ETHISPHERE®
GOOD. SMART. BUSINESS. PROFIT.®

BUSINESS ETHICS LEADERSHIP ALLIANCE™
An Ethisphere Community

Disclosures Masterclass

Navigating a New World of Work and Regulatory Expectations

PRESENTED BY:

Andrew Neblett, Chief Operating Officer
Brian Beeghly, EVP Insights & Solutions

DATE:

June 1, 2022

©Ethisphere 2022

Introducing Today's Presenters

Andrew Neblett
Chief Operating Officer

Brian Beeghly
Executive Vice President, Insights & Solutions

What We'll Discuss

1. **The Basics:**
   What are disclosures and why are they important?

2. **Benchmark Data:**
   Highlights from the 2022 World's Most Ethical Companies Data

3. **Workflows & Automation:**
   Managing the disclosure process from beginning to end

4. **Best Practices:**
   Building an effective disclosure program for your organization

5. **Audience Questions**

Disclosure Basics

- The Basics
- Benchmark Data
- Workflows & Automation
- Best Practices
- Audience questions

What is a disclosure?

dis·clo·sure

/disˈklōZHər/

- An act or an instance of disclosing.
- To make known; to reveal; to uncover.
- To cause to appear; allow to be seen; to lay open to view.

Disclosures are a means by which information is shared or conveyed in a pro-active and transparent manner.

What types of disclosures are companies tracking?

CONFLICTS OF INTEREST

- Customers
- Suppliers/Vendors
- Employees
- Competitors
- Outside Employment/Activities
- Outside Board of Directors
- Financial Investments/Interests
- Personal/Family Conflicts
- Social Media/Influencers

GIFTS & ENTERTAINMENT

- Giving
- Receiving
- Business Courtesies
- Travel
- Sponsorships
- Product/Manufacturing Tours

OTHER/REGULATORY

- Political Contributions
- Charitable Donations
- Government Contacts
- Industry/Trade Associations
- Sunshine Act (Healthcare)
- Clinical Investigators (Pharma)
- Form ADV (Financial Advisors)

When are disclosures being made?

Pre-Employment

Onboarding

Post-Training

Annual (Code of Conduct or Policy Attestation)

Ad Hoc/Ongoing

Tied to Underlying Business Activity (Events, New Customer or Supplier, M&A, JV, etc.)

What are the challenges of a disclosure program?

- **Inadequate, non-existent or overly complicated disclosure policies** and/or guidance
- **Lack of awareness** on how, when and where to disclose
- **Disconnect** between underlying business activity and the need to disclose
- **Lack of effective tools** to submit, review and manage disclosures
- **Poor documentation, reporting and analytics** on disclosure risks

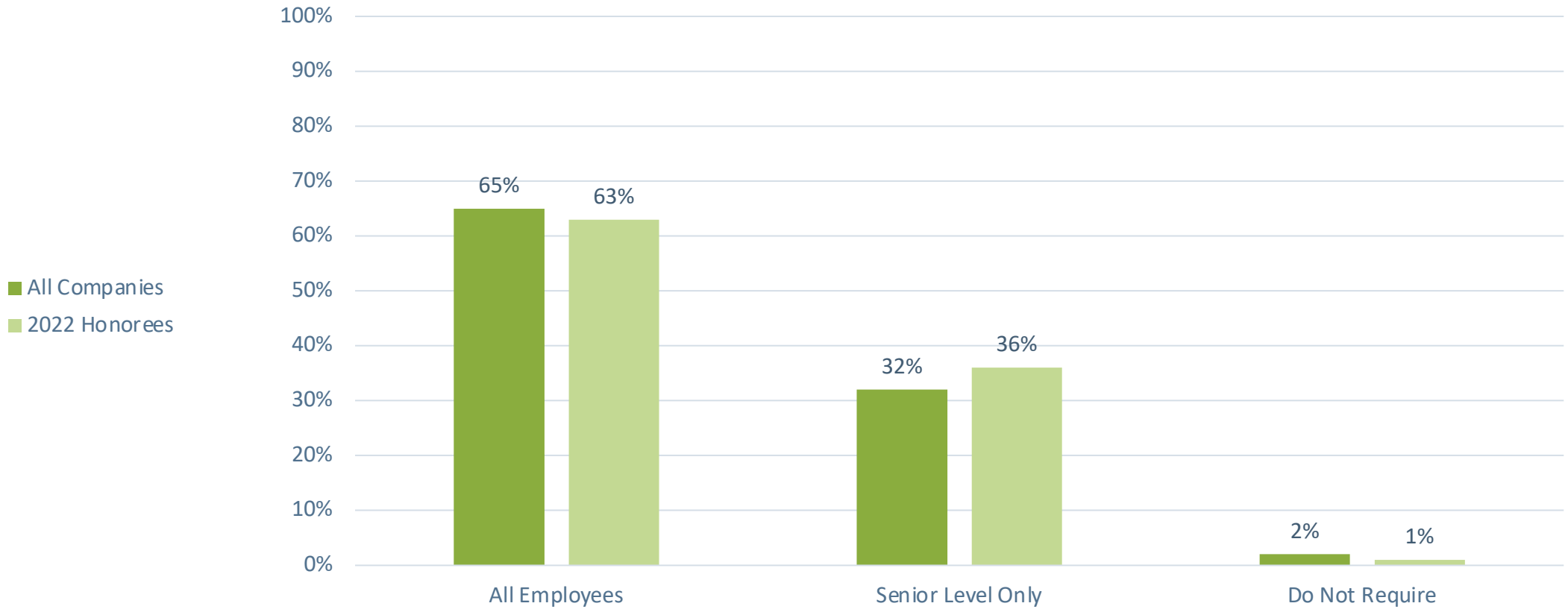
What are the benefits of a disclosure program?

- **Allows employees to comply** with policies
- **Drives a positive engagement** with the compliance program
- **Helps company to identify risks** and address issues pro-actively
- **Fulfills regulatory disclosure requirements** (where applicable)
- **Supports evaluation criteria** for an effective ethics and compliance program

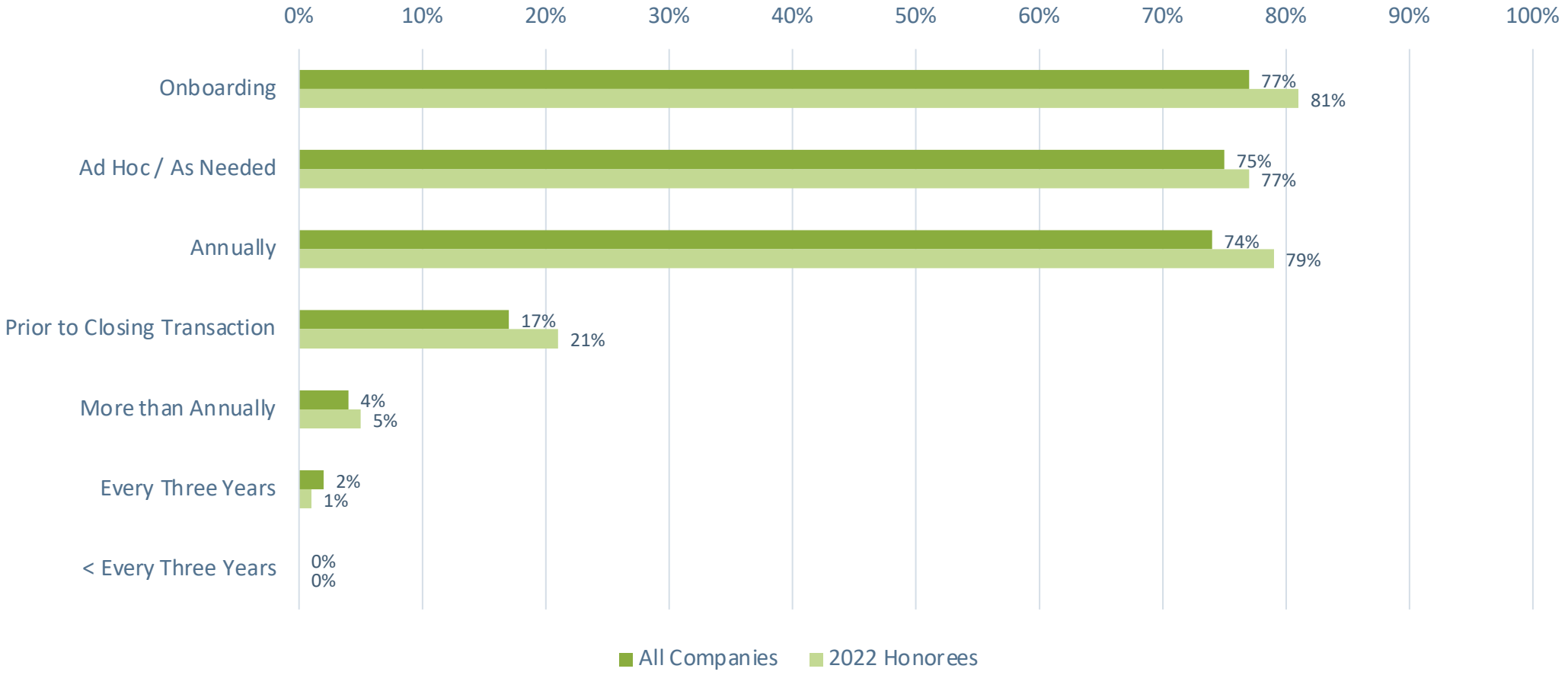
Disclosure Benchmarks

- The Basics
- **Benchmark Data**
- Workflows & Automation
- Best Practices
- Audience questions

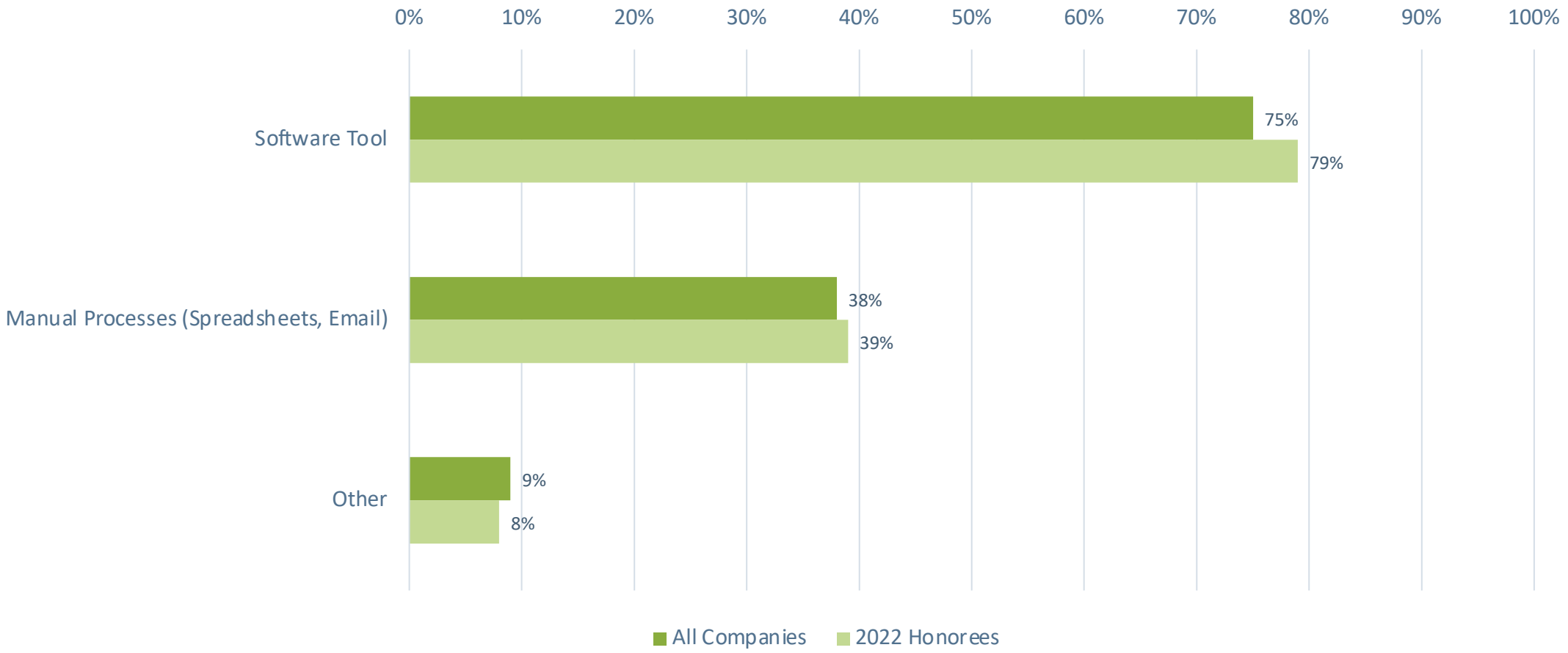
Who is required to disclose Conflicts of Interest?



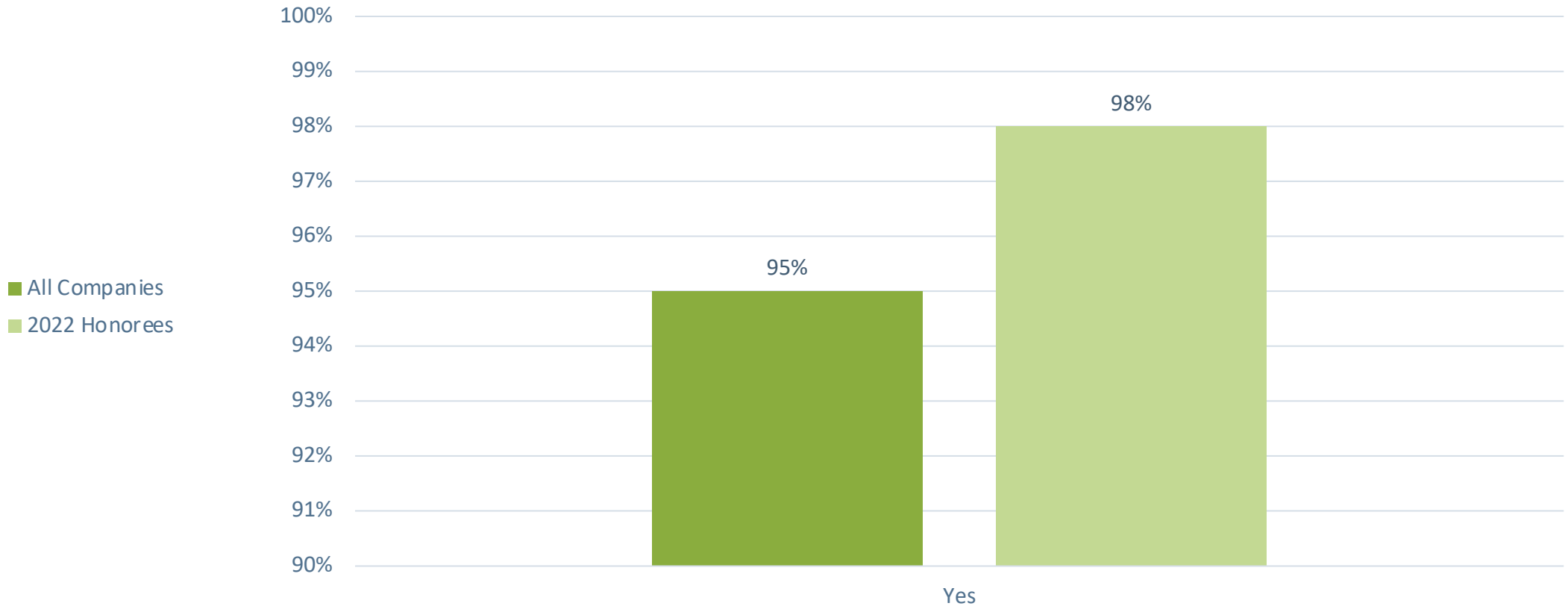
When are Conflicts of Interest disclosed?



What technologies do you use to track Conflicts of Interest?

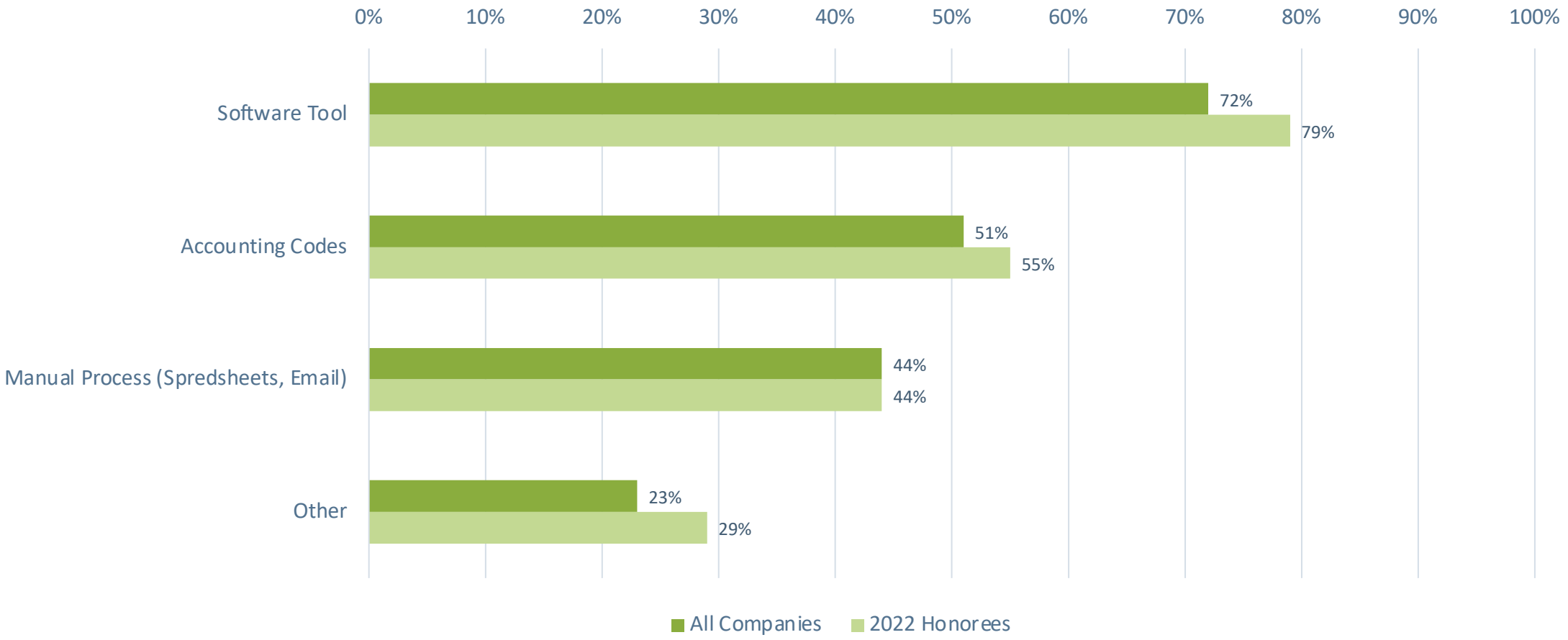


Do you track Gifts & Entertainment disclosures?*



* Includes Gifts & Entertainment “Given” or “Received” as well as Pre-Approval and Post-Expense tracking

What technologies do you use to track Gifts & Entertainment?



Disclosure Workflows

The Basics

Benchmark Data

Workflows & Automation

Best Practices

Audience questions

Questions to Consider

EMPLOYEES

- Who is required to disclose?
- Why am I disclosing?
- What do I disclose?
- Where/how do I disclose?
- When do I disclose?
- Who do I disclose to?
- When will it be approved?
- Who will review/approve it?
- Is my disclosure confidential?
- How do I follow-up on my disclosure?

REVIEWERS/APPROVERS

- Who is required to approve?
- Who is required to review?
- Who should be notified only?
- What evaluation criteria is used?
- What actions do I need to take?
- When do I need to respond?
- How do I resolve problems?
- Who manages mitigation plans?
- Who provides resolution?
- Who communicates with the employee?

COMPLIANCE TEAM

Is the process:

- Consistent?
- Timely?
- Efficient?
- Repeatable?
- Transparent?
- Compliant?
- Captured?
- Secure?
- Confidential?

How easy is it to submit, review and resolve disclosures?

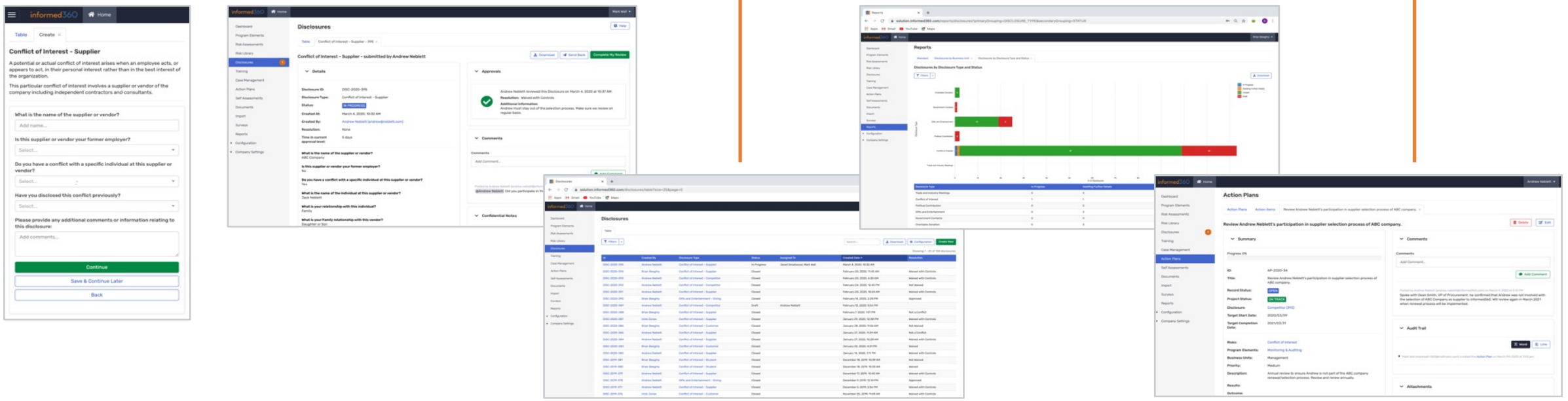
Disclose
Targeted forms and questions, device-friendly, and accessible

Review
Configurable approvals with automatic notifications and a complete audit trail

Analyze
Slice and dice the data to understand substantive and operational trends

Report
Leverage best practice reports or build your own

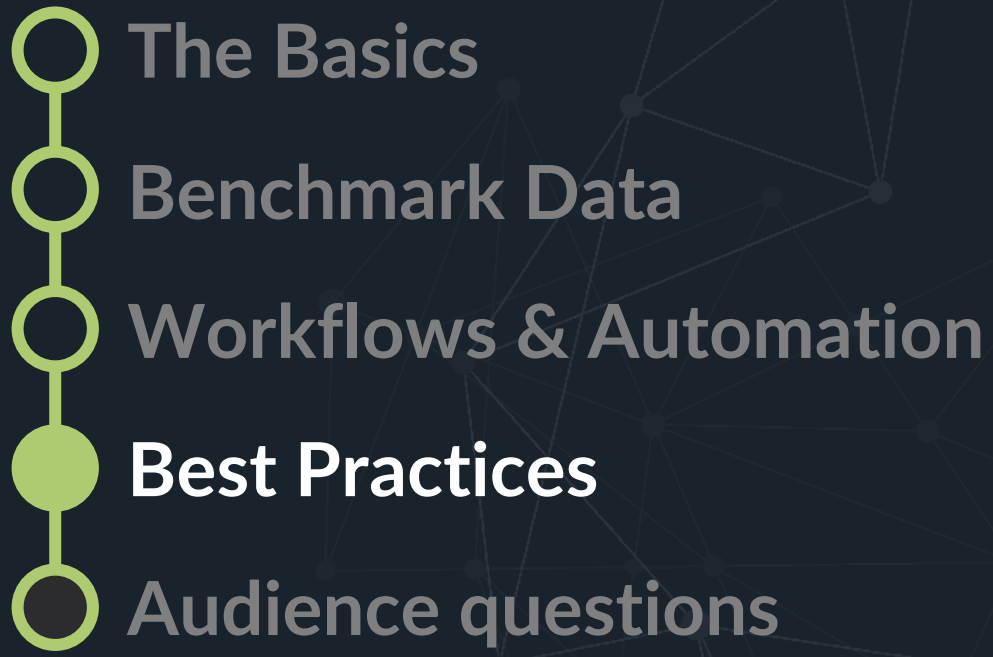
Follow-up
Create and manage follow-up actions with owners, deadlines and reminders



Don’t Forget About Integrations

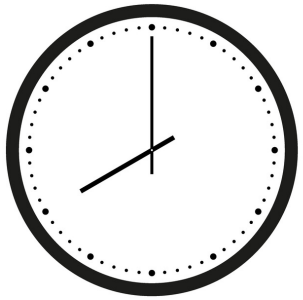
- **Single Sign-On** – for easy access and authentication
- **HRIS** – for manager and other org hierarchy approvals

Disclosure Best Practices

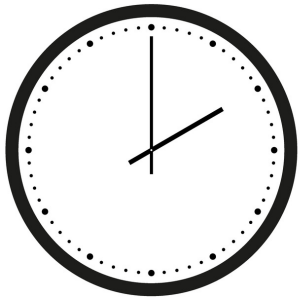


Disclosure Timing Is Critical

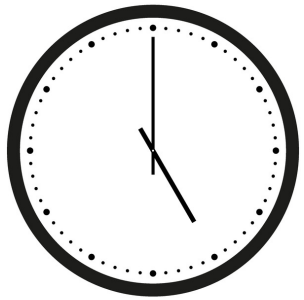
How long does it take to:



- Make the disclosure



- Review/approve the disclosure



- Resolve/close the disclosure

Making Disclosure Easy Drives Engagement

Getting employees to disclose is directly related to the process.

Keep it simple and intuitive.

Forms & Questions

- Keep forms short and focused
- Create distinct form for each disclosure type
  - Use targeted questions for each disclosure type
- Start a conversation – build engagement
- Pilot test your forms with small groups and compliance team

Process

- Link forms to underlying business activities, where possible
- Limit number of approvers and thresholds
- Follow-up where more details are needed
- Structure data for easy analytics and reporting
- Adjust as you gain insight and feedback

Simplifying the Review Builds Trust and Transparency

Get the right people involved at the right time.

Deliver resolutions quickly and consistently.

Review Process

- Keep it simple – limit levels and number of reviewers
- Design approval workflows for separate forms
- Ensure consistent adjudication and resolutions
- Delegate where appropriate

Response

- Set clear expectations for response times and consistency
- Deliver quick responses and resolutions
- Get input from SMEs as needed
- Follow-up where remedial measures are required

Considerations

- Decide whether managers approve or get notification only
- Automation may require changes in your policies

Audience Questions

The Basics

Benchmark Data

Workflows & Automation

Best Practices

Audience questions