Creating and Overseeing a Dynamic Corporate Compliance Program - BHP

Submitted by: BHP
Creating & Overseeing a Dynamic Corporate Compliance Program

ACT Net Workshop for Law Enforcement Agencies on Effectively Using Corporate Compliance Programs to Combat Domestic & Foreign Bribery

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**Hallmarks of an Effective Compliance Program**

1. Commitment from Senior Management and a Clearly Articulated Policy Against Corruption
2. Code of Conduct and Compliance Policies and Procedures
3. Oversight, Autonomy, and Resources
4. Risk Assessment
5. Training and Continuing Advice
6. Incentives and Disciplinary Measures
7. Third-Party Due Diligence and Payments
8. Confidential Reporting and Internal Investigation
9. Continuous Improvement: Periodic Testing and Review
10. Mergers and Acquisitions. Pre-Acquisition Due Diligence and Post-Acquisition Integration
Hallmarks 1 & 2
Commitment from Senior Management, Code of Conduct & Policies - Clearly Articulated Policy Against Corruption

Creating & Overseeing a Dynamic Corporate Compliance Program
Hallmark 4
Risk Assessments

Identify Risk
- Ongoing review of changes to international compliance laws;
- Annual review of Asset, Region and Function five-year plans; and
- Proactive engagement with the Business

Assess Risk
- Risk Assessment Preparation
- Risk Technique
- Risk Scenarios
- Risk Aggregation

Treat Risk
- E&C has an important second line role to review the effectiveness of improvements to the control environment to reduce the residual risk rating.

Monitor & Review
- Conduct independent monitoring of controls.
- Inform the risk owner of issues that may be relevant to the overall control environment, including the effectiveness of global critical controls.
Global Contract Management System (GCMS) is the global transformation of our supplier lifecycle and contract management practices through the implementation of GCMS. Our new world class platform enables streamlined and standardized processes, improve compliance controls and provide better insights into our suppliers.

**ABOUT:**

**OUR VISION:**

Enabling BHP to be an industry leader through best in class supply practices

**MAJOR BENEFITS OF GCMS:**

- Improved holistic risk-based supplier on-boarding with embedded compliance controls
- Ability to generate better data and insights from supplier, category and contract performance
- Risk Weighted due diligence information involves a feed of data from on adverse media and beneficial ownership
- Improved sourcing and contract management experience through the implementation of an intuitive system
- Increased productivity through automation, streamlining and standardization of processes globally
Hallmark 9
Continuous Improvement: Periodic Testing and Review

- Dedicated Systems and Monitoring Team with Head Of Role focused on continuous improvement.

- Moving to continuous Compliance monitoring

- Improve compliance by removing the need for employees to initiate a separate approval process.

- Exceptions will be logged in the E&C Incident Tracker and communicated to first line management.
Lessons Learnt – high risk countries – Four Ps

Persistence - keep saying no, never give up

Patience - things take longer – manage expectations

Perfection - Remove opportunity for corrupt demands

Pro-active engagement
With government officials, customers, communities, suppliers...and internal cynics – incentivise integrity
Keeping Our Program Dynamic

E&C Vision
Partnering for growth with Integrity

Strategic Pillars
Proactively engage to identify, mitigate or prevent integrity risks
Protecting value by reinforcing ethical culture
Drive & Monitor Ethical Behaviour
Fight to eliminate corruption in our industry