

The logo for the 2017 Latin America Ethics Summit features the year '2017' in white, oriented vertically within a stylized 'X' shape. The 'X' is composed of four triangular segments in shades of green and blue. To the right of this graphic, the words 'LATIN AMERICA' and 'ETHICS SUMMIT' are stacked in a bold, white, sans-serif font.

2017 LATIN AMERICA ETHICS SUMMIT

JUNE 15, 2017 | MARRIOTT BISCAYNE BAY | MIAMI, FL

KEY TRENDS & HIGHLIGHTS

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**BUSINESS ETHICS
LEADERSHIP
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A Look Back At This Year's Summit

Since the beginning, the Latin America Ethics Summit has been about building community and inspiring conversations among those companies that consider this region either a primary market or a pivotal extension of operations. Prior to 2017, Brazil had been the host country, with São Paulo and Rio de Janeiro serving as the backdrop to connect compliance and business leaders from across South America, Mexico and Central America, and the United States. Anticipation and eventual adoption of Brazil's Clean Companies Act served as a foundation for many discussions in the early years of the Summit. It had significant implications not just for companies based in Brazil, but for companies all over the world.

Through the insights of Chief Legal Officers, Chief Compliance Officers, regional company presidents and other global thought leaders, these conversations evolved into more than just anti-corruption compliance and regulatory matters. Company culture started taking center stage. So long as a diverse set of organizations, industries, leaders, and countries had a role to play, a Summit as unique as this one could really be hosted in any key market throughout the region.

In bringing this Summit to Miami for the very first time, what we found was that while perceptions of business activity in Latin America had shifted as risks reached an all-time high, the spirit of this community remained intact. When respected peers assemble, as they did in Miami, there is no better platform to offer real purpose and renewed mission behind the work. Work that can influence leaders, inspire change, and drive opportunity with integrity.

Thanks to all those that made the 2017 Latin America Ethics Summit an assembly of true purpose.

With deepest appreciation,



A handwritten signature in black ink, appearing to read 'Kevin McCormack', with a long horizontal line extending to the right.

Kevin McCormack

Vice President of Global Thought Leadership and Programs
Ethisphere



The Bribery Hurdle: Risk vs Reward

Latin America business has thrived for years, but done so under misguided executives and corporate practices. The stories of bribery have been linked to a diverse set of companies and industries, most recently with Brazilian meatpacker JBS, but hardly supplanting the scandals involving companies like Petrobras and Odebrecht. These continue to represent a plagued economic and political climate in Brazil, but Brazil is certainly not alone, and the largest economy in the region is often an example for its fellow LATIN AMERICA countries. The financial and reputational damage has been enough to raise the level of concern for any company doing business throughout and a call for not just better standards and regulation, but a cultural movement of business and compliance practices.

The first panel at the Summit, featuring representatives from **Fidelity National Financial**, **Emerson**, and **Quarles & Brady**, agreed that Latin America should be considered among those markets that can be considered high risk and as Rafael Andrade, Emerson's General Counsel for Latin America put it, "a compliance and business roller coaster." For Rudy Rivera, Chief International Counsel for Fidelity National Financial, the question is really "is profitability worth the risk?" He went on to explain "In Mexico I saw corruption where I least thought it would be and didn't see corruption where I thought it would be."

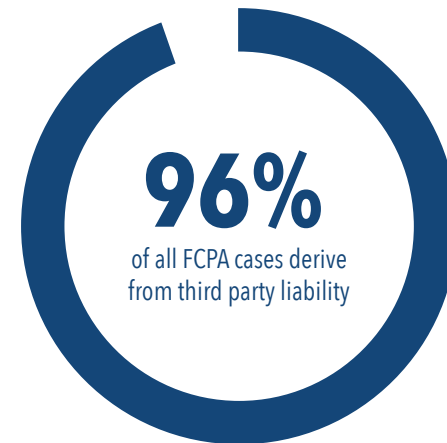


Don't ever accept 'that's how they do it down there' because you become complacent. "

Rudy Rivera
Chief International Counsel
Fidelity National Financial

Third Party Anti-Corruption

During the panel discussing third party anti-corruption issues it was revealed that 96% of all FCPA cases derive from third party liability according to the research done at the Rock Center of Corporate Governance at Stanford Law, led by Executive Director Evan Epstein, a native of Chile. **Morrison and Foerster** partner Ruti Smithline spoke in depth about details behind this data and current company approaches to monitoring and due diligence with **Olympus Corporation of the Americas, Cummins**, and **Ingersoll Rand**. "There is still a perception among business leaders that you can insulate yourself from liability by offloading it to third parties and it actually increases your risk...every third party is a risk," said Gary Zaugg, Associate General Counsel and Regional Compliance Director – Americas for Ingersoll Rand.



If it's a risky distributor, risky area, or risky business don't miss an opportunity to do your due diligence again. Run another due diligence. The business will understand if you partner with them."

Fernanda Beraldi

Director, International E&C and Corporate Counsel
Cummins Inc.

The Impact of ISO 3700

The ISO 37001 Anti-Bribery Management Standard is one of the newer steps companies are considering to more effectively address misconduct with better guidance and control. Worth MacMurray, part of the advisory group working alongside over 60 different countries to develop ISO 37001 was quick to clarify that this “is a business standard, not a legal standard.” **Microsoft**’s Judd Hesselroth and **CREATe.org**’s Leslie Benton, each of who were active in the ISO 37001 development, and **Baker Hughes**’ Jay Martin highlighted the practical application, as well as addressed looming questions, of the standard. The Peruvian government is the first adopter of ISO 37001 in Latin America.



We wanted to empower organizations to conduct their own risk assessment and determine their own risk appetite and draw the line on their threshold and then build their management system based on the results of that risk assessment threshold that this standard discussion really moved forward.”

Judd Hesselroth

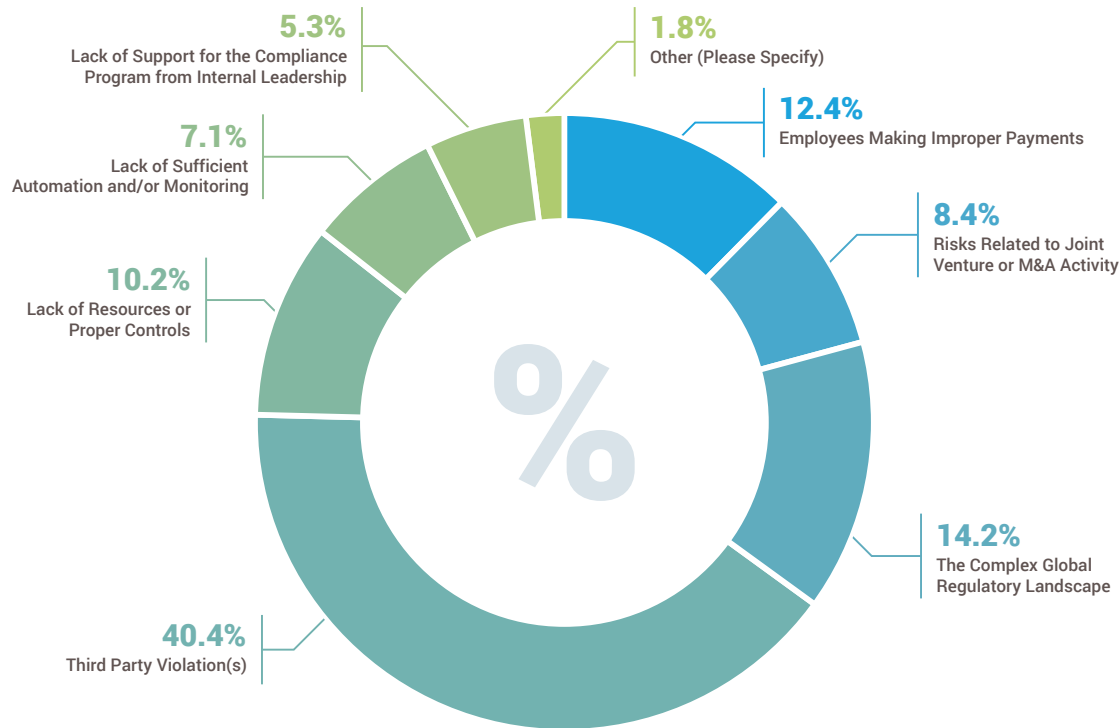
Director, Office of Legal Compliance – Programs
Microsoft Corporation



*Judd led the Technical Advisory Group for the United States to develop and represent the U.S. position in the development of the ISO 37001 Anti-Bribery Management Systems (ABMS) Standard.

A Look Inside: Anti-Bribery & Corruption Benchmarking Report - 2017

Q: What Do You Perceive to Be the Top Risk to Your Anti-Corruption Program in 2017?



Click Here To
**Download the
Full Report**



Re-Invigorating The Culture

Central to the bribery and anti-corruption challenges throughout Latin America is a perceived breakdown of company culture and how such culture breakdowns can have massive implications. Throughout the Latin America market there is a push to reignite corporate values and reinvigorate people so that company performance can thrive, and do so without compromising integrity. Key to this process of building and sustaining a culture of integrity, especially throughout a region as diverse as Latin America were data-driven assessments, thoughtful engagement, refreshed training, and internal collaboration.

Getting both a qualitative and quantitative handle on the ethical culture is something that is hard to do but boards, c-suite and compliance leaders are rigorously addressing this frequent gap. **GE's** Chief Compliance Officer for Latin America, Reyna Torrecillas, highlighted the benefits of having a dedicated ethics week that truly entertained and engaged its employees throughout Latin America specifically. **Royal Caribbean's** Director for Global Compliance and Ethics, Karen Benson shared the journey of a comprehensive culture assessment that went through several iterations before working with Ethisphere to incorporate a pivotal component of benchmarking against peers at other organizations and ensuring that the right layering of survey and data assets were available for both a measurable and meaningful assessment.



“**Culture and our integrity commitment is really the DNA that holds the company together...culture is owned by everybody.**”

Reyna Torrecillas
Chief Compliance Officer, Latin America
GE

Stress Testing Integrity: Measuring the Ethical Culture at the Company

The faculty indicated that internal partnerships with leaders in HR, corporate communications, and IT to reinforce messaging and apply a diverse set of engagement practices so ethics is amplified everywhere, and not just with compliance standing alone and serving as a true enhancement to the business.



One thing we want to do is demonstrate to our people that we are working as partners. They find it more interesting when it's all about enabling business."

Michael Sukenik

Chief Legal Officer, Latin America/Caribbean
& Global Senior Counsel

Yum! Brands



Targeted Training to Engage Multicultural Stakeholders

It was clear throughout the entire Summit that training is vital and must move beyond check the box attitudes. Chris Kartchner, **SAI Global**'s Senior Vice President examined current training attitudes and innovations to engage a multicultural workforce with panel members from **Jones Lang LaSalle**, **TE Connectivity**, and **Praxair**. Whether it is training the workforce or training third parties, multiple modalities is the only way to reach a diverse and globally positioned culture. In higher risk areas, more traditional forms of training may still be the best solution.



Call me old-fashioned but I still like the face-to-face. I still think as compliance we still need to be seen more as business partners and to be seen as business partners you have to have that face to face."

Fabricio Nunes
Chief Compliance Officer
Praxair, Inc.



Effective Collaboration to Address Alleged Misconduct

Increasingly, with younger generations of employees, technology savvy training may be the ticket. Refreshing the content is extremely important and mobile app technology has a role to play as part of the engagement.

All agreed on two important points when it comes to training and multicultural elements: keep it simple and hold managers accountable. Lawyers have a tendency to want to have deep coverage but this does not often engage the broad employee base across so many different cultures.

Not to be lost among the frequent conversation tied to culture was how companies can best tackle investigations and preserve integrity despite culture clash or the country environment. In sharing their views, a panel of representatives from **Nokia**, **Western Union**, and **SNC-Lavalin**, facilitated by outside expert and consultant Eric Morehead agreed that Latin America poses unique obstacles during the investigation process. In their experience, the obstacles are a manifestation of a dramatic level of fear when speaking up and retaliation against the employee(s). Ensuring "fairness" in the process is critical to making investigations work especially under those circumstances where there is disparity in title or location.



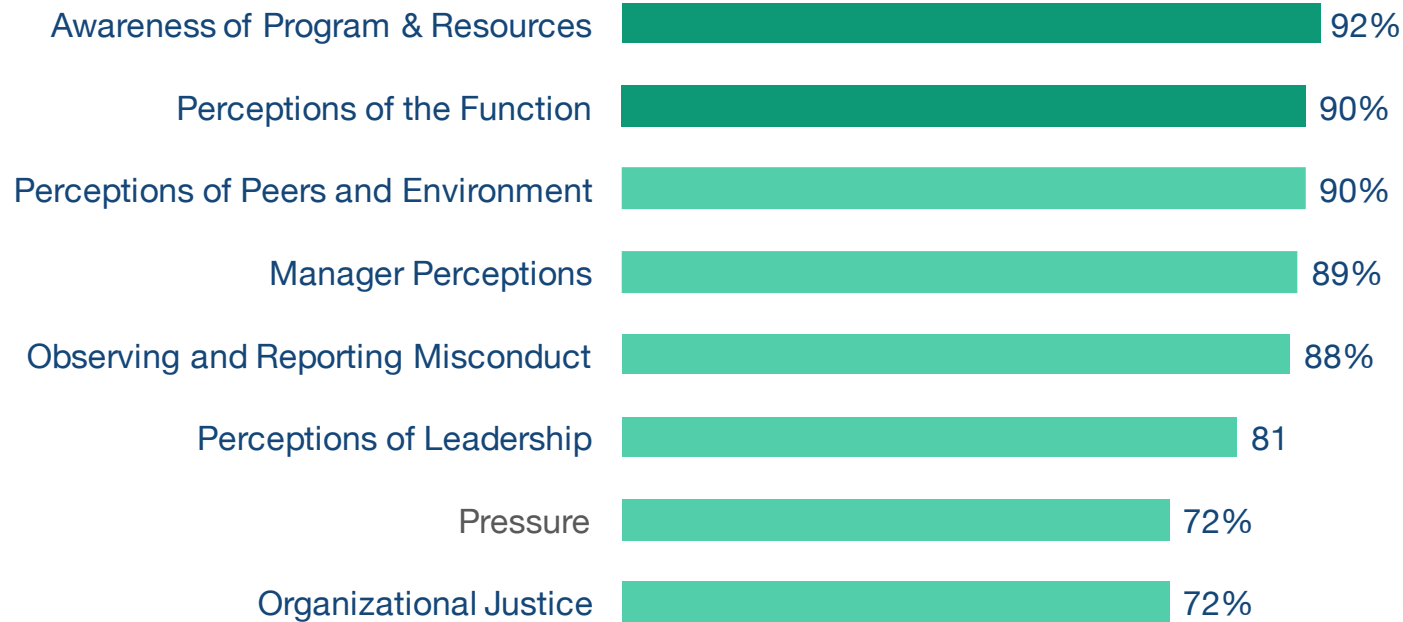
"The single biggest thing is consistency. Consistency and transparency in process. Fairness comes down to the same set of rules for everybody. Being consistent, almost despite external or environmental factors, or what country you are in."

Deborah Morrisey
Director, AML Compliance, Caribbean
The Western Union Company

Ethisphere's Eight Pillars of Ethical Culture

Aggregate Benchmark Results to Date

Proportion of *Favorable Responses* to Overall Responses



Employees' highest perceived elements of culture and ethics are those **areas where Compliance professionals invest heavily** awareness and perception of Code, policies, and training.

The C-Suite: Values That Enable Growth

If buy-in from the board, c-suite and other business leaders is not there, so much can collapse, despite any best effort from compliance and legal. The ethics premium is increasingly part of the conversation as a true driver of performance and reputation.

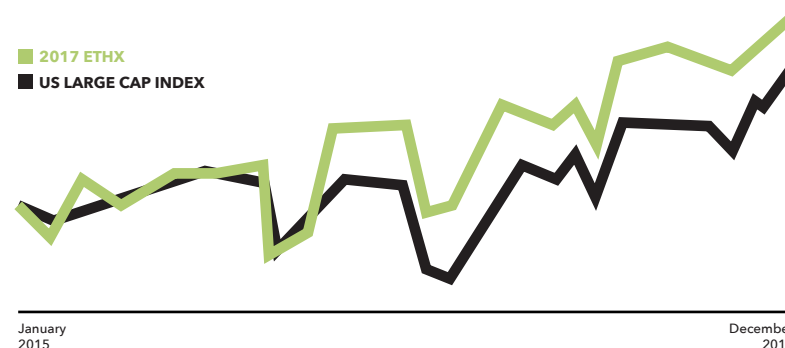
Still there is overwhelming emphasis on business growth, and often in countries with high corruption indices, including throughout Latin America. "The key ingredient getting that right is that the top executives, the c-level suite executives, really need to believe that yes we need this growth but there are limitations and it's not always easy to get that across," said Bradley Stein, General Counsel, Corporate Secretary and Chief Compliance Officer, **Royal Caribbean Cruises** Ltd. Executive attitudes are so essential because they have the best sense of what the economic pressures are, but candid conversations need to happen around moving forward with economic opportunity without removing the application of heightened scrutiny.

Embracing change is part of the executive psyche, or should be, as change is a catalyst for growth. **EVERFI** President for Higher Education & Enterprise, Preston Clark, a former assistant general counsel for the University of Miami, stressed that diversification of leadership is part of that change and value system to enable companies to perform better and connect across a wide variety of stakeholders and communities. Global organizations operating inside and outside Latin America need to renew their commitment to leadership diversity as well as the diversity of their business. This is imperative not for just the culture but performance, and reflect a need for a change of values at the top. This includes diversity of individuals as well as opinions.

THE ETHICS PREMIUM: 6.6%

Performance of the 2017 Honorees as compared to the US Large Cap Index over the 2015-2016 calendar years

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What Are Executive Leaders Saying and What Do They Still Need to Hear?

When looking at third parties and outside counsel, for example, Ana Salas Siegel, **NBCUniversal Telemundo's** General Counsel, explained that "we are challenged to look at firms that are diverse and to challenge them not only 'Can they check the box?' but 'Who is on the management committee at that firm, who is working on your particular project and at what level? That happens at vendors as well.'"

Mr. Stein went further when discussing the global business ecosystem, "what's more to the point of diversification is a recognition as companies become more global and as their interest and their product offerings become more diverse...they risk losing complete connection to their market," added Mr. Stein. "Our goal is to appeal to our customer base as we need to understand the diversity that global businesses need to focus on."



Bradley Stein

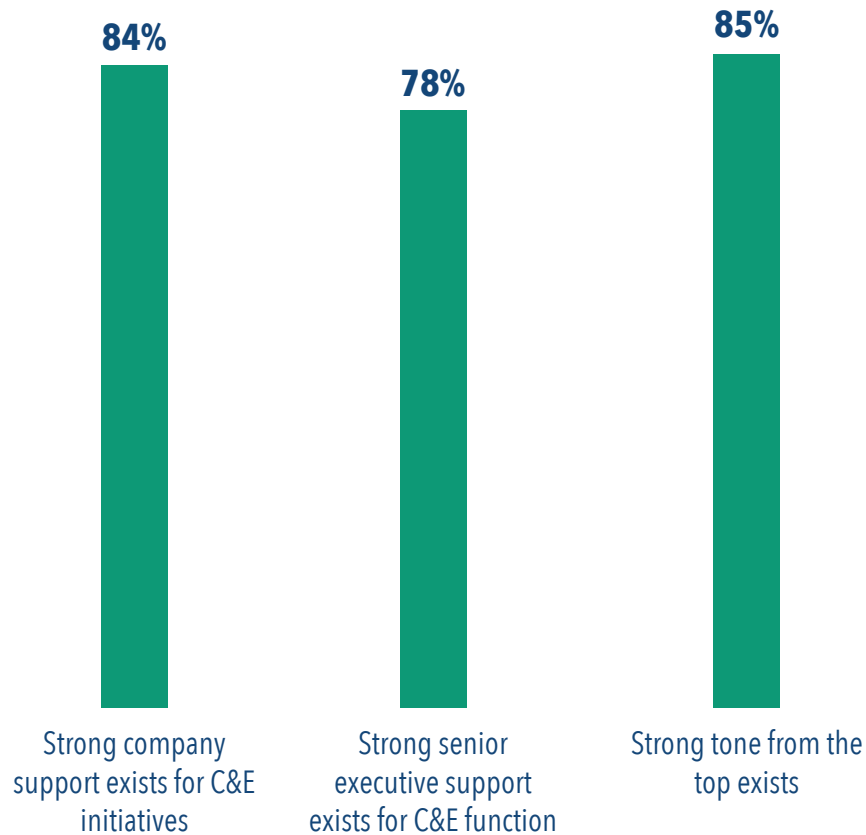
Senior Vice President, General Counsel,
Corporate Secretary and Chief
Compliance Officer
Royal Caribbean Cruises Ltd.

Ana Salas Siegel

General Counsel
NBCUniversal Enterprises

A Look Inside: 2017 World's Most Ethical Companies® Honorees

Assessment of executive engagement on ethics & compliance programs from 2017 World's Most Ethical Companies honorees.



What They're Saying About the Summit

"It was a perfect scenario to analyze the environment of compliance in Latin America, showing the problems and making new contacts to work with."

Ignacio Stepancic

Chief Compliance Officer, **Grupo Bimbo**

"It would be fair to say that it was one of the best conferences I have attended recently. All panels I attended were very educating and the mediation kept things going on a pretty dynamic manner."

Rafael Pagliuso de Andrade

General Counsel Latin America, **Emerson**

"We know that at the very least there is a perception that companies operating across LATAM are more vulnerable to missteps, and companies are looking for more guidance not just from outside counsel, but from their peers as well. For the last five years, this Summit has provided one of the most practical channels to open up that dialogue across leaders with concentration in this market, and that is essential to cultivate best practices."

Ruti Smithline

Partner, **Morrison & Foerster**

"The Latin America Ethics Summit brought together leaders in legal and compliance who all willingly wanted to share and find out what has been most effective. The community feeling was strong and the meetings were engaging to the point that folks were actively taking notes."

Michael Youssef

Enterprise Account Executive, **EVERFI**

"The speakers were subject matter experts with great advice and practical experience. I will definitely attend another conference."

Rudy Rivera

Chief International Counsel, **Fidelity National Financial**

"I bring back home a lot of notes, ideas and my to-do list is growing when remembering all the sessions but the better part is the new contacts from Latin America I made."

Carlos A. García Jiménez

Compliance Counsel Americas, **TE connectivity**

A Year Long Conversation on Performance



2016 Year-In-Review

Download Recap

January 2017



Gender Diversity Forum

February 2017



March 2017

February - April



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Rockwell Automation's
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Measuring Integrity



Patrick Quinlan
Convercent
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June - December

BELA Roundtable Series

NYC, Seattle, Frankfurt, Denver,
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See Events

October 2017



November 2017

India
Ethics & Compliance
Forum

December 2017



A Community Committed to Solving the Big Challenges of Business Integrity. **Together.**

The Business Ethics Leadership Alliance (BELA) is a globally recognized membership organization of leading companies that fosters the sharing of best practices in governance, risk management, compliance and ethics. With founding members that include GE, PepsiCo and Jones Lang LaSalle, BELA's goal is to enrich its members through the collective experience and expertise of their peers, and come away with actionable strategies to help their programs perform better. The members of BELA collectively believe that by leading the way in ethical corporate behavior, you can have a direct impact on company performance.



Learn More:

<http://bela.ethisphere.com>

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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 Ethisphere Magazine. Ethisphere is also the leading provider of independent verification of corporate ethics and compliance programs that include: Ethics Inside® Certification and Compliance Leader Verification®. More information about Ethisphere can be found at <http://www.ethisphere.com>.



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The logo for the 2017 Latin America Ethics Summit features the year '2017' in white, with the '1' and '7' partially overlapping. The '0' is a stylized green and blue shape. To the right, 'LATIN AMERICA' is in white and 'ETHICS SUMMIT' is in blue, both in a bold, sans-serif font.

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A close-up of a hand holding a smartphone, with the camera lens and flash visible. The screen shows a video recording of a conference stage. The stage has a large screen displaying 'LATIN AMERICA ETHICS SUMMIT' and a city skyline at night. Several people are seated on the stage. The phone's camera interface is visible, including a 'HDR' indicator and a shutter button.

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