



Roundtable RECAP: November 4, 2019 Hosted by Holland America Group

Participating Companies:

Holland America Group

Adaptive Biotechnologies

Advanced Sterilization

Products

Avanade Inc.

Expeditors International of

Washington Microsoft

Corporation Puget Energy

Inc.

REI Recreational Equipment,

Inc. Tableau Software

T-Mobile

True Blue

Vulcan Inc.

Topic 1: Better Compliance and Business Decisions Through the Use of Analytics

Discussion Lead: Alan Gibson, Assistant General Counsel, Office of Legal Compliance, Microsoft Corporation

Alan began with a brief discussion on the compliance structure at Microsoft. The Compliance and Ethics team is composed of five units including product compliance and global readiness, trade compliance, office of legal compliance programs, office of legal compliance investigations and the workplace investigations team. The discussion revolved around the use of data to identify and predict risk and inform compliance and business decisions.

Best Practices and Insights

- Evergreen Compliance Strategies: drive a culture of trust that anchors business success in ethics & compliance, equip employees to make ethical decisions, help the company mitigate its most significant risks, innovate, modernize and evangelize the compliance program
- Start with data and employ analytics to transform data into insights. Then use wisdom to translate insights into decisions that make impacts
- Use of bots to help in this process also presents the task of training the bots to align with policies
- Recognize that people, processes and technology all work to create solutions
- Once you have the insights from the data, spend time on the change management
- Once you identify a high risk deal, explain why it is high risk and what is expected of employees in this scenario
- Target outcomes by identifying and prioritizing risks, allocating resources to manage prioritized risks, operationalize risk management and build it into the business practice, measure the effectiveness
- Discussion around managing high risk partners
 - Algorithm identifies riskiest partner
 - Partner vetting is enhanced
 - Perform deeper review and implement controls
 - Provide real-time insights to make informed compliance and business decisions

Alan then provided a demonstration of high risk deals flagged by country.

Related BELA Resources:

Special Report on Digital Innovation: <https://bela.ethisphere.com/bela-special-report-digital-innovations/>
Third Party Risk Management: <https://bela.ethisphere.com/centers-of-excellence/third-party-risk-management/>

Topic 2: Role of Risk Assessment in Compliance Planning, Discussion Lead, H Jordan Weitz, Senior Director, Compliance Risk Monitoring and Analysis, Holland America Group

After a brief introduction to the Carnival Corporation and ethics and compliance structure within the organization, H transitioned to a discussion on the risk management lifecycle and the importance of embedding compliance in the process.

Best Practices

- Have compliance program pillars: identify, prevent, detect respond, improve
→ Compliance program elements support the pillars
- Identify risk events and create maturity scale with the goal of providing senior leadership with the highest scoring risk
- Look to change compliance risk mindset from fear to confidence
- Use of “radical candor”- caring personally while challenging directly to effect change and counter the “but we have always done it this way” to “why we need to change”
- Create a risk taxonomy
→ 3 levels with highest tied to audit and macro risk
→ Review historical manifestation
- Look at impact
→ Financial, reputational, regulatory, business interruption
- Embed compliance in the process and tie risks to the business

Related BELA Resources:

Root Cause Report: <https://bela.ethisphere.com/wp-content/uploads/BELA-Special-Research-Report-Root-Cause.pdf>
Leading Practices and Trends from the 2019 World’s Most Ethical Companies® (Volume 2):
<https://www.worldsmoethicalcompanies.com/wp-content/uploads/2019-wme-insights-report-volume2.pdf>
Third Party Risk Management: <https://bela.ethisphere.com/centers-of-excellence/third-party-risk-management/>

Topic 3: Conflicts of Interest- Why They Matter, Discussion Lead: David Bunker, Compliance Officer, Vulcan Inc.

David began the discussion with a general overview and defining conflicts of interests as when the personal interest of an employee may interfere with or influence their conduct at work. A discussion followed on the best ways to tackle conflicts of interest and common scenarios.

Common Scenarios Included:

- Business with relative or company owned by relative
- Business with company that employs relative

- Business with friend/long standing vendor
- Travel
- Use of meeting rooms for nonprofit meeting
- Employee on Board of nonprofit or for profit
- Second business/outside employment
- Relationships at work
- Elected official
- Gifts and entertainment

Best Practices Included:

- Transform performance with investment in Mind Gym to transform performance and make change stick through shifting beliefs attitudes and capabilities
- Use a committee concept around COI to increase awareness and get to know the business through different perspectives
- Depending on the size of the organization, required for all employees. If very large require over a certain position level and all employees in areas identified as high risk
- Recognize that not all conflicts are bad
- Emphasis on the importance of thinking through where your employees are active (on boards in community etc.) and how that can affect COI and how it can help inform how best to approach disclosures
- Discussion around the issues presented by social media influencers and whether these are actually competing with the business in any way. Specifically consider if the employee has the ability to influence a vendor or competing interest.
- If there is a conflict but it makes the most sense for the business, be transparent and document
- To the extent possible, often depending on the size of the company, use real examples to train on COI

Related BELA Resources:

2018 COI Policy Debrief: <https://bela.ethisphere.com/wp-content/uploads/2018-COI-Policy-Debrief.pdf>

Sample COI Guide: <https://bela.ethisphere.com/wp-content/uploads/ADM-COI-Help-Guide.pdf>

Sample COI Poster: <https://bela.ethisphere.com/wp-content/uploads/ADM-COI-Disclosure-Requirements-Poster.pdf>

Sample COI Toolkit: <https://bela.ethisphere.com/hilton-coi-toolkit/>

COI FAQ: <https://bela.ethisphere.com/wp-content/uploads/Walmart-conflicts-of-interest-FAQ.pdf>

Webcast: Closing the Disclosure Gap: <https://bela.ethisphere.com/webcast-closing-the-disclosure-gap/>