



**Asia-Pacific
Economic Cooperation**

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Creating and Overseeing a Dynamic Corporate Compliance Program - BHP

Submitted by: BHP



**Workshop for Law Enforcement Agencies on
Effectively Using Corporate Compliance Programs
to Combat Domestic and Foreign Bribery
Puerto Varas, Chile
18-19 August 2019**



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*

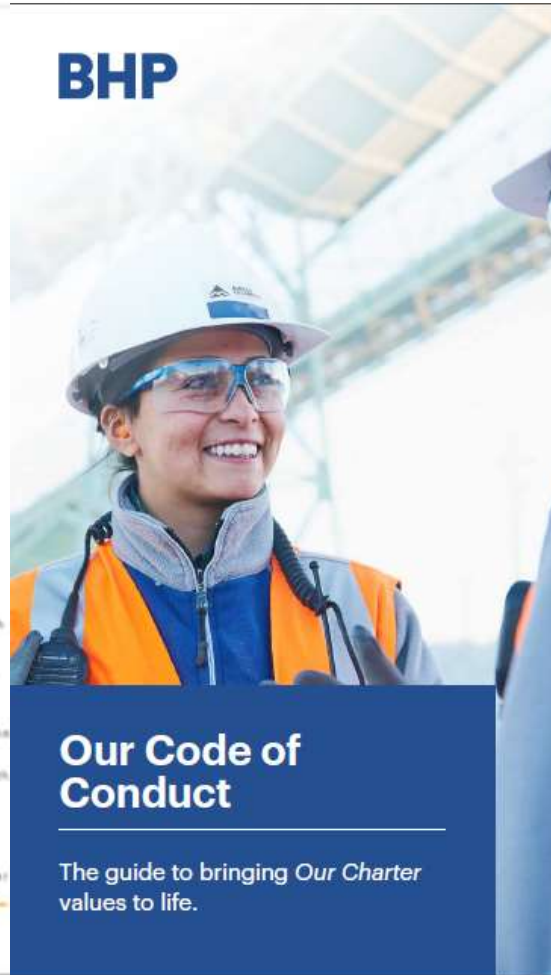
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August 18-19, 2019
Puerto Varas, Chile

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



OLD | 018 | 040 | 068 | 051 | 026
 (printed copies are uncontrolled)
 Version 6.11 (12 July 2019)

What approvals are required?

- ✘ [Giving or offering anything of value](#)
- ✘ [Keeping a gift, accepting a meal or entertainment and conflicts of interest](#)
- ✘ [Clearance of a business partner](#)
- ✘ [Applying for a corporate charter part](#)
- ✘ [Overnight business class flight of less than 6 hours duration](#)
- ✘ [Travel to a high or extreme risk destination](#)
- ✘ [Information gathering about Belarus, China or Russia, including use of data services](#)
- ✘ [Response to a compliance enforcement agency](#)



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.

Hallmark 7

Third Party Due Diligence & Payments



PROJECT
ALPHA

ABOUT:

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.



OUR VISION:

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

MAJOR BENEFITS OF GCMS:



Improved holistic risk-based supplier onboarding 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

BHP