLearning or Face-to-Face training or both?

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# Compliance/ Integrity training

## Training plan

- What is covered in this plan?
  - On mandatory or nominated basis?
  - How is time covered, roll out dates, target dates, completion dates?
  - What about completion rates?
  - How often should we conduct training on the various risk subjects?
  - What about including metrics to measure effectiveness of training ?
  - How do you align with other employee learning and development requirements in your business? Are there any synergies?
  - Use of electronic tools, internal policies

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# Compliance/ Integrity training

## Training—High risk areas/ Red flags

Does your company provide targeted training to employees in higher risk areas on how to recognize corruption red flags and what to do about them? Higher risk areas may include finance, accounting, sales and procurement, and any other employees who interact with government officials, agents, or with third parties that interact with government officials or agents

- Red flag spotting/ identification
- What do you do once you are aware of a red flag?
- Can you manage the identified red flag?
- What does the red flag mean in concrete terms?

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# Working with third parties

## Risk Spotting—Red Flags (only some examples.....)



A circumstance or event that should trigger heightened awareness or doubt about compliance with anti-bribery laws (or other inconsistencies) and needs to be reviewed before knowing if proceeding is appropriate, like

- Unusual payment requests like making payments to a tax haven instead of a usual bank account, or account in country where the third party is based or an occasional mandate referring to payment through a different Third Party Local Agent
- Including unusual items in invoices without specifications
- Lack of transparency and undue secrecy and avoiding putting things in writing
- Unusually high commissions
- High risk countries, everything needs to make sense and be transparent
- Close friendship or family relationship between a buyer and a third party
- Use of intermediaries that increase prices without adding value. No reason not to be buying from original source
- Apparent lack of qualification or resources on the part of a supplier or other third party
- Asked to re-direct payments to an entity other than the contracted third party
- Proposal by customer (usually last minute) to sign the contract with a different entity unrelated to the customer
- Proposal by customer that products must be sold indirectly through a specific intermediate customer rather than directly (why?)



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# Compliance/ Integrity training

## Training completion

How does your company encourage or enforce completion of compliance- and ethics-related training?

- Completion is factored into performance evaluation
- Completion is factored into raise and/ or bonus
- Department heads/ business unit heads are held accountable for completion rates of all individuals within their department/ business unit
- Direct email reminders
- Managers are held accountable for completion rates of direct reports
- Rollout and reminder emails are incorporated into the communication plan for all training participants
- Part of employee performance targets

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# Compliance/ Integrity training

## Integrity leadership

What topics do you cover as part of leadership development and training?

- How to effectively communicate ethics to subordinates
- How to develop and promote a culture of compliance and ethics
- How to incorporate ethics in business decision making
- How to encourage employees to speak up, express concerns, and report misconduct
- How to handle employee reports or concerns
- Identifying and preventing retaliation
- Creating and maintaining an open door environment
- Conducting employment interviews
- Part of Performance and Development Appraisal

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# Compliance/ Integrity training

## Communication plan

Does your compliance and ethics function maintain a documented compliance and ethics communication plan?

- **Complementing the training plan**
- What topics are covered?
- What time period is covered?
- Who is handling the communication?
- Includes a roll-out schedule
- Includes defined target audiences
- Addresses communication frequency
- Addresses communication delivery mechanism for each topic or audience
- Includes metrics to measure effectiveness!

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# Compliance/ Integrity training

## Communication plan

Which communication modalities (aside from formal training programs) does your company use to communicate compliance and/ or ethics messages within your company?

- Company e-Bulletin/ newsletter
- Printed and/ or electronic information materials (such as brochures, guidebooks, posters, wallet cards, table tents and/ or checklists)
- Video/ DVDs
- Emails
- Podcasts
- Town hall meetings
- Periodic company-wide kick-off meetings
- Senior executives meetings
- Intranet portal dedicated to compliance and ethics
- Ethics blog or intranet forum
- Interactive scenarios, games, quizzes and/ or vignettes
- Periodic compliance “road show” or retreat

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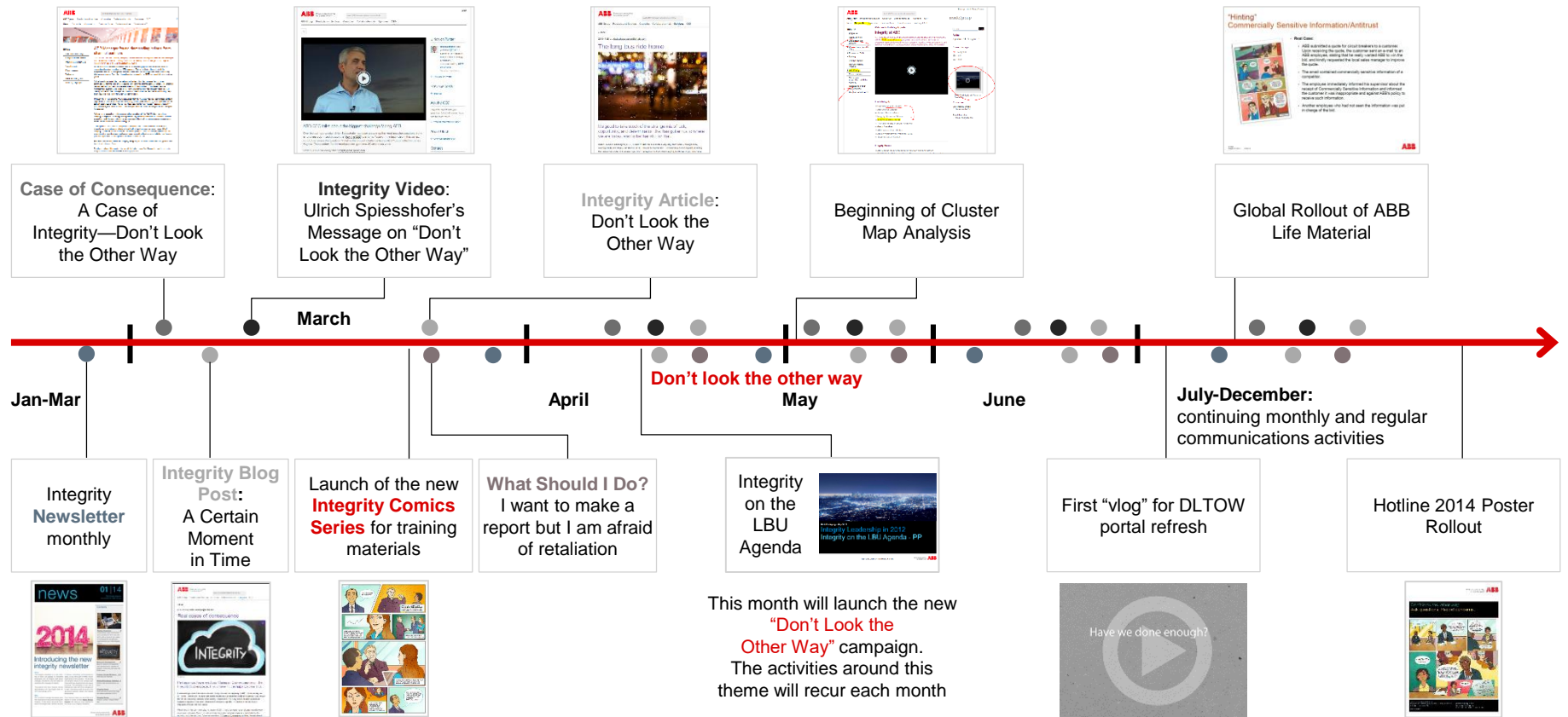
# Compliance/ Integrity training

## Communication plan

- Do senior executive leaders include examples of ethical decisions they have faced in their communication materials?
- Does the compliance and ethics function include examples of real world ethical or compliance dilemmas or issues in their communication materials?
- When an employee is terminated due to misconduct, what is communicated to other employees? (Neutralized Cases of Consequence on intranet, face-to-face meetings, etc.)
- What about positive examples about people doing the right thing, people not looking away and taking responsibility/ ownership, etc.

# Key deliverables

## Integrity communications 2014



# Hotline posters—Practical examples

Hotline posters consist of risk based themes

## Harassment

Please and productively  
for a better world™ **ABB**

Don't look the other way.  
Ask questions. Report concerns.



A comic strip illustrating harassment. It shows a man in a white hard hat and safety vest being harassed by a man in a suit. The man in the suit is making inappropriate comments and gestures. The man in the hard hat is looking uncomfortable and is being encouraged to report the incident.

Please and productively  
for a better world™ **ABB**

## Antitrust

Please and productively  
for a better world™ **ABB**

Don't look the other way.  
Distance yourself from inappropriate  
conduct.



A comic strip illustrating antitrust. It shows a man in a suit talking to a man in a yellow shirt. The man in the suit is making inappropriate comments and gestures. The man in the yellow shirt is looking uncomfortable and is being encouraged to distance himself from the man in the suit.

Please and productively  
for a better world™ **ABB**

## Conflict of Interest

Please and productively  
for a better world™ **ABB**

Don't look the other way.  
Ask questions. Report concerns.



A comic strip illustrating conflict of interest. It shows a man in a suit talking to a woman in a yellow shirt. The man in the suit is making inappropriate comments and gestures. The woman in the yellow shirt is looking uncomfortable and is being encouraged to ask questions and report concerns. A document labeled "INVOICE John Co" is visible in the background.

Please and productively  
for a better world™ **ABB**

## Self-Enrichment

Please and productively  
for a better world™ **ABB**

Don't look the other way.  
Ask questions. Report concerns.



A comic strip illustrating self-enrichment. It shows a woman in a green shirt talking to a man in a suit. The man in the suit is making inappropriate comments and gestures. The woman in the green shirt is looking uncomfortable and is being encouraged to ask questions and report concerns. A car is visible in the background.

Please and productively  
for a better world™ **ABB**

## Gifts, Entertainment and Expenses

Please and productively  
for a better world™ **ABB**

Don't look the other way.  
Ask questions. Report concerns.



A comic strip illustrating gifts, entertainment, and expenses. It shows a man in a suit talking to a woman in a green shirt. The man in the suit is making inappropriate comments and gestures. The woman in the green shirt is looking uncomfortable and is being encouraged to ask questions and report concerns. A laptop and a document are visible in the background.

Please and productively  
for a better world™ **ABB**

# Integrity communications—Practical examples

## Integrity Illustrations





# Wallet cards and brochures—Practical examples



Don't Look the Other Way  
Ask questions. Report concerns.

If you want to report a concern, contact your supervisor, GF-LI representative, local or regional integrity officer, Ombudsperson, Chief Integrity Officer at HQ, or the ABB Business Ethics Hotline.

ABB Business Ethics Hotline:  
+41 43 317 3366  
E-mail: [ethics.contact@ch.abb.com](mailto:ethics.contact@ch.abb.com)  
Or write to: GF-LI/Integrity  
ABB Ltd, Affolternstrasse 44  
CH-8050 Zurich, Switzerland

Power and productivity  
for a better world™ **ABB**

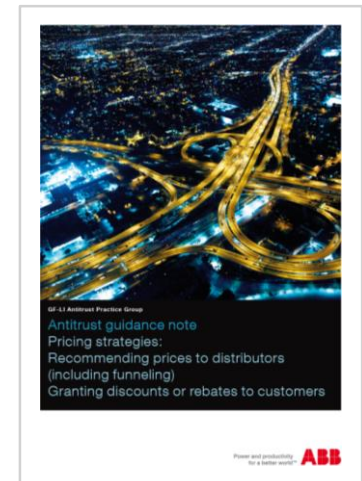
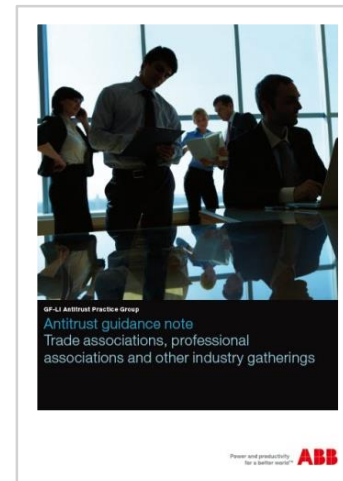
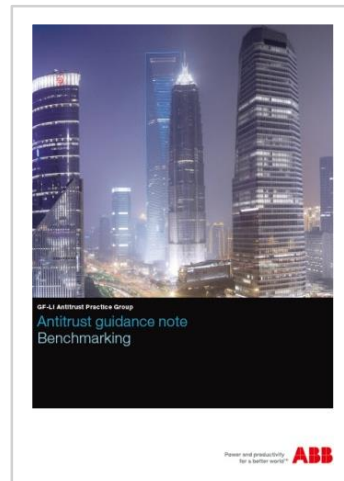
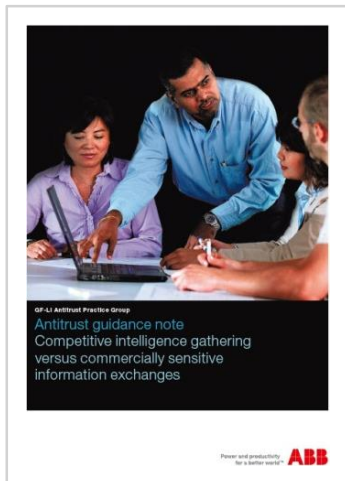
The image shows a brochure layout. At the top is a black banner with the text 'Don't Look the Other Way Ask questions. Report concerns.' in yellow. Below this are two white rectangular boxes with black borders. The left box contains text about reporting channels, and the right box contains contact information for the ABB Business Ethics Hotline. At the bottom right is the ABB logo with the tagline 'Power and productivity for a better world™'.

# ABB guidance notes—Practical examples

## Antitrust

Antitrust guidance notes designed to address practical business situations and focus on specific topics which could raise antitrust concerns, including

- Participation in trade association meetings
- Competitive intelligence gathering versus commercially sensitive information exchanges
- Participation in benchmarking exercises
- Pricing strategies



# Integrity communications

## Cases of consequence and cluster maps

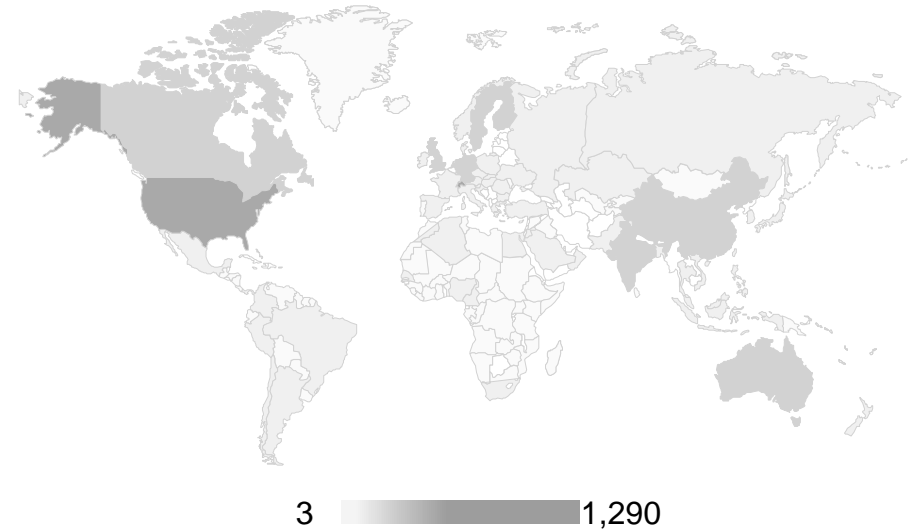
### Understanding our readership globally

For example, looking at the January 2013 case of consequence, one could see that the top 5 readers (by country) were

- United States
- Switzerland
- Australia
- United Kingdom
- India

**Table 1**

Country	Readers
United States	1,205
Switzerland	679
Australia	496
United Kingdom	461
India	461



# Integrity communications

## Cases of consequence and cluster maps

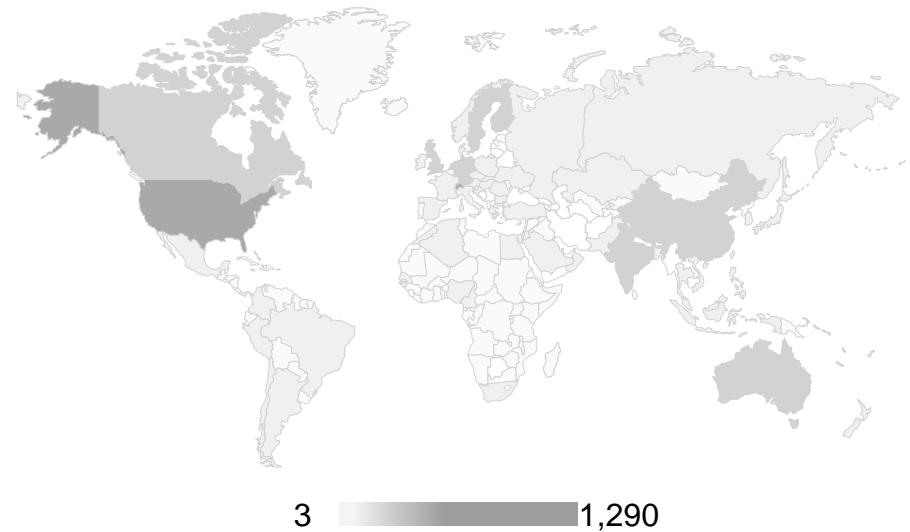
### Understanding our readership globally

With the exception of Switzerland, but bearing in mind that HQ employees are included in that country total, almost all the countries were English-speaking. However, after checking local portals, findings specific addresses for local translations, we saw that the top 5 changed when numbers were included

- **Switzerland**
- **Italy**
- United States
- **Brazil**
- Australia

**Table 2**

Country	Readers
<b>Switzerland</b>	<b>2,097</b>
<b>Italy</b>	<b>1,801</b>
United States	1,205
<b>Brazil</b>	<b>521</b>
Australia	496



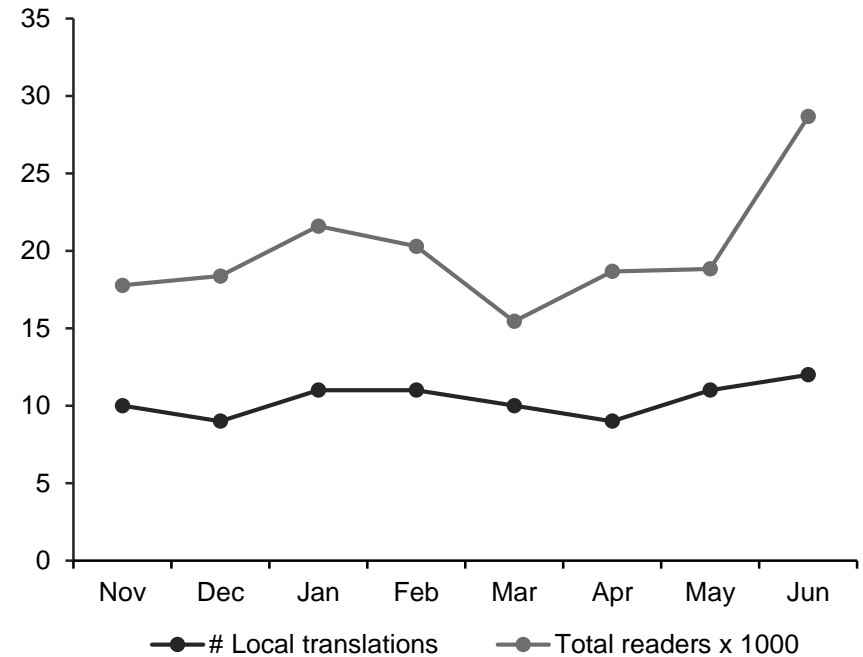
# Integrity communications

## Best practices

**Table 3: Country portals**

Translations	Dec	Jan	Feb	Mar	Apr	May	Jun
German (DE)	57	9	X	193	X	X	X
German (CH)	1,357	1,418	1,453	798	1,629	1,225	X
Italian	733	1,705	1,099	561	1,015	585	1,105
Spanish (ES)	73	227	415	152	X	222	210
Spa (CO)	X	X	126	8	X	5	82
Portu (BR)	9	521	581	193	482	247	542
France	X	16	9	X	20	14	4
Russia	X	X	X	X	X	X	X
China	X	X	512	X	X	380	550
Czech	X	X	X	X	X	X	2,212
Portu (PT)	X	X	50	X	157	220	147
Estonian	4	2	2	5	6	4	82
Korean	29	30	24	15	19	X	17
Latvian	6	2	2	3	4	2	2
Lithuanian	1	4	4	2	6	5	7

**Number of translations and readership**



The more translations, the more overall readers...

# Anti-Corruption eLearning—Public domain resources

Example—Business Anti Corruption network website

**ANTI-CORRUPTION eLEARNING**  
By [Global Advice Network](http://www.globaladvice.com)

**BUSINESS ANTI-CORRUPTION PORTAL**

» CORRUPTION COUNTRY PROFILES

Use the map to navigate directly to one of the 62 Country Profiles covered by the Portal. Zoom in and out of the map by left-clicking on a blank area and using the mouse's scroll function.

The Business Anti-Corruption Portal is a comprehensive and practical tool tailored to meet the corruption risk management needs of small and medium sized companies (SMEs) operating in or considering doing business in emerging markets and developing countries.

The Portal is hosted, maintained and regularly updated by Global Advice Network on behalf of the government ministries and agencies whose logos are featured above. The Portal's content is based on publicly available information. Global Advice Network strives to ensure that all content available on this website is accurate. We depend on feedback from our users. If you have any comments, suggestions, or identify inaccuracies or information which could be of value to the Portal, please contact Global Advice Network.

Portal  
» see all

05.12.2011  
14 Country Profile Updates Published  
(5 December 2011) Global Advice Network is pleased to inform that 14 Country Profiles have been updated in October and November. The Country Profiles that have been updated are Armenia,...

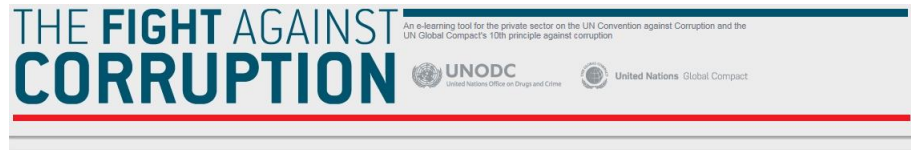
14.10.2011  
Four Country Profiles translated to Russian  
(14 October 2011) Global Advice Network is pleased to inform that four additional Country Profiles are now available in Russian. The Country Profiles translated are Azerbaijan, Kazakhstan,...

Please click the forward button to continue.

<http://www.business-anti-corruption.com/>

# Example—UNODC and UN Global compact

<http://thefightagainstcorruption.org/certificate/>







- English French Spanish Russian Arabic Chinese Bulgarian Danish Dutch Finnish German Greek Indonesian Italian Japanese Korean Norwegian Portuguese Swedish Turkish Ukrainian

This e-learning tool is a joint product of the UN Global Compact and the UN Office on Drugs and Crime. It uses six interactive learning modules to further the audience's understanding of the UN Global Compact's 10th principle against corruption and the UN Convention against Corruption as it applies to the private sector. The tool is targeted at everyone who acts on behalf of a company. Each module only lasts about five minutes, providing a quick and effective way of learning. And it is fun too!






[Start the Certificate Course]

## Preview: Introductions

-  **Mr. Ban Ki-moon**  
Secretary-General  
United Nations
-  **Mr. Georg Keil**  
Executive Director  
UN Global Compact
-  **Mr. Dimitri Vlassis**  
Chief of the Corruption and  
Economic Crime Branch  
United Nations Office on  
Drugs and Crime
-  **Introduction**  
Introduction to the UN  
Convention against  
Corruption and UN Global  
Compact's 10th principle  
against corruption.

## Preview of Individual Sections

### Preview: Interactive learning modules

-  **1 The Unwelcome Gift**  
Receiving gifts and hospitality  
In this module you will meet Eve, a market analyst who is attending a one day event organized by a consultancy company. The morning and early afternoon will be devoted to a seminar but in the evening there is a sports event sponsored by the host. Can she attend? What types of gifts can she accept? Learn it all through this five-minute module.
-  **2 The Arrangement**  
Gifts and hospitality towards others  
Carl is arranging a technical seminar for external participants, including some public officials from abroad. He would also like to organize a nice social gathering and has thought of a deep-sea fishing trip at the end of the seminar. What do you think of this form of hospitality? Should your company pay for travel and accommodation for the invitees? These and other questions are being answered in this module.
-  **3 To Pay or not to Pay**  
Facilitation payments & corruption  
Peter from the purchasing unit is on a business trip. He is asked to pay money to the customs officer without being offered a receipt. What is this type of payment called? Is it legal? And ... What could you say if you face a situation like this? Be Peter's helping hand through the customs and learn at the same time.

# Integrity program implementation—Acquisitions & JVs

Characteristics mapping—Gap analysis and actions such as training and communication

Characteristics mapping from an Integrity perspective may give some insights on how the acquired target may be made to fit into your company. This mapping breaks down the acquirer and target into a number of key functions and/ or activities as relevant for the Integrity Program Implementation and covering possible gaps. Example:

<b>Characteristic required</b>	<b>Acquirer (=ABB)</b>	<b>Target</b>	<b>Degree of difference</b>	<b>Desired state</b>	<b>Degree of change</b>	<b>Likelihood of achieving change required</b>	<b>Extent to which change is essential</b>
Integrity function and organization							
Code of conduct, group charter, etc.							
HR Administration and organization							
IT Organization and set-up							
Business model-channels to market							
Branch offices							
Integrity risk analysis							
Representatives							
Etc. etc.							



# The World has changed

## 1. DOJ's Yates Memo: Individual prosecutions

- “Fully leverage” its resources to identify culpable individuals
- Civil and criminal cases
- Applies to all areas
  - Antitrust, FCPA, fraud, cybercrime, environmental, export control/ sanctions, anti-money laundering

## 2. Hiring Compliance Counsel on prosecutorial team

September 9, 2015  
From: Sally Q. Yates, Deputy Attorney General  
Subject: “Individual Accountability for Corporate Wrongdoing”




U.S. Department of Justice  
Office of the Deputy Attorney General

The Deputy Attorney General

Washington, D.C. 20530

September 9, 2015

MEMORANDUM FOR THE ASSISTANT ATTORNEY GENERAL, ANTI-TRUST DIVISION  
THE ASSISTANT ATTORNEY GENERAL, CIVIL DIVISION  
THE ASSISTANT ATTORNEY GENERAL, CRIMINAL DIVISION  
THE ASSISTANT ATTORNEY GENERAL, ENVIRONMENT AND  
NATURAL RESOURCES DIVISION  
THE ASSISTANT ATTORNEY GENERAL, NATIONAL  
SECURITY DIVISION  
THE ASSISTANT ATTORNEY GENERAL, TAX DIVISION  
THE DIRECTOR, FEDERAL BUREAU OF INVESTIGATION  
THE DIRECTOR, EXECUTIVE OFFICE FOR UNITED STATES  
TRUSTEES  
ALL UNITED STATES ATTORNEYS

FROM: Sally Quillian Yates   
Deputy Attorney General

SUBJECT: Individual Accountability for Corporate Wrongdoing

Fighting corporate fraud and other misconduct is a top priority of the Department of Justice. Our nation's economy depends on effective enforcement of the civil and criminal laws that protect our financial system and, by extension, all our citizens. These are principles that the Department lives and breathes—as evidenced by the many attorneys, agents, and support staff who have worked tirelessly on corporate investigations, particularly in the aftermath of the financial crisis.

One of the most effective ways to combat corporate misconduct is by seeking accountability from the individuals who perpetrated the wrongdoing. Such accountability is important for several reasons: it deters future illegal activity, it incentivizes changes in corporate behavior, it ensures that the proper parties are held responsible for their actions, and it promotes the public's confidence in our justice system.

---

# New standard: Compliance program metrics from Caldwell speech (DOJ Criminal division head (Nov. 17, 2015))

## Tone at top

- Directors and senior managers provide strong, explicit and visible support for its corporate compliance policies?

## Empowered compliance function

- Do the compliance leaders have adequate funding and resources, and sufficient authority?

## Written policies

- Are the company's compliance policies clear and in writing? Easily understood?
- Foreign languages?

## Communications, training and advice

- Are compliance policies effectively communicated to all employees? Are policies easily available?
- Are employees trained? Do they know what to do with questions?

## Policy review

- Does the company review its policies and practices to keep them up to date with evolving risks and circumstances?

## Third parties

- Does the company train, inform and seek written assurances that third parties, vendors, suppliers and consultants understand company's commitment to compliance?

## Enforcement

- Are there mechanisms to enforce compliance policies? Those include both incentivizing good compliance and disciplining violations. Is discipline even handed?

# U.S. Department of justice

## Evaluation of corporate compliance programs

### Section 3—Autonomy and resources

- What is the stature of the compliance department?
- Remediating misconduct (training/ decisions relevant to the misconduct)
- Training as a response to misconduct—Prevent it from happening again

### Section 4—Policies and procedures

- Training or guidance for key gate keepers, for example those that issue payments, give approvals for discounts or spending, look at control processes relevant to misconduct
- Targeted training to specific risk groups of employees or stakeholders

### Focus on 3<sup>rd</sup> party training

- Communicate the importance of legal/ ethical business conduct
- Online training to track/ verify that the 3<sup>rd</sup> party participated
- Who to train? Agents and Distributors, Lawyers, Accountants and Controllers, customs and import/ export agents, other stakeholders relevant for your business

### Section 6—Training and communications!!



U.S. Department of Justice  
Criminal Division  
Fraud Section  
Evaluation of Corporate Compliance Programs

#### Introduction

The Principles of Federal Prosecution of Business Organizations in the United States Attorney's Manual describe specific factors that prosecutors should consider in conducting an investigation of a corporate entity, determining whether to bring charges, and negotiating plea or other agreements. These factors, commonly known as the "Filip Factors," include "the existence and effectiveness of the corporation's pre-existing compliance program" and the corporation's remedial efforts "to implement an effective corporate compliance program or to improve an existing one."

Because a corporate compliance program must be evaluated in the specific context of a criminal investigation that triggers the application of the Filip Factors, the Fraud Section does not use any rigid formula to assess the effectiveness of corporate compliance programs. We recognize that each company's risk profile and solutions to reduce its risks warrant particularized evaluation. Accordingly, we make an individualized determination in each case.

There are, however, common questions that we may ask in making an individualized determination. This document provides some important topics and sample questions that the Fraud Section has frequently found relevant in evaluating a corporate compliance program. The topics and questions below form neither a checklist nor a formula. In any particular case, the topics and questions set forth below may not all be relevant, and others may be more salient given the particular facts at issue.

Many of the topics below also appear in the United States Attorney's Manual ("USAM"), in the United States Sentencing Guidelines ("USSG"), in Fraud Section corporate resolution agreements, in A Resource Guide to the U.S. Foreign Corrupt Practices Act ("FCPA Guide") published in November 2012 by the Department of Justice (DOJ) and the Securities and Exchange Commission (SEC), in the Good Practice Guidance on Internal Controls, Ethics, and Compliance adopted by the Organization for Economic Co-operation and Development ("OECD") Council on February 18, 2010, and in the Anti-Corruption Ethics and Compliance Handbook for Business ("OECD Handbook") published in 2013 by OECD, United Nations Office on Drugs and Crime, and the World Bank.

#### Sample Topics and Questions

##### 1. Analysis and Remediation of Underlying Misconduct

- Root Cause Analysis – What is the company's root cause analysis of the misconduct at issue? What systemic issues were identified? Who in the company was involved in making the analysis?
- Prior Indications – Were there prior opportunities to detect the misconduct in question, such as audit reports identifying relevant control failures or allegations, complaints, or investigations involving similar issues? What is the company's analysis of why such opportunities were missed?

# U.S. Department of justice

## Evaluation of corporate compliance programs

### Training gatekeepers/ control person

In-depth look at training gatekeepers/ responsible control person

1. Review each policy
2. How it is implemented?
3. Understand operational touch-points
4. Who is responsible for each step?
5. Design a training program targeting each role
6. **Document** your analysis and program design)

**Directors and executives:**  
Responsible for corporate culture, provide training

**Accounts payable:**  
Responsible for GME, 3<sup>rd</sup> party relationships, reviewing invoices for accuracy, and vendor onboarding

**Procurement:**  
Responsible for relationships with 3<sup>rd</sup> parties and business justifications for relationships

**Sales department:**  
Responsible for forming relationships with distributors and sales agents

### How to meet the DOJ's new expectations

Focus on:

- Reasoned, analytical decisions on training programs—**Document!**
- Importance of risk-based/ tailored training
- Training as a response to misconduct
- Training as part of company-wide communications



U.S. Department of Justice  
Criminal Division  
Fraud Section

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# U.S. Department of justice

## Evaluation of corporate compliance programs

### Best practices on training

- Have a compliance training as well as compliance communication plan!
- Based on risks, policies and past misconduct in your business
- Leverage electronic technology—Learning management systems and intranet—Either inhouse or external (cloud based)
  - ✓ Regular and consistent messaging/ forced learning
  - ✓ Face-to-face or in person training and online training
  - ✓ Multiple languages
  - ✓ Track, report and audit (external and internal) on results
  - ✓ Scalable/ interactive, multi device and micro-learning (60 seconds or 100 seconds interventions at random over time for different target groups and or countries)



U.S. Department of Justice  
Criminal Division  
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Evaluation of Corporate Compliance Programs

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# Q & A and discussion

**ABB**