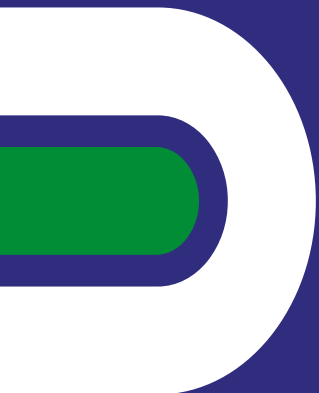


BUSINESS ETHICS AND SOCIAL SUSTAINABILITY

Break-out session



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ANTI-TRUST

Regarding your company's and/or your competitors' product and services, **it is forbidden:**

- To discuss current or future prices or supply conditions.
- To discuss any increase or decrease in price or change of supply conditions.
- To discuss pricing procedures.
- To discuss standardizing or stabilizing prices or supply conditions.
- To discuss current or future demand.
- To ask competitors why a previous bid was so low, or to describe the basis for a previous bid.
- To discuss profit levels.
- To discuss controlling sales or allocating markets for any product.
- To discuss future design or marketing strategies.
- To discuss credit terms.
- To discuss banning or otherwise restricting legitimate advertising by competitors.
- To discuss allocating customers.
- To discuss volumes.
- To discuss any other subject likely to restrict competition.

Regarding your company's and/or your competitors' selection of their supplier companies, **it is in particular forbidden:**

- To disclose or discuss the identity of suppliers if this identity is a competitively sensitive information.
- To discuss any boycotting of a company because of its pricing or distribution practices.
- To discuss strategies or plans to award business or remove business from a specific company.
- To discuss prices, margins, payment terms, volumes, markets, customers or marketing strategies of suppliers with competitors.

Regarding your company's and/or competitors' trade secrets, **it is forbidden:**

- To discuss trade secrets or confidential information of your company or any other member

CHATHAM HOUSE RULES

Please also keep in mind

- Participants attending the training **may discuss the details** of the discussion in the **outside world**, but **may not discuss who attended or identify what a specific individual said**
- Provides anonymity to speakers and encourages sharing of information;
- Used throughout the world;
- Allows people to speak as individuals, and to express views that may not be those of their organizations;
- Encourages free discussion

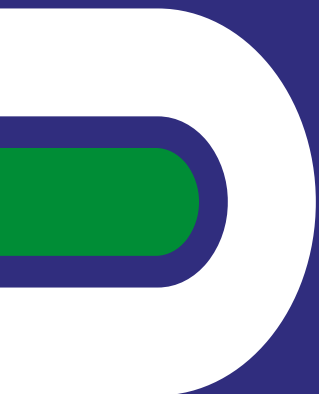
AGENDA: BUSINESS ETHICS & SOCIAL SUSTAINABILITY

Working & leaning together

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17:00 – 17:30	Closing

INTRODUCTION

Expectations towards the industry: Guiding Principles



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THE GUIDING PRINCIPLES

Business Ethics

Companies are expected to uphold the highest standards of integrity and to **operate honestly and equitably** throughout the supply chain in accordance with local laws.

The infographic displays the logos of member companies at the top: BMW GROUP, DAIMLER, FCA, Ford, GM, HONDA, JAGUAR, LAND ROVER, NISSAN, SCANIA, TOYOTA, VOLKSWAGEN, VOLVO, and Volvo Group. Below the logos, the document is divided into two main sections: **Environment** and **Human Rights and Working Conditions**.

Environment

Companies are expected to support a proactive approach to environmental responsibility by protecting the environment, conserving natural resources and reducing the environmental footprint of their production, products and services throughout their life-cycle.

A comprehensive approach includes but is not limited to:

- **Energy Consumption & Greenhouse Gas Emissions:** Companies are expected to implement a comprehensive energy reduction strategy and management program while increasing use of renewable energy.
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- **Non-Discrimination:** Companies should not tolerate any form of discrimination in respect of employment and occupation and should provide equal employment opportunities regardless of worker or applicant characteristics such as race, color/color, age, gender, sexual orientation, gender identity, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union association, covered veteran status, genetic information or marital status.

THE PRACTICAL GUIDANCE

Business Ethics - A comprehensive approach includes but is not limited to:



Responsible Sourcing of Materials



Anti-Corruption, Financial Responsibility/Accurate Records, Disclosure of Information



Protection of personal data and Identity, Non-Retaliation



Fair Competition/Anti-Trust, Conflicts of Interest, Export Controls and Economic Sanctions

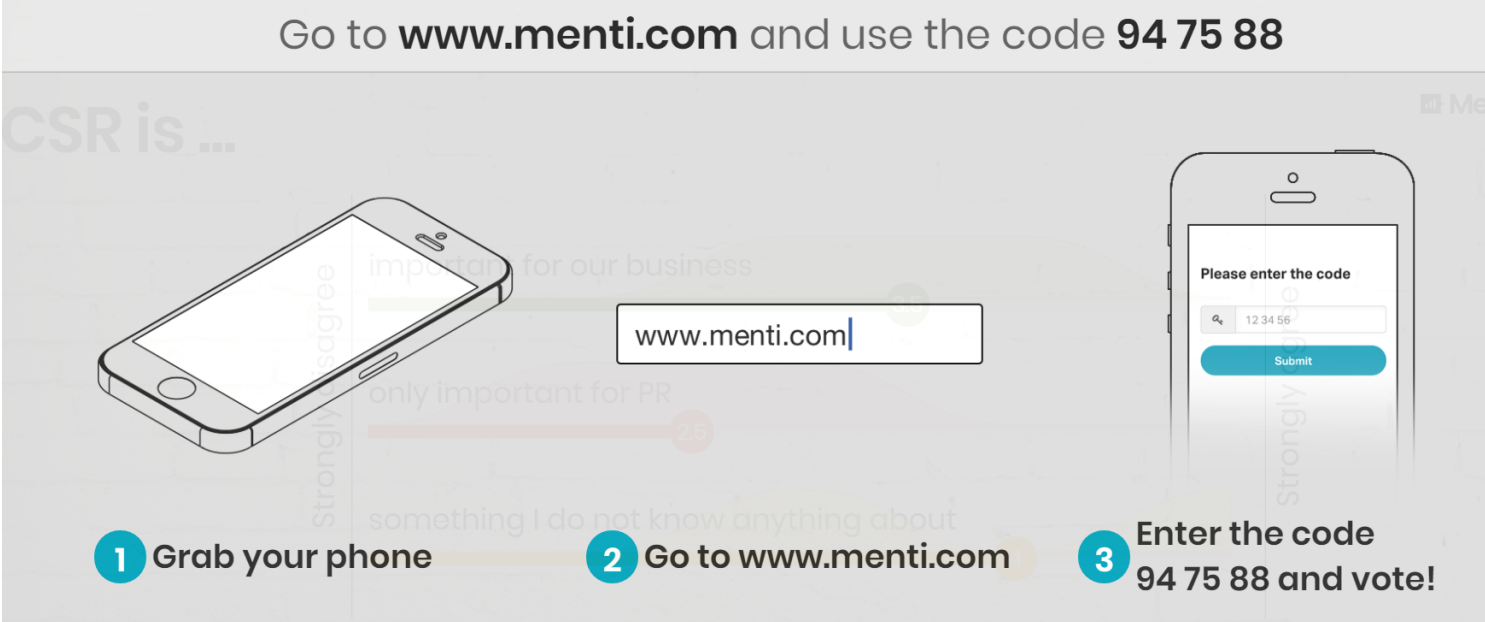


Counterfeit Parts, Intellectual Property

POLLING EXERCISE

On which topic of the Guiding Principles/Practical Guidance would you like to receive more information?

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- 1 Grab your phone
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- 3 Enter the code 94 75 88 and vote!

EXAMPLE: ANTI-CORRUPTION

What is corruption?



Corruption is a criminal offense!



Corruption is defined as the **abuse of entrusted power for private gain**



Corruption does not only relate to **public officials**, but also to giving and receiving bribes in **commercial practice**



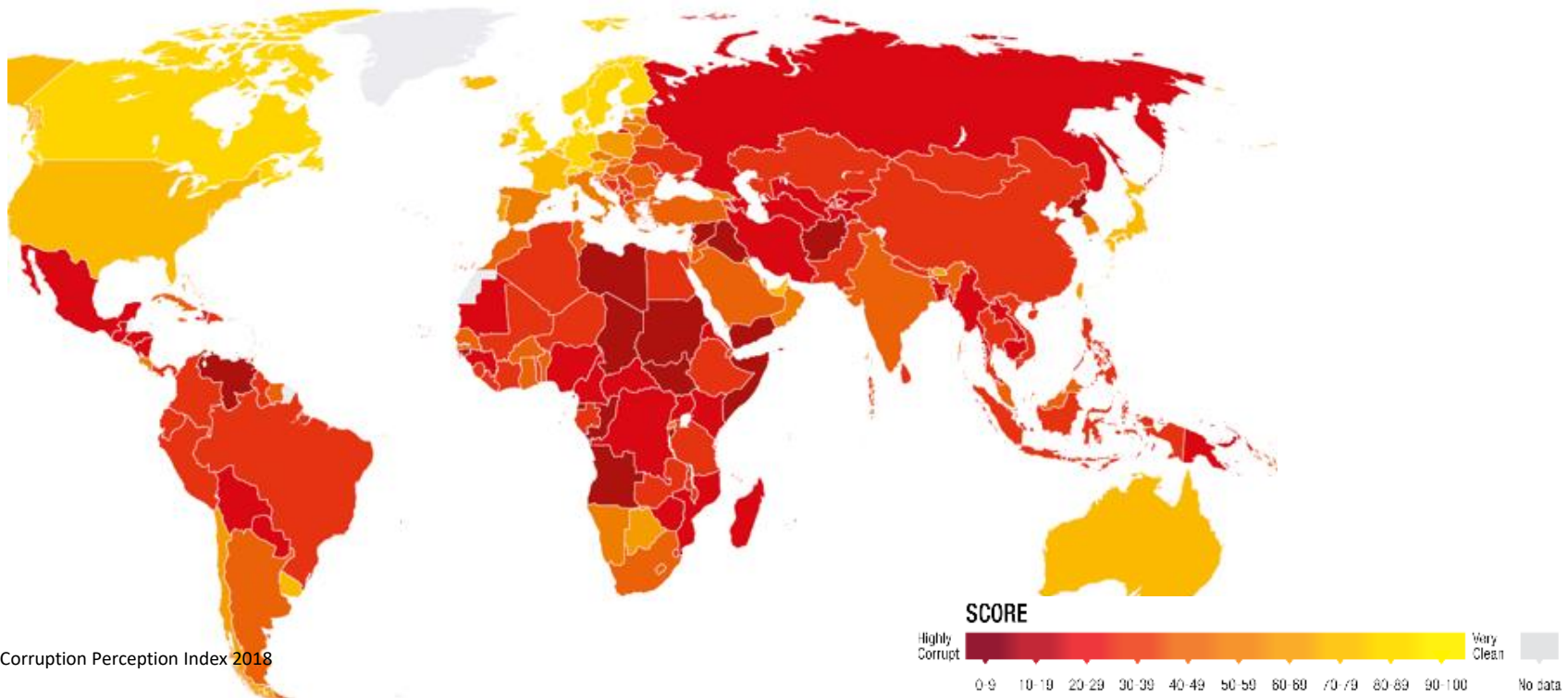
Corruption is **illegal worldwide**

EXAMPLE: ANTI-CORRUPTION

Conducting business in some countries may have increased compliance risks

- More than 2/3 of countries score below 50 on this year's CPI
- In particular, growth markets show below average scores
- This fact reveals the continued failure of most countries to significantly control corruption

Worldwide business – worldwide corruption risks¹



EXAMPLE: ANTI-CORRUPTION

Corruption can appear in different forms

Some of the forms are:

KICKBACKS	FACILITATION PAYMENTS	SUCCESS FEE	
INVITATIONS TO BUSINESS MEALS & EVENTS	CONFLICTS OF INTEREST	GIFTS & ENTERTAINMENT	...AND OTHERS

Compliance Management System

A good compliance management system is key in curbing corruption!

How can I set up appropriate and risk-based Compliance structures?



Implementation



- 1 Compliance **Organization**
- 2 Compliance **Risk Assessment/Ongoing Monitoring**
- 3 **Code of Conduct**
- 4 Compliance **Business Partner Due Diligence**
- 5 **Whistleblower System, Investigation and Sanction Processes**
- 6 **Board Oversight** of Compliance and Risk Issues

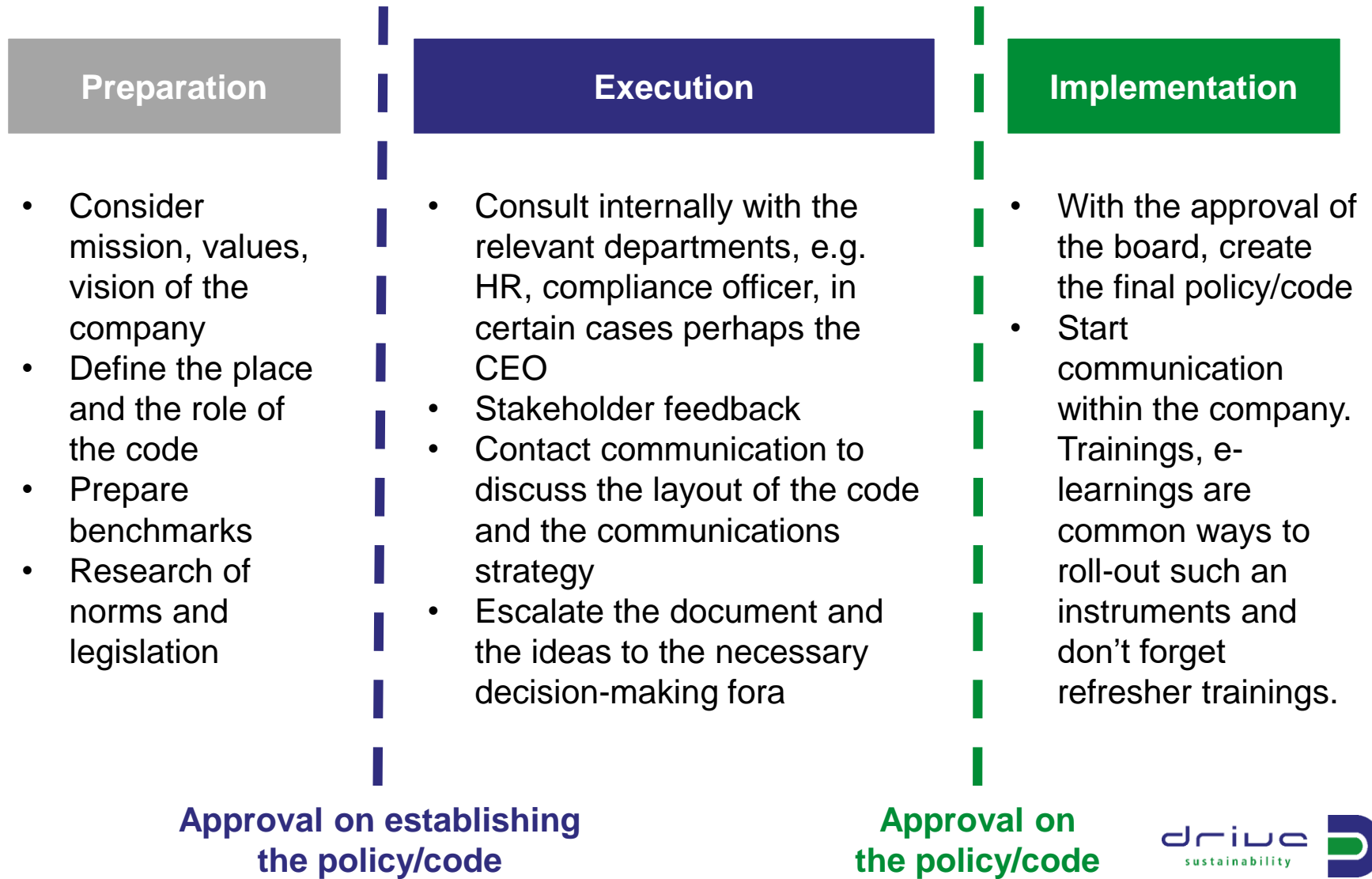
Whilst the following elements can be considered for the design of own Compliance structures,

- the specific design and content of the Compliance elements and
- their individual significance within the Compliance structures

is determined and implemented by the operational management of the company through its own responsibility and based on its individual risk analysis

Compliance Management System

How can I set up a policy/code of ethics?



BOSCH Business Conduct Code

Issue:

- Commitment to ethical businesses across the globe.
- Need to establish guidelines to be followed by all internal instructions and procedures.

Solution:

- Developed by the Compliance Management.
- Principles of conduct that include compliance with laws and regulations, governmental relations, managers's attributions, donations and social responsibility.
- Implementation of reporting channels, ensuring anonymity.
- Instructions to avoid conflict of interests and fraud in the supply chain – products and services.
- Data privacy and intellectual property of third parties respected
- External review of the ethics management system in 2016.

Results:

- Open conversations about risks and the Business Conduct.
- Periodic trainings encompassing the topics of the Code:
 - In 2017, 261.057 people took part in the trainings.
- Applied to suppliers:
 - IT tools implemented to assess whether business partners observe compliance guidelines.



Codes of Conduct

How can I set up a policy/code of ethics?

Issue:

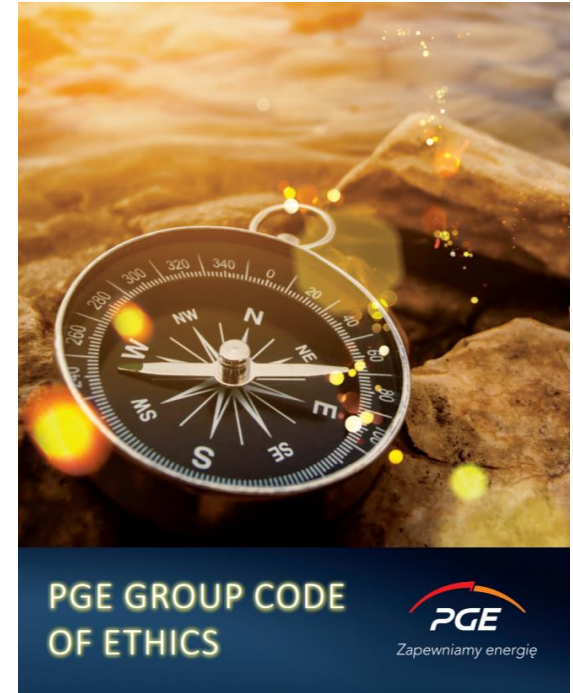
- Unethical business conduct is a reputational and operation risk for PGE Group
- Proactive actions needed to minimize corruption and human rights related risks

Solution:

- This code of ethics is a collection of PGE Group's values and principles.
- The Code defines PGE Group's fundamental ethical values and standards that are expected of employees, including the management.
- Every employee of PGE Group is required to know the Code and respect the values and principles referred to therein.
- PGE Group's Code of Ethics governs the way in which violations and non-observance of these binding values and principles are to be reported.

Results:

- Clear and user-friendly code of conduct published in 2016
- Good awareness of ethics at executive level and at lower levels



Compliance Management System

How can I set up my own Business Partner Management to ensure compliance?

The implementation of the following four pillars is recommended:



Compliance Management System

Checklist



Develop a code of ethics including anti-corruption

Train your employees on anti-corruption, money laundering, data protection, anti-trust law, etc.

Appoint a responsible person for compliance obligations

Document compliance with law and statutes in your transactions

Set-up an effective Whistleblower System

THE GUIDING PRINCIPLES

Human Rights and Working Conditions

Companies should **respect the human rights of workers, and treat all people with dignity** as recognized by the international community.



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THE PRACTICAL GUIDANCE

Human Rights and Working Conditions - A comprehensive approach includes but is not limited to:



Child Labor/Labour and Young Workers, Forced Labor/Labour



Wages and Benefits, Working Hours



Freedom of Association



Health & Safety

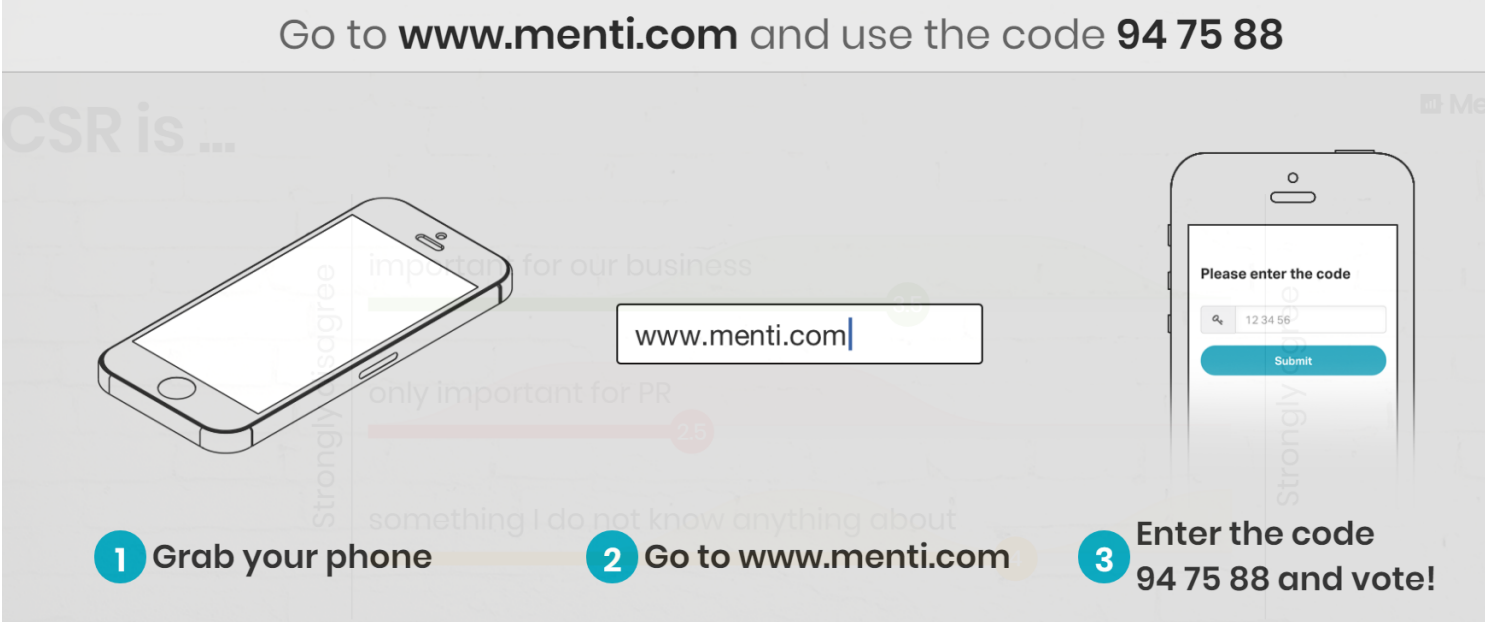


Harassment, Non-Discrimination

POLLING EXERCISE

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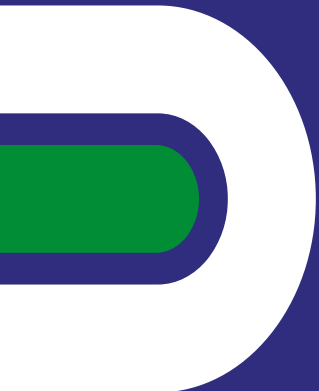
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IMPROVEMENT PLAN EXERCISE

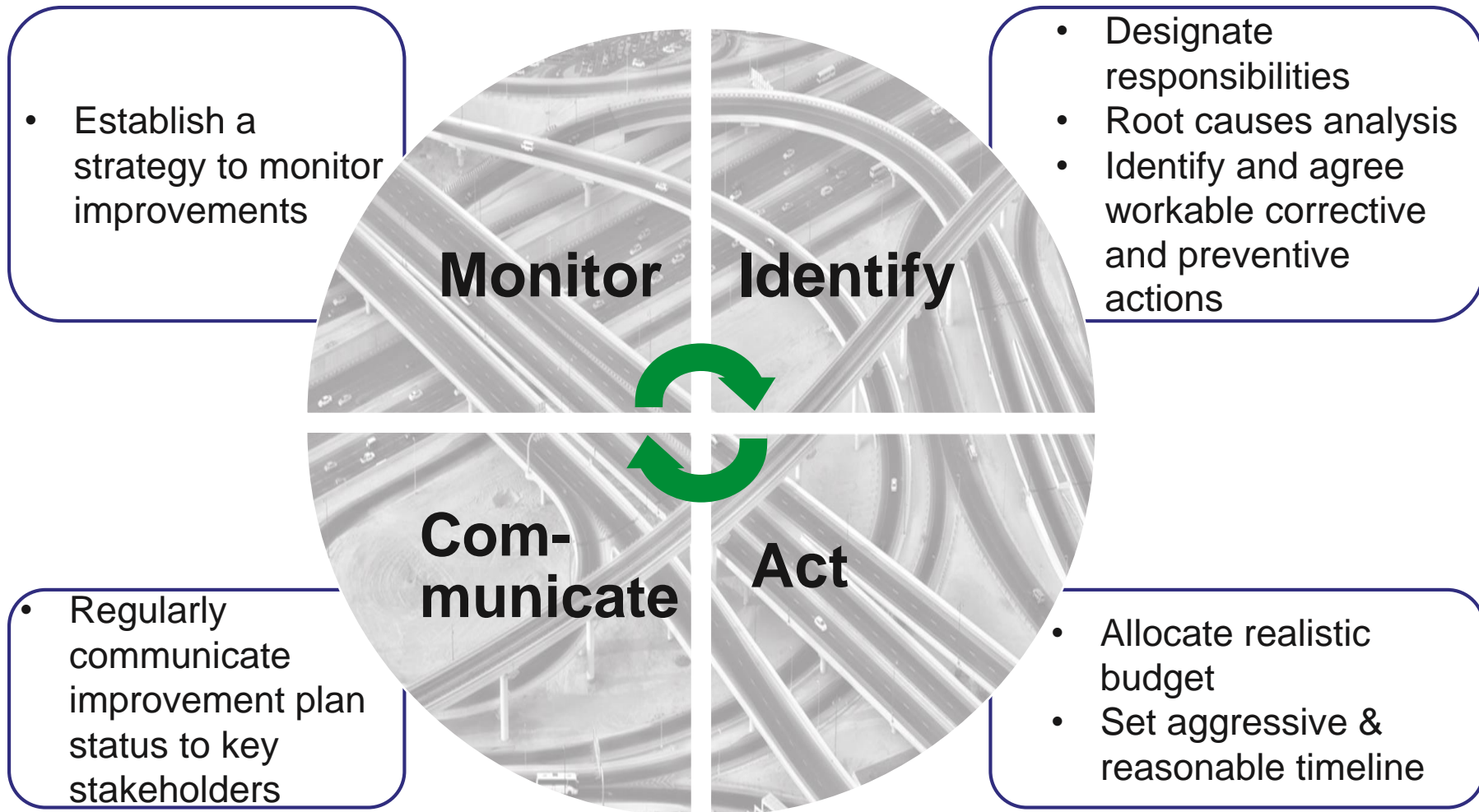
Identifying key local challenges



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THE IMPROVEMENT PLAN

How to make an improvement plan



GROUP EXERCISE – 1 H 30

Your group task for the day

<u>KEY CHALLENGES</u> <u>(SELECT 3)</u>	<u>ROOT CAUSES (SELECT</u> <u>3 PER CHALLENGE)</u>	<u>PLANNED</u> <u>CORRECTIVE AND</u> <u>PREVENTIVE ACTIONS</u> <u>(SELECT 2 PER ROOT</u> <u>CAUSE)</u>	<u>BUDGET</u>	<u>PERSON IN</u> <u>CHARGE</u>	<u>TIMELINE</u>

GROUP EXERCISE – 1 H 30

Format

40 min Brainstorming session

- Each table brainstorms:
 - What are the biggest challenges & issues you face/d in regards to business ethics, human rights and working conditions?
 - Where do you need support?
- Each table creates top 3 list of challenges they want to address in improvement plan

50 min Group discussion & analysis

- Each table presents 3 top challenges
- Trainer presents data analysis on biggest challenges
- Comparison / discussion

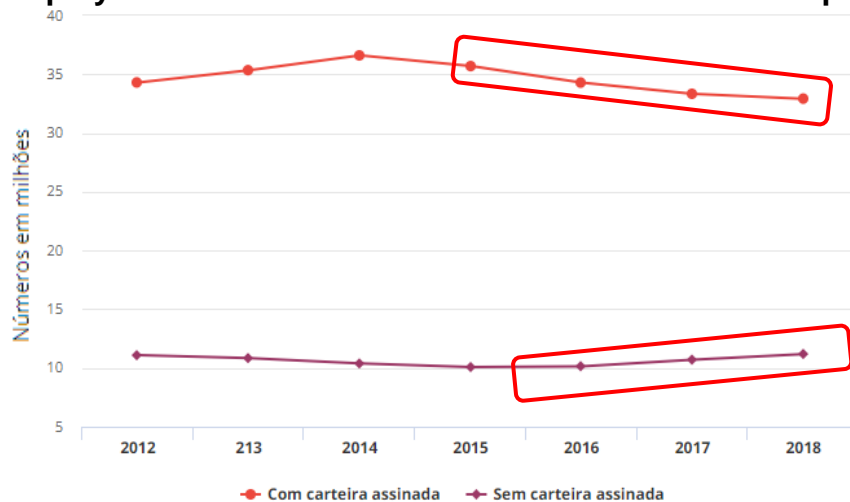
WHAT DOES THE DATA SAY

The biggest local sustainability issues with direct, short-term effect are:

Working conditions in the value chain:

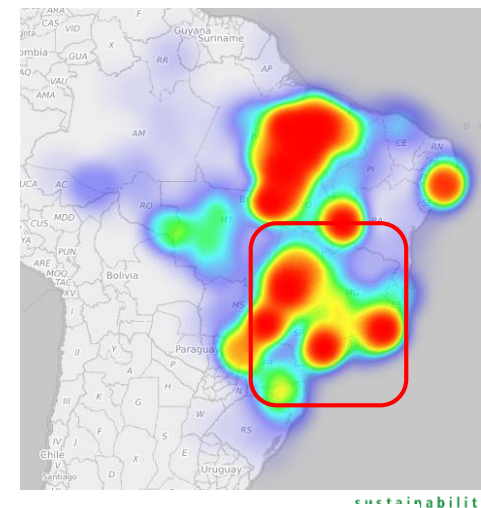
- Extension of working hours:
 - 6.2% of workers reported working longer than agreed
 - 27.8% of people working more than 44 hours / week in SP
- Informality (non-compliance) and risk of forced labor in suppliers:

Employment with and without a formal contract in the private sector



Source: IBGE

Intensity of the occurrence of slave labor in Brazil



Source: <https://smartlabbr.org/>



WHAT DOES THE DATA SAY

The biggest local sustainability issues with long-term effect are:

Low diversity in the workplace:

- Poor transparency in the disclosure of social and environmental information hinders more accurate assessments, but it is plausible to assume that the automobile industry follows the Brazilian trend.

Remuneration Differences by Intersectional Perspective (Sex and Race / Color) in the Formal Sector

Occupation of minority groups in the Brazilian industrial sector

	MULHERES	NEGROS	PESSOAS COM DEFICÊNCIA
EXECUTIVO	13,7%	5,3%	1,3%
GERÊNCIA	22,1%	13,2%	0,4%
SUPERVISÃO	26,8%	25,6%	0,6%
QUADRO FUNCIONAL	33,1%	31,1%	1,5%

Relative difference in monthly earnings of the employed population between different gender and race/color groups

100%
HOMENS BRANCOS

78,7%
MULHERES BRANCAS

55,6%
HOMENS NEGROS

45,7%
MULHERES NEGRAS

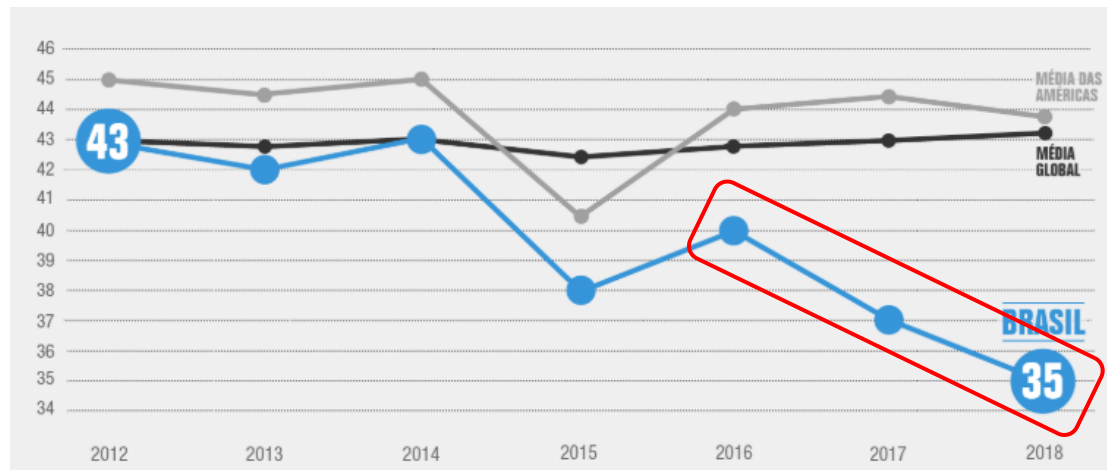
WHAT DOES THE DATA SAY

The biggest local sustainability issues with long-term effect are:

Fight against corruption:

- Annual cost of corruption in Brazil can be around R\$ 41.5 billion to R\$ 69.1 billion per year (1.38% to 2.3% of GDP)
- R\$ 1 diverted by corruption = R\$ 3 in economic and social damage
- Problems such as fraud, bribery and unfair competition place Brazil in the ranking of the most corrupt countries in the world:
 - #105 in a study by Transparency International

Corruption Perception Index - Brazil Performance



WHAT DOES THE DATA SAY

The biggest local sustainability issues with long-term effect are:

Brasil lidera lista dos países onde a percepção sobre corrupção é maior entre executivos

Posição em 2018	País	% em 2018	% em 2012	Posição em 2012
1	Brasil	96	84	2
2	Colômbia	94	92	1
3	Nigéria	90	72	7
4	Quênia	88	76	5
5	Peru	82	N/A	N/A
6	África do Sul	80	64	14
7	Chipre	80	N/A	N/A
8	México	70	60	15
9	Ucrânia	70	84	3
10	Argentina	68	68	10

GROUP DISCUSSION

Theory VS Reality

- What is your opinion when you compare the results of your previous discussion and the data we collected before this training?
- What is/should be your final top 3 list of issues & biggest non-compliances?

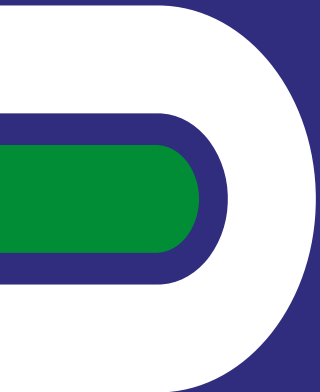
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IMPROVEMENT PLAN EXERCISE

Root causes and actions



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ROOT CAUSE ANALYSIS

Root causes are...

- the fundamental reasons of recurring trouble or failure of a process.
- Once they are resolved, similar problems won't reoccur.



**Symptoms of problems are
above the ground and
obvious**

**Underlying causes are below
the ground and obscure**

METHODOLOGY: ROOT CAUSE ANALYSIS

5 Whys



Fishbone methodology



Affinity diagrams

Education	Communication	Environment	Documentation	Policies & Procedures	Monitoring
No orientation for A&Os regarding INR	Inadequate handover to new ward	INR machine was broken	No formal handover	Procedure written but not available to staff	No routine collections for patients on anticoagulants
No medication reconciliation	No flag from lab re high INR	All tests were ordered at the end of the ward round	POCT not used	No guideline on intrant	Staff felt POCT not reliable
No regime for post op patients requiring warfarin	No medication reconciliation		No medication reconciliation documented	No local policy	POCT not used
	No written handover			No clear guideline	INR not checked daily

ROOT CAUSE ANALYSIS

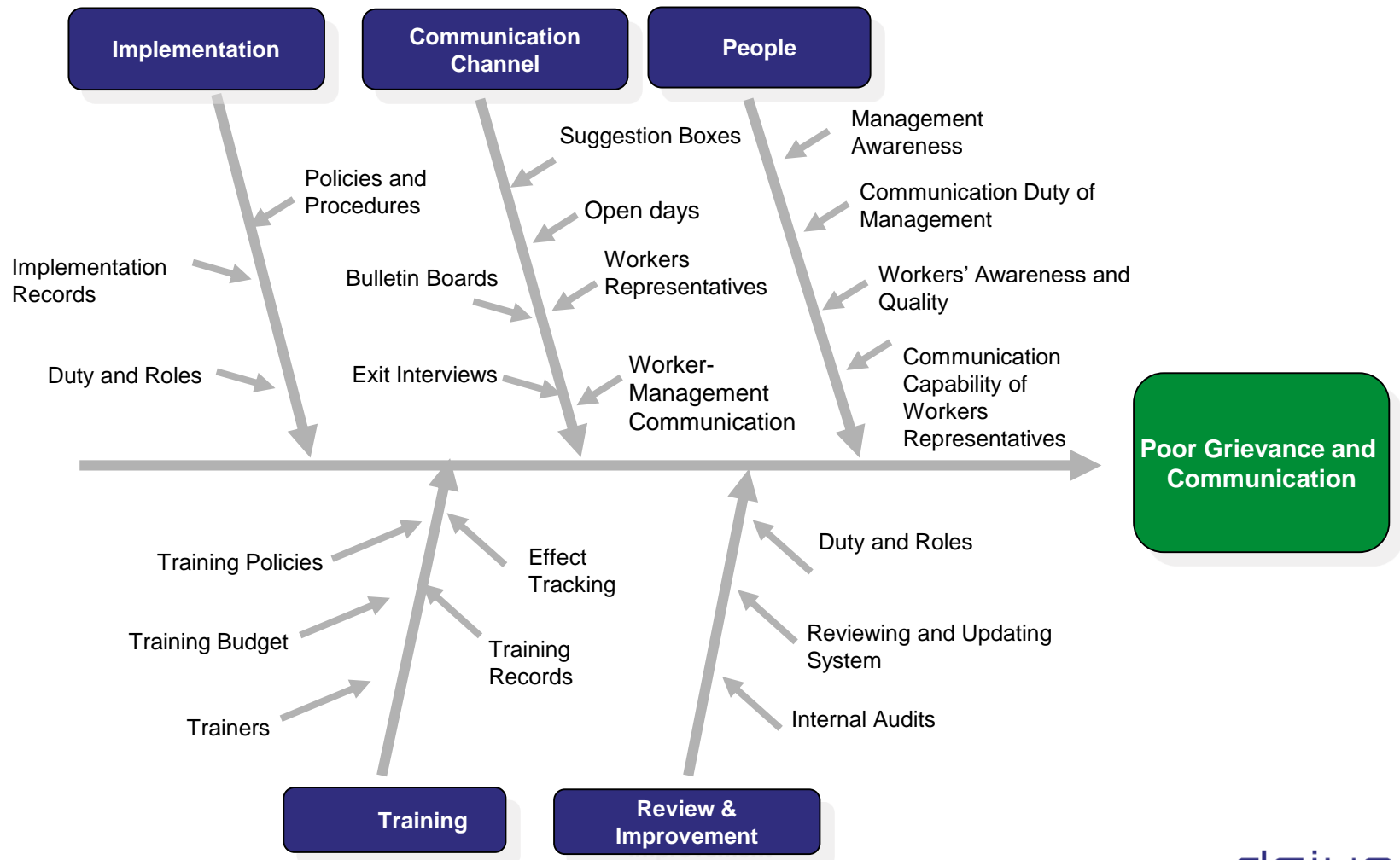
5 Whys

Case Study: Workers don't wear personal protective equipment

- **Q1: Why are workers dissatisfied?**
→ Because their concerns are not heard and addressed by the management e.g. unofficial pressure to do unpaid overtime.
- **Q2: Why are concerns not heard and addressed by the management?**
→ Because communication between workers and management is generally less direct and raising such concerns to the management is not part of the culture.
- **Q3: Why isn't the local corporate culture changing its ways?**
→ Because there is no program and target to drive such cultural change.
- **Q4: Why hasn't a program and target been set?**
→ Because worker satisfaction and communication are not set as key performance indicators and therefore are not prioritized by management
- **Q5: Why isn't upper management setting such KPIs?**
→ Because they lacked awareness of the issue before the employee satisfaction survey revealed that this communication channel is being missed.

ROOT CAUSE ANALYSIS

Fishbone methodology



ROOT CAUSE ANALYSIS

Affinity diagrams: Root cause classification

...generate, organize, and consolidate information




Lack of awareness



**Lack of management
commitment**



**Lack of procedure of
policy**



External cause



Cost



**Lack of internal
communication and
worker integration**

PLANNED ACTIONS

Corrective and preventive actions

Corrective action



Short-term

- Immediate remediation to remove / address the non-compliances

Preventive action



Long-term

- Address root cause issue
- Ensure issue does not reoccur
- Long-term implementation
- Focused on management systems

Lunch Break

12:45 – 14:00



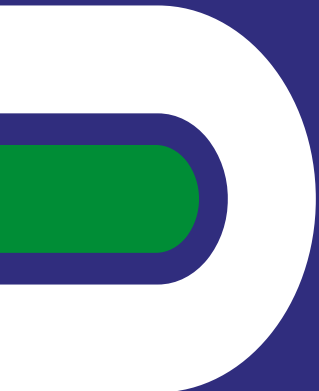
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IMPROVEMENT PLAN EXERCISE

Root causes and actions (cont.)



REMINDER

Morning session conclusion

- Top 3 challenges, issues, non-compliances
- Where do you need support
- Root cause analysis methodology

GROUP EXERCISE – 1 H 45

Improvement plan column 2 + 3

<u>KEY CHALLENGES</u> <u>(SELECT 3)</u>	<u>ROOT CAUSES (SELECT</u> <u>3 PER CHALLENGE)</u>	<u>PLANNED</u> <u>CORRECTIVE AND</u> <u>PREVENTIVE ACTIONS</u> <u>(SELECT 2 PER ROOT</u> <u>CAUSE)</u>	<u>BUDGET</u>	<u>PERSON IN</u> <u>CHARGE</u>	<u>TIMELINE</u>

GROUP EXERCISE – 1 H 45

Format

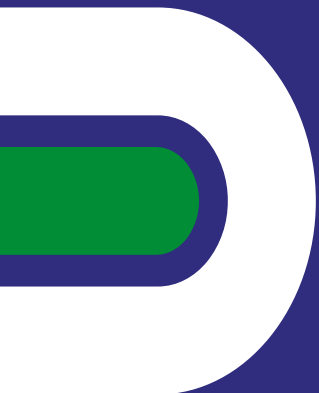
45 min Brainstorming session

- Each table brainstorms:
 - root causes and actions/countermeasures for each challenge
 - Participants share practical experience on how to deal with issues, what works, what does not work etc
- Each table creates top 3 list of root causes for each challenge
- Each table identifies two actions per root cause

60 min Group discussion

- Each table presents root causes and challenges
- Trainer presents best practices, case studies and solutions check-list to address challenges
- Comparison / discussion

Case Studies



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Case Study 1: Workers are not paid overtime

Focus topic: Working hours, wages and benefits

Issue: During a social audit, the Company's auditor detected that some workers had been working many extra hours that were not paid according to the applicable laws.

The company has a new team of human resources and also new managers in production. They have not established an adequate training system, so the new workers and managers are not aware of the importance of complying with the regulations of working hours.

Root Cause Analysis:

- Managers and workers are **unaware** of applicable laws and guidelines on human rights and working conditions.
- **There is no time control system**, so it is not clear how long workers perform extra.

Case Study 1: Workers are not paid overtime

Focus topic: Working hours, wages and benefits

Root Cause Analysis:

- **There is no official designation of the person responsible for CSR / HR** who manages the problems of working conditions and human rights.
- Lack of **training policies and written procedures** on business ethics and social sustainability.

Corrective Actions:

- Compensate workers for overtime according to the law.
- Immediately stop any practice of overtime that violates local legislation.
- Establish obligatory days of rest.
-

Case Study 1: Workers are not paid overtime

Focus topic: Working hours, wages and benefits

Preventive Actions:

- Establish a **system for monitoring working hours**.
- Update overtime **rules and develop a human rights policy**.
- Assign **responsibility for human rights and labor conditions to the person respectively responsible for CSR / HR**.
- **The head of CSR / HR** to regularly monitor the implementation of human rights actions and working conditions.
- **The management must review** the procedures and performance of ethics and social sustainability.

Case Study 1: Workers are not paid overtime

Focus topic: Working hours, wages and benefits

Results:

- All the employees of the plant have been trained.
- 97% of employees passed the training exam on the first occasion.
- No additional incidents related to this issue were detected in follow-up audits.

Lessons learned:

- Regulatory labor issues must be reviewed and updated periodically by a responsible person who is responsible for compliance.
- The supervision of a management body is necessary to monitor this type of issues.

Case Study 2: 99Jobs



Focus topic: Diversity in the workplace

Issue: Small representation of black people in companies' internship programs.

Root Cause Analysis:

- Brazilian society is still very uneven when it comes to ethnicity issues: black people represent 54% of the country's population, but:
 - Only 6.3% of management positions and 4.7% in executive staff is filled by black people.
 - Black women fill only 1.6% of management positions and 0.4% in the executive board (*Ethos Institute*).
- For entry level positions the situation is not very different:
 - The percentage of black students in universities jumped from 5.5% to 12.8% between 2005 and 2015.
 - Yet, such positive growth is not the same when analyzing job vacancies in the formal job market (*IBGE*).

Case Study 2: 99Jobs

Focus topic: Diversity in the workplace

Corrective Actions:

A new *company rotation* program (Melhor Estágio do Mundo) was developed and implemented in partnership with different companies in the country only for black students to apply.

Preventive Actions:

- Maintaining a committee of black people to monitor the project.
- Keeping a communication program to publish the initiative to the target group.
- Evaluating the performance of the new interns in the workplace.
- Searching for new ways to implement the project in the company.



Case Study 2: 99Jobs



Focus topic: Diversity in the workplace

Results:

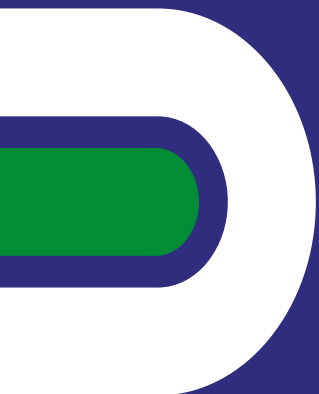
- 4 big companies of different sectors joined the project:
 - Suzano, Santander, Magalu, Natura
- Black students selected for the project presented good performance and are likely to be hired after the internship period ends (2019).

Lessons learned:

- Affirmative policies are not the best solution, but sometimes opportunities need to be created in order to increase the representation of social minority groups in the workplace.



Solutions check-list



drive
sustainability

Business Ethics: Solutions to meet expectations

- ✓ Conduct due diligence to understand the source of the raw materials, don't knowingly provide products containing raw materials that contribute to human rights abuses and ethics violations
- ✓ Use validated conflict free smelters and refiners for procurement of tin, tungsten, tantalum and gold – responsible minerals sourcing
- ✓ Develop policies and procedures to explicitly prohibit corrupt practices
- ✓ Train employees to identify warning signs and establish controls to reduce likelihood of corrupt practices, conflicts of interests
- ✓ Clearly and accurately record financial transactions in books and records
- ✓ Comply with data privacy laws on personal data (consumer & employee)
- ✓ Abstain from any type of anticompetitive business practice, including cartel arrangements, abuse of economic dependence

Human Rights & Working Conditions: Solutions to meet expectations

Child Labour and Young Workers

- ✓ Use age verification systems, require proper documentation upon hiring
- ✓ Closely observe special restrictions when young workers are employed:: e.g. do not permit young workers to perform hazardous or night work

Forced Labour

- ✓ No restrictions for workers to voluntarily end their employment, such as excessive notice periods
- ✓ Security must not be allowed to intimidate or restrict the movement of workers
- ✓ Overtime must be strictly voluntary
- ✓ The factory must not retain workers' (including migrant workers) **original personal documents or deposit money**

Human Rights & Working Conditions: Solutions to meet expectations

Wages and Benefits

- ✓ Pay contractually-agreed wages, no vouchers or goods, in timely manner
- ✓ Use in-factory bank machines to pay wages
- ✓ Do not reduce wages for disciplinary reasons
- ✓ Ensure sub-contracted workers receive legally required wages/benefits
- ✓ Ensure proper maternity benefits are provided

Working Hours

- ✓ Use a time-keeping system and mandate days off
- ✓ Comply with applicable laws on working hours/overtime compensation
- ✓ Indicate processes for worker overtime
- ✓ Ensure that all overtime is voluntary



Human Rights & Working Conditions: Solutions to meet expectations



Freedom of Association

- ✓ Establish methods to communicate concerns: Direct and anonymous (e.g., suggestion boxes)
- ✓ Use communication cascades
- ✓ Promote independently elected health and safety committees
- ✓ Make sure employees receive copies of signed collective bargaining agreements



Harassment and non-Discrimination

- ✓ Prohibit pregnancy testing
- ✓ Pay attention to specific activities where discrimination needs to be prohibited: Hiring, Salary, Advancement, Discipline, Termination
- ✓ Maintain specific policies prohibiting harassment

Human Rights & Working Conditions: Solutions to meet expectations



General

- ✓ Establish 2-way communications channels between management and employees in order to identify risk, pain points, and nascent dissatisfaction
- ✓ Some possible solutions:
 - ✓ Employee satisfaction survey
 - ✓ Internal innovation / idea collection (Kaizen-type)
 - ✓ Besides formal employee representation draw up a network of ambassadors, who can help address specific problems, inform and motivate the workforce
 - ✓ Create opportunities where employees can meet management to discuss their problems
 - ✓ Reward achievement
 - ✓ Show example: management to show that they abide by rules, as well

GROUP DISCUSSION

Complete your list of actions: Which new actions can you add to your list?

Corrective action



Short-term

- Immediate remediation to remove / address the non-compliances

Preventive action



Long-term

- Address root cause issue
- Ensure issue does not reoccur
- Long-term implementation
- Focused on management systems

Coffee Break

15 min



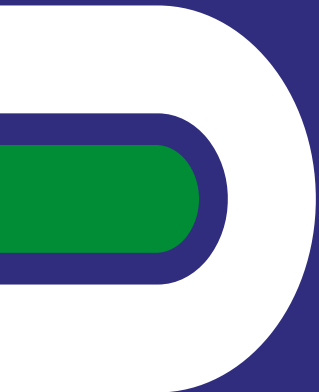
AGENDA: BUSINESS ETHICS & SOCIAL SUSTAINABILITY

Working & leaning together

10:15 – 10:45	Introduction Break-out session
10:45 – 12:15	Improvement plan exercise: Identifying key local challenges
12:15 – 12:45	Improvement plan exercise: Root causes and actions
12:45 – 14:00	Lunch
14:00 – 15:45	Improvement plan exercise: Root causes and actions (cont.)
15:45 – 16:00	Coffee break
16:00 – 17:00	Improvement plan exercise: Budget, responsibilities and timeline
Participants regroup	
17:00 – 17:30	Closing

IMPROVEMENT PLAN EXERCISE

Budget, responsibilities and timeline



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GROUP EXERCISE – 1 H

Improvement plan column 4 - 6

<u>KEY CHALLENGES</u> <u>(SELECT 3)</u>	<u>ROOT CAUSES (SELECT</u> <u>3 PER CHALLENGE)</u>	<u>PLANNED</u> <u>CORRECTIVE AND</u> <u>PREVENTIVE ACTIONS</u> <u>(SELECT 2 PER ROOT</u> <u>CAUSE)</u>	<u>BUDGET</u>	<u>PERSON IN</u> <u>CHARGE</u>	<u>TIMELINE</u>

GROUP EXERCISE – 1 H

Format

20 min Improvement plan best practice

- Trainer presents best practice improvement plan

20 min Brainstorming session

- Each table brainstorms:
 - Budget, person in charge, timeline for each action

20 min Group discussion

- Each table selects one challenge and presents full improvement plan for it
- Trainer gives feedback
- Closing and conclusion

Improvement Plan Best Practice

Case: Bribery and corruption

Issue:

- The company lacks an **integrity program**.
- Corruption has become a **major concern** among business partners and shareholders.

Project definition:

- **Designate Team** of 4 people of different functions to carry the project: compliance manager, financial analyst, risks analyst and HR analyst.
- **Define goals:** to create a formalized integrity program, a sanction policy and review the reporting channel.

Root Cause analysis and identification:

- Managers and workers were **unaware** of applicable laws and guidelines on anticorruption and bribery and **were not really concerned** about corruption related practices.
- There was **no established** anticorruption nor sanction policies.
- Reporting channels attended **only harassment situations**.

Improvement Plan Best Practice

Case: Bribery and corruption

Corrective actions:

- Partnership with a consulting company to help implement the project.
- Hiring a compliance manager and setting up a compliance committee.
- Implementation of the **Integrity Program**:
 - Formalization of an **Ethics Code**, a **Sanctions Policy** and a **Gift and Benefits Policy**.
 - **Establishment of a Compliance Committee**, responsible for sharing and maintaining the program, as well as investigating irregularities.
 - Implementation of an **independent reporting channel for all situations, including suspicious corruption related practices** (phone & internet).
- Immediately stopping any practice or conduct that might violate legislation or resolutions about fair trade, bribery and corruption.

Preventive actions:

- **Closer monitoring of** activities most prone to corruption (billing, supply...).

Improvement Plan Best Practice

Case: Bribery and corruption

Preventive actions:

- **Continuous training** for workers and leadership on Integrity Program.
- **Employee perception survey** about the Integrity Program.
- Reinforcement of the suppliers **homologation process**.

Implementation plan:

- **Person in charge:** Executive board.
- **Timeline:** 1 year.
- **Budget:** Salary of new compliance manager and employees
Services of consulting company
Services of the independent reporting channel
- **Success measurement / KPIs:** Number of reports
Number of training hours
Number of suppliers audits

Improvement Plan Best Practice

Case: Bribery and corruption

Results:

- Reduced risk of corruption and bribery.
- Increase of training hours for both managerial staff and other employees.
- Practices related to corruption properly investigated due to implementation of the reporting channel and compliance committee and less financial losses.
- Reduced number of risky business partners.
- Increase of the company's reputation.

Lessons learned:

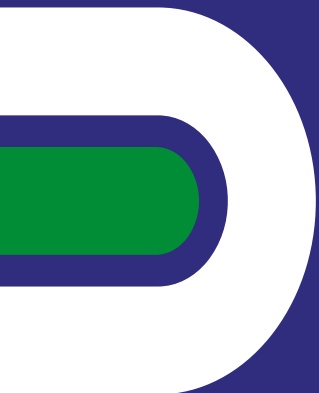
- It is important to have a solid, well disseminated Conduct Code applied not only to employees, but also managers and executive board.
- Corruption practices must be avoided not only internally, but also externally (business partners and supply chain).
- A clear indication of anonymous reporting channels and encouragement of reporting can help reveal issues that were not recognized before.

GROUP DISCUSSION

- What is your feedback after doing the exercise?
- Did you encounter any difficulties?
- What are 3 words that summarize the discussion at your table?

CLOSING

Please regroup with other session



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