

2008 BASIC COMPLIANCE RISKS

ENVIRONMENT, WORKPLACE HEALTH AND SAFETY

Checklist on basic compliance risks

PROGRAM AREA

ENVIRONMENT, WORKPLACE HEALTH AND SAFETY

In case of gap – define your action plan

GENERAL			
<i>OBJECTIVE</i>	<i>CHECK QUESTION</i>	<i>YES/NO</i>	<i>ACTION PLAN</i>
Ensure compliance management is part of business management	As a local program owner, are you part of the management team?	YES/NO	
Avoid lack of clear accountabilities	Are your accountabilities as program owner formally incorporated in your job accountabilities?	YES/NO	
	If you have a delegate, is this responsibility formally part of his/her job accountabilities?	YES/NO	
Ensure compliance management achievements are part of performance evaluation	Are the implementation and maintenance of the various program elements part of your performance objectives for the year?	YES/NO	
	Does your delegate have defined objectives for the year, covering the implementation and maintenance of the various program elements? (if appl.).	YES/NO	

In case of gap – define your action plan

PROGRAM ELEMENTS - TRAINING			
<i>OBJECTIVE</i>	<i>CHECK QUESTION</i>	<i>YES/NO</i>	<i>ACTION PLAN</i>
Ensure the program owner knows all relevant regulations affecting his program area	Have you identified and clarified all local regulations applicable to your program area?	YES DONE / MORE TO BE DONE	

PROGRAM ELEMENTS - TRAINING			
<i>OBJECTIVE</i>	<i>CHECK QUESTION</i>	<i>YES/NO</i>	<i>ACTION PLAN</i>
Ensure employees are aware of all relevant regulations that can affect their business activities	Are the employees, for whom knowledge of local/international regulations and company requirements is important, well informed and trained?	YES DONE / MORE TO BE DONE	
Ensure that <u>all</u> relevant employees are trained.	Have you systematically trained all new employees (new hires, transfers or promotions) on those items?	YES DONE / MORE TO BE DONE	

In case of gap – define your action plan
If not applicable (NA) – explain reason

PROGRAM ELEMENTS – OTHER RISK MITIGATING MEASURES			
<i>OBJECTIVE</i>	<i>CHECK QUESTION</i>	<i>YES/NO</i>	<i>ACTION PLAN</i>
Ensure that regulations concerning fire, evacuation and other safety requirements are monitored and implemented.	Is there a person responsible for office safety?	YES / NO	
Ensure that local offices implement the minimum legal requirements and accepted good practices.	Has the annual office safety questionnaire been completed and action plans developed where necessary?	YES / NO	
Ensure that policies and regulations concerning driving safety are monitored and implemented	Is there a fleet safety team in place lead by a senior member from sales, marketing or distribution?	YES / NO	
Ensure risks to driver safety and company reputation are minimized through effective safe driving programs	Has the annual fleet safety questionnaire been completed and action plans developed where necessary?	YES / NO / NA	
Ensure that regulations concerning fire, evacuation and other safety requirements are monitored and implemented	Has the annual warehouse and distribution questionnaire been completed and action plans developed where necessary?	YES / NO / NA	

PROGRAM ELEMENTS – OTHER RISK MITIGATING MEASURES

OBJECTIVE	CHECK QUESTION	YES/NO	ACTION PLAN
Ensure that all manufacturing facilities check annual compliance with the requirements of the EHS management system.	Has the annual EHS Assessment for manufacturing centers been completed and action plans developed where necessary?	YES / NO	

PROGRAM ELEMENTS – EXISTING TOOLS

EHS Compliance e-learning presentation	Explains responsibilities, expectations and the basic programs included in the Environment, Workplace Health and Safety Program.
Office Safety Questionnaire and e-learning presentation	Explains and assesses the office safety policy and requirements.
Market Fleet Safety Questionnaire and e-learning presentation	Explains and assesses the fleet safety policy and requirements.
Warehouse and Distribution Center Questionnaire and e-learning presentation	Explains and assesses the warehouse and distribution safety policy and requirements.

Global Compliance Risk Assessment

BUSINESS CASE

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Executive Summary of Project

Project Name:	Global Compliance Risk Assessment
Date:	
Circulate To:	Sponsor Steering Committee
Estimated Completion Date:	
Estimated Costs:	

Project Objectives:

1. Identify, evaluate, prioritize and map compliance risks faced by the company.
2. Based on the evaluation, drive continuous improvement by re-aligning program structure and responsibilities and, by ensuring appropriate resources are allocated to effectively mitigate key compliance risks.
3. Update company Senior Management Team (SMT) and the Board on the status of company compliance risk management systems and plans for continuous improvement.

Deliverables:	Key User to Approve Deliverable:
1. Identification, evaluation, prioritization and mapping of Compliance Risks faced by the Company	
2. Recommendations for Program continuous improvement and attribution of responsibilities for the management of identified risks	
3. Status report to SMT and the Board on company compliance risk management systems	

1. Project Title

Global Compliance Risk Assessment

2. Background

Since [DATE], [COMPANY] has taken a series of measures to mitigate and monitor its compliance risks. Those measures included: [a) the establishment of program areas under the responsibility of relevant functional Management for the development of standards, policies and training material; b) the creation of a Compliance Department to ensure the coordination of all compliance related activities (i.e. risk assessment, communication, surveys, etc.), and; c) the implementation of an annual market risk assessment exercise.]

Although each program area has evolved to remain adapted to the changing risk environment and business activities, time has come to formally and systematically review the compliance risks the company is exposed to and ensure all areas continue to be adequately covered.

3. Objectives

1. Identify, evaluate, prioritize and map compliance risks faced by the company.
2. Based on the evaluation, drive continuous improvement by re-aligning program structure and responsibilities and, by ensuring appropriate resources are allocated to effectively mitigate key compliance risks.
3. Update senior management team and the Board on the status of company compliance risk management systems and plans for continuous improvement.

4. Business Needs and Benefits

The business needs and benefits addressed by this project are threefold:

- Senior management is confident that all compliance risks have been systematically evaluated and, when relevant and appropriate, new mitigating measures will be developed and implemented;
- Company resources deployed to mitigate compliance risks are commensurate with determined risk levels;
- Regulatory expectations that require companies to conduct regular Compliance Risk Assessment are met (i.e. Federal Sentencing Guidelines).

5. Approach

Phase I: During this initial phase the steps will include:

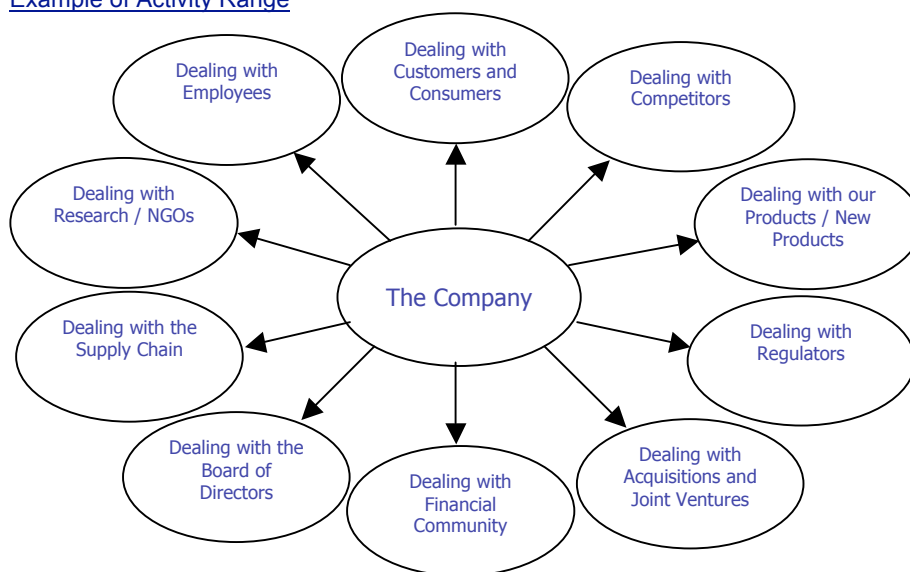
- a) Confirm the steering committee members;
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- b) Validate proposed methodology with external expert;
- c) Communicate and align understanding of scope, objectives, approach, timeline and expected outcome of the project to the steering committee;
- d) Identify and appoint the key project participants;
- e) Communicate their roles to the additional project contributors (i.e. Program Directors).

Phase II: During the second phase the main steps will be:

- a) Gather and analyze existing data such as audit findings, surveys results, helpline reports, compliance cases statistics, markets' risk assessment results, litigation records, management representation letters, SOX review results, etc., which will provide valuable indications on real risk areas/factors;
- b) Look at the company by type of activities (vs its functional areas) and, for each of them, map potential compliance risk areas;

Example of Activity Range



- c) Through interviews/discussions and using the information collected under a) and b), engage management including Program Directors and members of the SMT in the determination and evaluation of current/future key compliance risks.

Phase III: During this consolidation phase the main steps will include:

- a) Consolidate and rank all identified compliance risks by activities and areas of expertise;
- b) Based on this list, conduct a gap analysis with current program structure;
- c) If deemed appropriate and, in order to provide a home for all risks identified, recommend a revised compliance structure with redefined program areas, scope and responsibilities;

Phase IV: This Phase correspond to the reporting of the results and will include:

- a) Preparation and presentation of a Summary report to SMT for validation of risks and priorities as well as recommended program areas and responsibilities;
- b) Preparation and presentation of a summary report for information to the Board;

Phase V (which is not included in the scope of this project) is the phase where those with responsibilities to mitigate specific risk areas will work on their own plans.

6. Deliverables & Key Users

Deliverables:	Key User to Approve Deliverable:
1. Identification, evaluation and prioritization of new and/or emerging Compliance Risks faced by the Company and our business	General Counsel and Chief Compliance Officer
2. Attribution of Roles and Responsibilities to mitigate those risks	General Counsel and Chief Compliance Officer
3. Report to SMT and the Board on company compliance risk management status	General Counsel and Chief Compliance Officer

7. Scope

7.1. In Scope

The project will seek to catalogue and examine risks of non-compliance with local and international laws and regulations, company's code of conduct and policies, as well as other stakeholder expectations which may have an adverse impact on company's image and reputation.

7.2. Out of Scope

The project will not cover operational, financial and strategic risks unless those include a compliance element as per the description above (7.1).

The determination of specific action plans to further mitigate compliance risks is not included in this project (to be conducted as a next phase, based on project recommendations).

8. Schedule

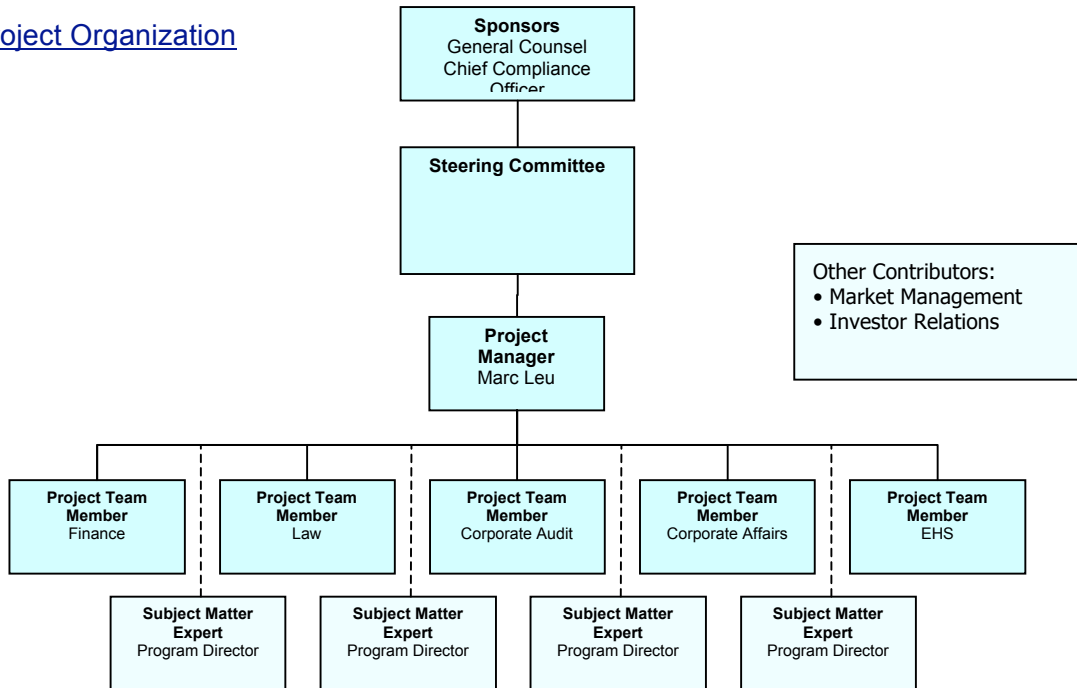
Work Item	Months →	1	2	3	4	5	6	7	8	9	10	11	12
1. Start				◆									
2. Phase I: Organization, Preparation, Team Engagement				■	■								
3. Phase II: Collection and Analysis of Information (a. & b.)				■	■								
4. Phase II: Risk Assessment (c.)							■						
5. Phase III: Consolidation, Gap Analysis and Compliance Programs Structure								■	■				
6. Phase IV: Results Reporting / Recommendation										■			
7. End of Risk Assessment Project										◆			
8. Phase V: Development of Specific Plans by Program Areas											■	■	■

The project is expected to be concluded by [DATE].

9. Project Organization

Sponsor:	
Steering Committee:	
Project Manager:	
Key Project Team Members	
Subject Matter Experts	Program Directors
Other Contributors	

Project Organization



2008 BASIC COMPLIANCE RISKS

COMPETITION LAW

Checklist on basic compliance risks

PROGRAM AREA

COMPETITION LAW

In case of gap – define your action plan

GENERAL

<i>OBJECTIVE</i>	<i>CHECK QUESTION/TARGET</i>	<i>YES/NO</i>	<i>ACTION PLAN</i>
Establish clear accountabilities	Accountabilities as Competition Law Program Owner formally incorporated in your job accountabilities and annual objectives?	YES/NO	
Ensure that Competition Law Policy is easily accessible to employees and is available in a language which they can understand	Policy is easily accessible in English and, where appropriate, local language	YES/NO	
Assess Compliance	Consider need for periodic review of identified competition law risk areas and, where appropriate, conduct review	YES DONE / MORE TO BE DONE	
	If review conducted, assess key findings and, as appropriate, agree any necessary action plans with management	YES DONE / MORE TO BE DONE	

PROGRAM ELEMENTS – TRAINING			
<i>OBJECTIVE</i>	<i>CHECK QUESTION/TARGET</i>	<i>YES/NO</i>	<i>ACTION PLAN</i>
Ensure that relevant target audiences receive appropriate live trainings.	Develop, in conjunction with relevant client groups, annual schedule for live trainings and re-trainings of identified target audiences	YES DONE / MORE TO BE DONE	
	Develop plan for training new and transferred employees, where appropriate	YES DONE / MORE TO BE DONE	
	Conduct planned live trainings, or where appropriate, adjust schedule	YES DONE / MORE TO BE DONE	
	Conduct refresher training for senior management at least once every two years	YES DONE / MORE TO BE DONE	
Measure effectiveness of live training	Participants in live trainings asked to fill out feedback form	YES DONE / MORE TO BE DONE	
Relevant audiences receive updates in competition laws that impact their jobs.	Affiliate program owners have communicated to client groups significant law updates	YES DONE / MORE TO BE DONE	

PROGRAM ELEMENTS – OTHER RISK MITIGATING MEASURES			
<i>OBJECTIVE</i>	<i>CHECK QUESTION</i>	<i>YES/NO</i>	<i>ACTION PLAN</i>
Key risk activities are systematically evaluated from a competition law perspective, including trade programs and revisions, distribution arrangements, competitive intelligence activities, recommended pricing proposals, pricing decisions and participation in industry associations.	Procedures are in place to ensure proper and systematic legal review of key risk activities.	YES DONE / MORE TO BE DONE	
	Relevant client groups seek Law Department involvement/input where appropriate	YES DONE / MORE TO BE DONE	
	Law Department review of activity documented as appropriate	YES DONE / MORE TO BE DONE	
Ensure affiliate readiness for responding to government investigations	Office plan in place to outline actions to be taken in event of government inspection/“dawn raid”	YES DONE / MORE TO BE DONE	
	Plan updated annually	YES DONE / MORE TO BE DONE	
	Relevant audiences trained on plan at least once every two years, and newcomers trained	YES DONE / MORE TO BE DONE	

PROGRAM ELEMENTS – EXISTING TOOLS

Template for training – general audience and sales force	
Protocols for conduct trade program reviews	
Protocol for conducting competition law reviews	
Protocol for setting up plan for responding to government inspections	
Training evaluation form	
Reference Library of all competition law filings and agency decisions	