BELA Asia Pacific Virtual Roundtable

Hosted by Nokia

Dec 3, 2020

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Thursday, December 3rd, 2020

Roundtable Agenda

THANK YOU TO OUR HOST

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10:00 AM – 10:05 AM	Welcome led by Kevin McCormack, Executive Director, BELA
10:05 AM – 10:10 AM	Opening Remarks | **Mona Dange, Global Head of Market Compliance, Nokia**
10:10 AM – 10:35 AM	Topic 1 | **Supplier Integrity in a Pervasive WFH Environment**
	This session will take a look at the higher corruption, bribery and facilitation risk due to the pandemic and lockdowns across the region. It will also explore tangible practices on what are companies doing to prevent it.
	Topic Lead: Jon White, Managing Director, Omega Compliance, a sister company of William E. Connor & Associates
10:35 AM – 11:30 AM	Topic 2 | **Addressing the Risk of Ethical Transgressions: Practices to Create an Inclusive Virtual Workforce: Harassment, Disrespect, and Bullying**
	Topic Leads: Mona Dange, Global Head of Market Compliance, Nokia; and El Lynn Yeoh, Head of Ethics, Prudential Assurance Company Singapore
	As business pressures continue to mount, there's an added sense of fear that employees are experiencing due to ambitious targets set out in a new (and in some cases unfamiliar) digital environment. As a result, harassment, disrespect and bullying have taken on a new shape with employees failing to report this behavior because of the lack of redress by employers when incidents are filed. This session will provide guidance on how leaders can create a workplace culture where employees feel supported and heard—despite the distance.
11:30 AM – 11:55 PM	Topic 3 | **Remote Investigations: A New Frontier?**
	In this session, Dan Levison, Partner, Morrison & Foerster; and his colleague Sheryl Janet George, Associate will explore new and emerging practices in conducting virtual, remote investigations.
11:55 PM – 12:20 PM	Topic 4 | **Integrity Agenda Data Insights and Predictions for 2021**
	Topic Leads: Ramesh Moosa, Executive Director; and Stacy Chai, Partner, EY Forensic & Integrity Services

Participating Organizations

- Abercrombie & Fitch
- Accenture
- Allstate Insurance Company
- AT&T
- Bain Capital
- Boeing
- Bridgestone
- Charoen Pokphand Group
- Cognizant Tech Solutions
- EY
- Johnson Controls
- KKR
- Lockheed Martin
- LVMH Moet Hennessy
- Microsoft Corporation
- Morrison & Foerster
- Nissan Motors
- Nokia Corporation
- Omega Compliance
- Orica Limited
- Prudential Assurance Singapore
- The Coca-Cola Company
- Virgin Australia Group
- RELX Group
- Unilever

Topic 1

Supplier Integrity in a Pervasive WFH Environment

Jon White
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Omega Compliance, a sister company of William E. Connor & Associates
jwhite@omegacompliance.com

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Discussion Notes
Presentation available on the [BELA Asia Pacific Member Hub](#)

- Country of origin verification: There's a lot of attention on the Chinese province of Xinjiang where cotton is sourced, the US government has [imposed sanctions](#), and a lot of companies are now being asked to provide documentary evidence that their products and cotton are not linked to Xinjiang. At the same time, CoVID has not changed how people find loopholes, dishonesty and ways to circumvent policies.

- Having responsible and sourcing programs is another trend: There's a huge focus now on forced labor, human trafficking and external parties need to ensure they have the right due diligence in place.

- The best way to handle is to benchmark and look at some standards outside and associations that companies can join. Historically brands and retailers develop their own brands and programs to assess suppliers but nowadays NGOs look at that and see a conflict of interest; and they wonder whether the results are going to be fully transparent.

  - Most companies are using standards that have been used by industry peers and it is expect that this trend will continue-— there will be renewed focus on this, especially given the sanctions between the US and China and the new US President.

Discussion Notes
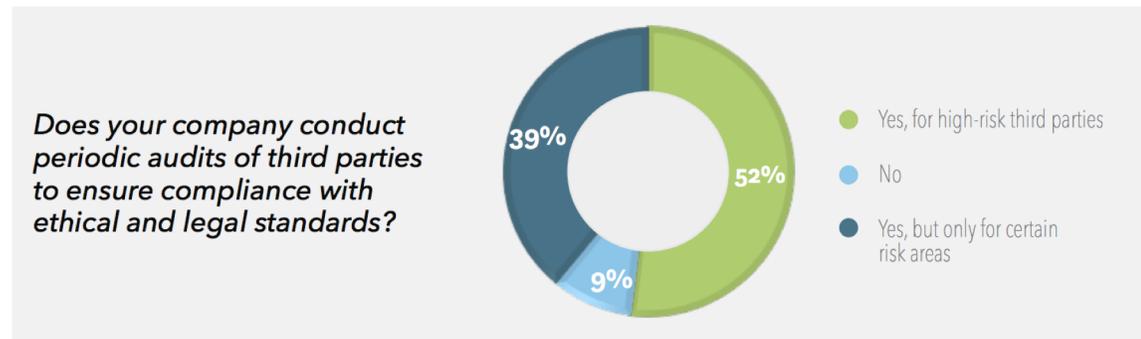*Presentation available on the [BELA Asia Pacific](#)*

Question from a member: With integrity becoming not a priority for organizations in the midst of pandemic prevalent situations, do you think authorities are also bit relaxed on compliance ?

- Yes, there has been a relaxation, and for example some are providing their suppliers with more time. We are seeing a postponement of the expectations

- This is the same for enforcement: These people will continue to do their jobs after CoVID—and will pay even more attention to the areas that were placed on the back burners during the pandemic. The tensions between the US and China will lead to more enforcement and there will be new things that will come out of this delay. In short, it's not permanent.

Notes and Suggested BELA Resources

- **Supplier integrity in light of CoVID19**: At the first 2020 virtual BELA Asia Pacific Roundtable, participants shared ideas and exchanged best practices as companies adjust to a new working environment. Click the "download" button to view slides and presentations from the virtual events: https://bela.ethisphere.com/asia-pacific-member-hub/

- **Guidelines and examples**: Third party Risk Scoring Matrix: BELA member KLA shares this as an example of one of the risk rating and ranking score sheets that they reviewed when coming up with their own risk matrix: https://bela.ethisphere.com/resource/3prisk-officials/

- **2020 Asia Pacific Magazine: Maximizing Supplier integrity**: In this article, Jon White, discusses business integrity as one area where there is no need for competition: https://bela.ethisphere.com/wp-content/uploads/BELA-Asia-Pacific-Magazine-Omega-Compliance.pdf

- India Model Supplier Toolkit: Under the guidance of leaders from the BELA South Asia community—including **Diageo India**, **Dun & Bradstreet**, **Boeing** and **3M**—and an independent group of leaders this toolkit was created with the idea that it can be used and shared with suppliers: https://bela.ethisphere.com/resource/india-supplier-toolkit/

- **Dealings with Government officials**: At a BELA roundtable, KLA shared this presentation on their approach to risk management in third parties related to dealings with government officials: https://bela.ethisphere.com/resource/kla-government-officials/

- **Insights and trends from the 2020 World's Most Ethical Companies**: Regardless of program maturity, comparing your programs and practices to those of leading companies is critical to identifying gaps, prioritizing initiatives and improvement overall. That's why each year the Ethisphere team mines the data from our Ethics Quotient®, the World's Most Ethical Companies assessment process including more than 200 data points on culture, third party risk management and more: https://bela.ethisphere.com/resource/webcast-2020-wme-insights/

Does your company conduct periodic audits of third parties to ensure compliance with ethical and legal standards?

39%   52%   9%

- Yes, for high-risk third parties
- No
- Yes, but only for certain risk areas

More in the 2020 Insights Report on Engaging with Third Parties

Risk Area Self Assessments

Self-assessment that can be leveraged across the value/supply chain in the areas of:

- Ethisphere's assessment on **Trade Secret Protection and Confidential Information** helps companies prevent the theft and misappropriation of business critical information. The three-step service offers a practical way to assess and then improve your own internal business processes – or that of your supply chain and business partners – for trade secret protection: https://ethisphere.com/what-we-do/trade-secret/

- Does your **cybersecurity program** align to top guidance and standards? Here are way to assess the weaknesses and strengths of cybersecurity controls across your company – or that of your third party partners – and implement a road map for improvement: https://ethisphere.com/what-we-do/cybersecurity/

- **Anti-corruption**: A comprehensive online assessment that covers the elements of an effective program. It measures maturity on a scale of 1 to 5 (most mature). You gain an immediate picture of your program's strengths and weaknesses and how it aligns to leading international guidance: https://ethisphere.com/what-we-do/anti-corruption/

We can provide some direction on how to work with us on the self-assessment and how those can be distributed for purposes of assessing the supply chain and potentially arrange for an introductory call with one of our subject matter experts to discuss process and goals. Let us know!

Topic 2

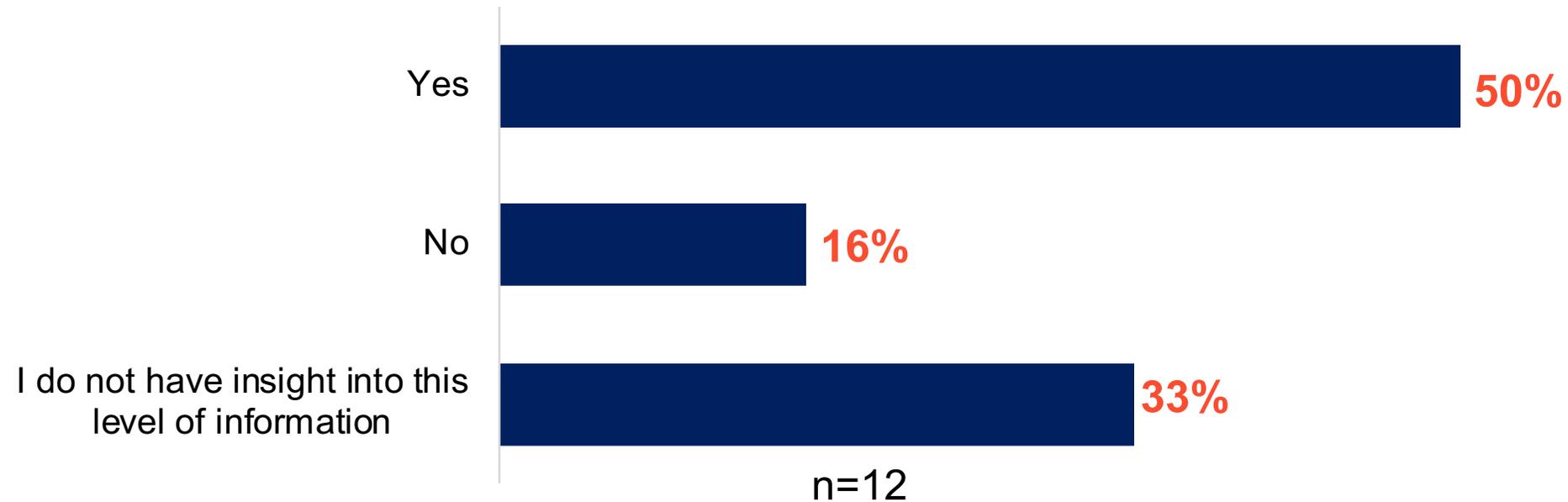**Practices to Create an Inclusive Virtual Workforce: Harassment, Disrespect, and Bullying**

Mona Dange
Global Head of Market Compliance,
Nokia

El Lynn Yeoh
Head of Ethics,
Prudential Assurance Company Singapore

Roundtable Poll: Bullying and Harassment Reporting

Question: In this current virtual setting are you seeing an increase in bullying, respect and harassment cases/reporting?

Yes — **50%**

No — **16%**

I do not have insight into this level of information — **33%**

n=12

Discussion Notes
Presentation available on the [BELA Asia Pacific Member Hub](#)

- Over the last six-eight months there have been an increase in trends around bullying, harassment and being respectful. The sense of comfort for employees to speak with management is no longer there as there's no physical meetings or interactions. Virtual conversations are needed as people do feel that there are instances where they are being disrespected, it can be due to hierarchical issues, basic fear of job security and all of this are adding to the pressures and tension.

- Building the right culture: Launching ethical culture surveys to get a sense of the workplace culture are essential, especially during these times. These surveys show if there were an increase in incidents and what we can possibly attribute it to. This year, in particular there was increase in bullying and harassment claims due to the stress of dealing with the pandemic, people are experiencing a lot of anxiety, stress and pressure to deliver. There's a lack of physical interaction: this can take away empathy– as a result people can be a bit more hostile.

- Retaliation: This is a top reason for people not wanting to speak up in a CoVID world. It comes down to continuously enforcing the non-retaliation policy, as virtual communications such as a simple Microsoft Teams chat can easily be misinterpreted.

- Surveys: Running annual surveys are beneficial and some focus on managers, training and communications.

- Ethical Culture Assessment: The 8 pillars focus on areas such as awareness of program and resources; perceptions of the function; reporting misconduct; pressure; manager perceptions and more (available on slide 13, BELA Resources).

Discussion Notes
Presentation available on the [BELA Asia Pacific Member Hub](#)

- The perceptions on managers have been high, and in these times, tone from the middle has been critical. Tone in the middle has been a focus because managers deal with employees and other staff members on a day-to-day basis. When we think about trends, last year it was policies and getting it right; this year the focus is on empathy and respect

- Outreach and training for managers: "Sharing sessions" or roundtable discussions with different divisions allow you track and understand issues more closely.

- Tools: Explore new tools, the use of online tools drives interaction with people managers and employee engagement through various activities

- **Communicating respect**

    - Working with HR: A work from home playbook was developed and it highlights how do we work with one-another. It comes down to communication and over communicating the company's stance on this issue

    - Given the new work from home arrangement, some can abuse this flexibility, so it helps to be intentional in your communications

Discussion Notes

Presentation available on the [BELA Asia Pacific Member Hub](#)

- Newsletter: Featuring employees view on inclusivity and a respectful workplace. This can take the form of quotes or short narratives. Some communications feature how do we come to an agreement on what is respectful or what is right vs. wrong.

- Compliance leading some of these initiatives: There's a trend of collaborating with HR on message alignment and bullying, which is new for many companies. Explaining what is passive aggressive behavior, we have outlined an antibullying fact sheet on what is acceptable and what is not.

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Discussion Notes – Audience conversation

Presentation available on the [BELA Asia Pacific Member Hub](#)

- On The topic, the one thing we did this year was to use our monthly Compliance blog called "Integrity Matters" to talk about WFH and rather than just talk about compliance while WFH we also spoke about communication and what employees and managers should do. In addition to that we partnered with HR in region to hold harassment and discrimination trainings to employees and for Managers training on Do's and Dont's on the same topic.

- Could the roundtable also address if any organization have Board of Directors that review such cases specially in cases of senior management examples of bullying or harassment?

  - Board of directors on bullying and harassment: Anything that relates to senior management, gets categorized separately

  - There are more targeted group discussions

  - The risk committee covers all the cases through the speak up channel; and we provide the board a trend report and analysis and give them specific directions

  - Ethics and compliance committee: analyzes the cases, which are later built into a report and submitted to the board, its part of SOX compliance disclosure.

Notes and Suggested BELA Resources

- **Ethical culture insights series (volume 1-3) :** In the most recent and final report in this series, we examine the strong correlation between good training and communications and employee perceptions of culture: https://bela.ethisphere.com/resource/ethisphere-ethical-culture-insights-report-volume-3/

- Champion Programs have been deployed and relied upon more than ever. This fall, with input and guidance from a BELA working group, thee BELA community developed for members a "**Guide to Building and Sustaining an Effective Champion Program**": https://bela.ethisphere.com/resource/champion-program-guide/

India's Prevention of Sexual Harassment (PoSH) Compliance Report: Since PoSH was legislated, companies across India have been working to meet its terms and provide a safe environment for their employees. This has been an ongoing discussion at BELA roundtables and events across India. The data obtained in this report is among the first its kind in India and it was launched under the direction of the BELA South Asia working committee comprised of leaders from Infosys, Accenture, Diageo India, Cummins, Hindustan Coca-Cola Beverages Pvt Ltd and Johnson Controls: https://bela.ethisphere.com/resource/2019-bela-south-asia-best-practices-in-prevention-of-sexual-harassment-posh-report/

Upcoming Asia Pacific Research Project: Please reach out to us if you are <u>willing to participate in a working group</u> on Harassment and Workplace Conduct across Asia Pacific.

Ethisphere's Eight Pillars of Ethical Culture

Ethisphere's Eight Pillars of Ethical Culture provide quantitative measurements into employee's awareness of where to go with concerns, level of comfort in speaking up, and to what extent they feel supported throughout the organization.

PILLAR 1: AWARENESS OF PROGRAM & RESOURCES Familiarity with the assets and efforts of the compliance and ethics function. 7 Questions	**PILLAR 2: PERCEPTIONS OF THE FUNCTION** Perceptions of the assets and efforts of the compliance and ethics function. 5 Questions	**PILLAR 3: OBSERVING & REPORTING MISCONDUCT** Comfort in reporting misconduct, the reason for doing so, and potential reporting barriers. 22 Questions	**PILLAR 4: PRESSURE** Strength and source of pressure experienced to compromise standards to hit goals. 3 Questions
PILLAR 5: ORGANIZATIONAL JUSTICE Whether the company holds wrongdoers accountable and the awareness of discipline. 3 Questions	**PILLAR 6: SUPERVISOR PERCEPTIONS** Supervisor's conduct and communication; comfort approaching with concerns. 5 Questions	**PILLAR 7: PERCEPTIONS OF LEADERSHIP** Perceptions of the conduct, values, and communications of senior leadership. 2 Questions	**PILLAR 8: PERCEPTIONS OF PEERS & ENVIRONMENT** Whether employees and their peers feel personally responsible for the Company's ethics. 3 Questions

Setting the Stage: Ethisphere's Ethical Culture Benchmark Data

1 million+
Responses Received

90
Companies Around the World

>5 million
Represented Headcount

*Figures as of 11/15/20.

Topic 3

Remote Investigations:
A New Frontier?

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Discussion Notes

Presentation: Coming soon on the [BELA Asia Pacific Member Hub](#)

- Compliance officers need to respond to increased reporting through channels for whistleblowers, it's important to check that your reporting channels (including your whistleblower hotline) are updated and working and adapted to the ways people communicate through the pandemic. Employees and third parties should be able to locate this and know how to connect to the whistleblower hotline

- Refresher: With the new work from home setting, companies should remind its employees about the whistleblower hotline through a regular newsletter or add it as a banner on the company's Intranet or an email blast

- The effectiveness of a company's whistleblower mechanism is only as good as employees' awareness of it

- Reporting mechanisms should be properly monitored. It's good practice to ensure that the whistleblower hotlines are being used. The lack of reports coming in through the whistleblower hotline is a sign that its not working the way it was meant to be.

- Recommendations: Many of the issues that arise from remote investigations are not unique to the remote environment. With respect to scooping and planning:

  - What is the objective of the investigation: Restrictions of movement may impact access to witnesses, domestic travel may also be significantly disrupted and it will impact access to hard copy evidence, servers, mobile devices, etc.

  - In some jurisdictions there's bad weather or bad WiFi service

Discussion Notes
Presentation: Coming soon on the [BELA Asia Pacific Member Hub](#)

- Scope that is unnecessarily broad and not clear/ vague can lead to confusion. If you are investigating in response to a claim, think about how to tailor the scope of a specific request. For internal investigations look at the question— think about how broadly is the question being framed, is it necessary to investigate every aspect of a reported incident?

- Which jurisdiction does the investigation concern? This is an important one, depending on the jurisdictions there might be special considerations that need to be accounted for, there maybe more jurisdictions that need to be taken into account as the workforce is more dispersed – think about what are the current Covid restrictions in that locale as well.

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Discussion Notes

Presentation: Coming soon on the [BELA Asia Pacific Member Hub](#)

Location of document review

- Think about the remote environment for review, some companies are engaging third parties for review and people are no longer in a centralized location where there are cameras that monitor their activity when reviewing sensitive and highly-confidential documents. It is important to have in place non-disclosure agreements. Reviews should be done through a portal instead of online.

Conducting interviews

- On the technology piece, you want to think about what type of technology or tools you are deploying as this can be an operational issue. It is important to test your call ahead of the interview. On the virtual side, things to consider include: how are you going to build rapport and assess the witness. Sometimes there can be bandwidth issues. A lot of the important factors are eye contact, tone of voice, their body language, those become harder to assess in a virtual setting:

Recommendations:

- Advise witness to provide verbal responses, instead of nodding

- Video interviews – this is not always perfect but it is something to work with during the pandemic

- In a virtual setting, while it is tempting to have 5 people join, think about who is joining where are they joining from, etc.

Notes and Suggested BELA Resources

- Ethisphere recently had the chance to catch up with Khurram Chaiwalla, Data Privacy Manager— ASEAN, Bayer in Singapore. In this interview, Ethisphere spoke to Chaiwalla about what companies should consider when it comes to data privacy in the wake of CoVID-19. Here he shares some best practices from Bayer's data privacy program: https://bela.ethisphere.com/data-privacy-apac/

- Breaking Down the Investigations Staffing, Practices and Process Survey: https://bela.ethisphere.com/resource/investigations-survey/

- Template for Post-Investigation Survey – Witness: https://bela.ethisphere.com/resource/survey-witness/
    - Template for Post-Investigation Survey – Known Reporter:
        https://bela.ethisphere.com/resource/survey-known-reporter/

Presentation on Investigatory Data:
At a BELA roundtable, CBRE discussed their use of Ethicspoint for incident and case management reporting. In the wake of the #MeToo movement, the Board of Directors made a push to have greater visibility into reporting details: https://bela.ethisphere.com/resource/cbre-presentation-data/

Data Protection Basics for Remote Workers

Ethisphere, a champion of The Cyber Readiness Institute, shares CRI's Data Protection Basics for Remote Workers. A guide intended to provide key data protection tips for working remotely and/or in a hybrid remote/office environment https://bela.ethisphere.com/resource/cri-data-protection-remote-work/

Topic 4

Integrity Agenda Data Insights and Predictions for 2021

Stacy Chai
Partner
Forensic and Integrity Services, EY

Ramesh Moosa
Executive Director,
Forensic and Integrity Services, EY

Discussion Notes

Presentation: Coming soon on the BELA Asia Pacific Member Hub

- According to the 2020 Integrity Agenda, senior management is more likely to act unethically 51% of respondents will compromise integrity for short-term financial gains. About 46% of respondents believe that there are managers in their organization who would sacrifice integrity for short-term financial gain.

  - Therefore, with over half (51%) of all respondents concerned if information about their work decisions came under public scrutiny, COVID-19 and the ensuing economic crisis will undoubtedly uncover their unethical behavior and actions.

  - A fifth (20%) of respondents in our follow-up survey in April 2020 believe that ethical business conduct will decrease following COVID-19.

- When it comes to ethical conduct of respondents senior management and board members are more likely to act unethically for personal gains– in terms of career progression or remuneration packages

- From a board perspective: The senior management that board members rely on are at the highest risk of engaging in unethical behavior

- Third parties: It is essential that organizations can fully trust the third parties they work with. This trust needs to be built through a careful program of risk-based screening that is carried out on a consistent and robust basis.

  - Our research shows that the disruption to supply chains resulting from the pandemic is seen as one of the largest threats to business integrity, with 28% of respondents saying it's one of the highest risks to ethical conduct in their business.

Discussion Notes

Presentation: Coming soon on the [*BELA Asia Pacific Member Hub*](#)

- Although ethical third-party management is always crucial for organizations, our data shows that organizations are failing in this regard. Only a third (34%) of companies are very confident that their third parties — including suppliers, vendors, partners or consultants — abide by relevant laws, codes of conduct and industry regulations

Predictions for 2021 (personal opinion) :

- Post-Covid, as business normalcy returns, financial reporting and irregularities will spike. Regulators will be forced to increase scrutiny. For example, forensics elements are being incorporated into the audit process

- Technology will enable compliance to be forward looking instead of being reactive

- The rise of fraud intelligence: Collective data intelligence will help organizations in safeguarding their information

- Organizations need to define what is the true meaning of integrity and invest in it

- Technology, AI and more should be leveraged to automate compliance: Transform the compliance function by allowing it to become forward looking

- Strengthening stakeholders trust remains top of mind

Notes and Suggested BELA Resources

- **BELA South Asia Webcast Series | EY's Global Integrity Report 2020 – Spotlight on India**: In India, in specific, the disruption caused by the pandemic has impacted businesses across the country: https://bela.ethisphere.com/resource/global-integrity-report-2020-webcast/

- **EY 15th Global Integrity Report 2020:** The COVID-19 global pandemic has shocked the world, impacting life for families, communities and organizations on every continent. Amid the turmoil, businesses and governments are faced with new and significant decisions that pose difficult ethical dilemmas that will affect their future viability and success: https://bela.ethisphere.com/resource/ey-global-integrity/

- **Corporate Integrity Pre and Post Pandemic – The View from Business Insiders on How the Stakes Are Changing:** Ethisphere CEO Tim Erblich was joined by EY's Tony Jordan along with two BELA Pinnacle Members Honeywell and Kimberly-Clark as they addressed areas such as: managing conduct and employee perceptions at the workplace; new risks and disruption in the supply chain; preparing for a new wave of data privacy and cyber concerns; and more: https://bela.ethisphere.com/resource/webcast-corporate-integrity/

- **Ethisphere magazine on the case for integrity**: EY views the presence of integrity as the foundation for trust. Given this, integrity is by now a widely recognized attribute of a successful, sustainable company and the foundation for embedding trust among employees, customers, and other stakeholders: https://bela.ethisphere.com/resource/ey-s2020/

- **BELA Asia Pacific Magazine:** Nick Robinson, Forensic & Integrity Services Partner, EY explains how to create, sustain and measure integrity: https://bela.ethisphere.com/resource/bela-asia-pacific-2020/

BELA Asia Pacific 2021- 2022 Goals and Upcoming Projects

Data and Insights: 2021 Bullying and Harassment Research Report

Annual Compendium: 2021 Asia Pacific Magazine Featuring Leaders Across APAC

Peer Insights and Thought Leadership on the BELA APAC Member Hub

Working Committees: 6-8 Companies will Shape the Direction of APAC Projects

Knowledge Sharing: A Series of Quarterly Roundtables Hosted by BELA APAC Members

If you would like to be involved in our work across Asia Pacific, please reach out to aarti.maharaj@Ethisphere.com

BELA Asia Pacific Resources

2020 Asia Pacific Magazine

Roundtable Recaps from APAC

BELA APAC Members Thought Leadership

All resources for the BELA Asia Pacific community are available on the member hub here:
https://bela.ethisphere.com/asia-pacific-member-hub/

Thank You!

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