



2016 EUROPE ETHICS AND COMPLIANCE SERIES

Key Takeaways, Lessons Learned and Best Practices from Leading Multinational Companies

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Compliance and ethics leaders from best in class global companies come together to discuss GRC best practices and challenges across Europe as part of a roundtable co-hosted by NAVEX Global and Ethisphere.

2016 LONDON COMPLIANCE ROUNDTABLE HIGHLIGHTS EU DATA PRIVACY CHALLENGES

Written by: Kevin McCormack

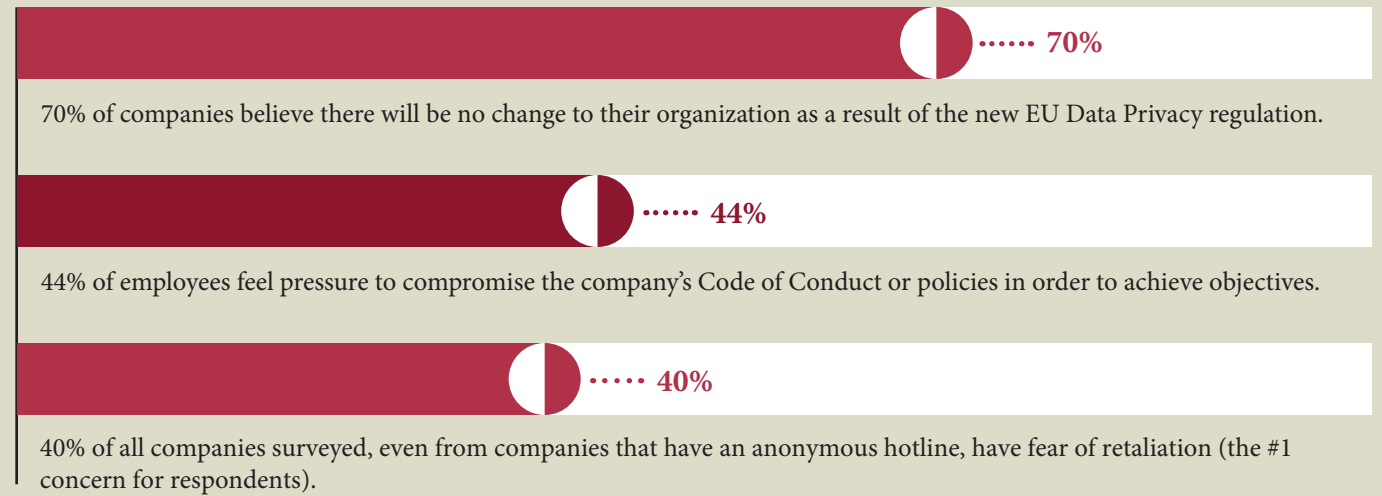
Compliance and ethics leaders from top global companies gathered together in London in 2016 as part of a NAVEX Global and Ethisphere Institute co-hosted roundtable and discussed the latest trends they're seeing in compliance, ethics and governance activity across UK and Europe. The following outlines the key thoughts and best practices shared as part of the discussion.

Compliance activity has long been a challenge for companies doing business across the various markets within Europe, despite the region's long-standing stability and legal structure. Regulations which vary from country to country with respect to data privacy, whistleblowing and anti-corruption, among other areas, have long vexed global corporations.

The participants of the 2016 London Compliance roundtable agreed that this challenge continues today. When it comes to whistleblowing, despite increased globalization, countries like France continue to deter anonymous reporting (definitions of this type of reporting continues to change as well in other countries such as Italy). Likewise Spain increasingly discourages or disallows anonymous reporting.

BY THE NUMBERS: IMPLEMENTING HOTLINES AND CODES OF CONDUCT

The following data comes from a recent research report by NAVEX Global on how companies are shaping hotline programs across Europe.



Due to the new EU data protection rules, the participants at the roundtable highlighted the increased pressures for companies to operate efficiently in this region. In fact, the new regulation creates legitimate data privacy concerns for global companies, requiring them to dedicate more time and resources to ensuring compliance with the rules.

Further complicating the environment for companies, unlike in the United States where anonymous whistleblowing is actively encouraged and considered a well-established best practice, some cultures within Europe actually consider "anonymous" to be a bad word of sorts. The roundtable participants encouraged companies operating in Europe to steer away from using "anonymous," and instead focus on words such as "ethics" and "confidentiality" when promoting their reporting programs.

Advice was also given for companies to consider including a question that asks, "Do you want to remain anonymous?" while at the same time clearly indicating that the company prohibits retaliation, and listing the routes one can take if retaliation concerns arise. Companies operating in Europe have to hit on these points more aggressively than they do

in the United States, for example, due to the cultural and historical differences that exists.

Beyond discussions on hotlines and reporting, the group also covered the important role that compliance officers play in setting the culture of a company, and to not lose sight of that important element when planning out a global compliance program. Compliance officers were advised to work closely with their senior HR counterparts to ensure efficient communications between the two groups.

KEY TAKEAWAYS:

The 2016 roundtable participants agreed the following were the key takeaways from the discussion that all companies should be aware of:

- 1) **Create clear announcements about the actions the company takes around reporting;**
- 2) **Recognize more employees for good behavior and how they are defending corporate values;**
- 3) **Continue to include local experts in compliance program development to ensure no oversight in cultural sensitivities.**



The Paris Ethics and Compliance roundtable featured some of the brightest minds in the business who gathered to discuss why ethical leadership, effective compliance and culture matters.

ASSESSING THE CURRENT STATE OF COMPLIANCE AND ETHICS ACROSS FRANCE

Written by: Aarti Maharaj

While companies like to view Europe holistically as a single market when it comes to compliance, the reality is each individual country has its own unique challenges and expectations from a global program. Ethisphere recently connected with dozens of French compliance leaders to discuss today's best practices across France.

Following the London roundtable and associated London Compliance Forum, Ethisphere hosted a series of programs in Paris. The first, a Chief Ethics and Compliance Officer roundtable, was co-hosted with The Boeing Company. The second, the Paris Compliance Forum, was co-hosted with the Paris-based La Cercle de la Compliance, a French membership association of compliance and ethics professionals across

France and neighboring countries. The Paris Ethics and Compliance roundtable provided executives with the opportunity to focus on current ethics and compliance issues faced throughout Europe and around the world. The closed door conversation allowed leading General Counsels and Chief Ethics and Compliance Officers from some of Europe's top companies to network and discuss hot button issues in



Localizing the Code of Conduct and its importance in order to communicate across different languages to global employees. In some cases, videos and other types of media can be used within the Code to help employees understand their responsibilities.

the region. The invite-only audience consisted of leaders from multinational companies headquartered around the globe.

Among the topics of the roundtable, attendees focused on localizing the Code of Conduct and its importance in communicating in different languages to employees. In some cases, videos and other types of media are used within the Code to help employees understand their responsibilities. Culture and multijurisdictional influence remain critical factors that shape a company's Code of Conduct. "Scenario synopses should be done in different languages and compliance officers should also focus on the messaging," said one attendee.

Executive involvement remains a key issue and for some attendees, employing full-time ethics leaders can help set the tone for the right messaging. "These ethics leaders sit with executives to continually address ethical issues the business and industry faces," added one attendee. "Providing regular updates and discussing corrective action are also helpful."

Another important point highlighted is that at monthly business meetings, "integrity owners" should provide discussion topics to the business leads to share during their meetings. One attendee added that "Companies should consider the shift from 'Compliance Program' to 'Integ-

rity Program' because this can have a different impact on the business and how employees respond to ethical dilemmas."

The Paris Compliance Forum was a larger gathering of more than 40 individuals from around France. The Forum provided an opportunity for participants to network with one another and share ideas on topics such as anti-corruption program development, hotline and whistleblowing best practices and managing a global compliance program.

More details on the program and information on Ethisphere's 2017 European programs can be found online at <http://events.ethisphere.com>.

KEY TAKEAWAYS:

The following are the key takeaways from the 2016 Paris roundtable and Forum, based on the discussions held at each program:

- 1) French companies do not yet have the same consistency in the implementation of compliance programs as their US and UK counterparts.**
- 2) Convincing corporate leadership (CEO, Board, etc.) to buy into a program is paramount.**
- 3) Companies operating in France must be very sensitive to data privacy regulations that often are more stringent than in neighboring countries.**

ABOUT ETHISPHERE

The Ethisphere® Institute is the global leader in defining and advancing the standards of ethical business practices that fuel corporate character, marketplace trust and business success. Ethisphere has deep expertise in measuring and defining core ethics standards using data-driven insights that help companies enhance corporate character. Ethisphere honors superior achievement through its World's Most Ethical Companies® recognition program, provides a community of industry experts with the Business Ethics Leadership Alliance (BELA) and showcases trends and best practices in ethics with the publication of Ethisphere Magazine and The World's Most Ethical Companies Executive Briefing. Ethisphere is also the leading provider of independent verification of corporate ethics and compliance programs. More information about Ethisphere can be found at: <http://ethisphere.com>.