Long Session Report

Session Title: How can we help reduce Corruption - Guidelines, Practice & Culture
Date & Time: Tuesday 23 October 2018 at 12H00-14H00
Report prepared by: Ellen Marie Friis Johansen, Senior Adviser, Secretariat of the Danish national contact Point to the OECD

Session coordinated by: Ellen Marie Friis Johansen, Senior Adviser, Secretariat of the Danish national contact Point to the OECD

Moderated by: Nina Munch-Perrin, Finance Denmark

Experts:
Linda Nielsen, Professor and Chair of the Danish National Contact Point to the OECD
Jesper Lund Bredesen, HQ-PARC, Chair, Senior Director Lundbeck
Cecilia Müller Torbrand, Program Director, Maritime Anti-Corruption Network (MACN)
Andreas Brogaard Buhl, Head of Sustainability, Investment Fund for Developing Countries
Jonas Vejsager Nøddekær, CEO International Affairs, DanChurchAid
What were the aims of the session and corruption risks?

The aim of the workshop:

1. To present international CSR-guidelines as a tool to reduce corruption. Especially the OECD Guidelines for Multinational Enterprises and the Danish National Contact Point to the OECD

2. Insights on experiences from companies and organisations under the headline “Corporate Responsibility and Management”
   - Jesper Bredesen, Lundbeck: Creating culture - compliance without policing
   - Cecilia Müller Torbrand, MACN: Maritime Corruption – a Global Issue

3. Paneldebate
   - Linda Nielsen, Professor and Chair of the Danish National Contact Point to the OECD
   - Jesper Lund Bredesen, HQ-PARC, Chair, Senior Director Lundbeck
   - Cecilia Müller Torbrand, Program Director, Maritime Anti-Corruption Network (MACN)
   - Andreas Brogaard Buhl, Head of Sustainability, Investment Fund for Developing Countries
   - Jonas Vejsager Nøddekær, CEO International Affairs, DanChurchAid

Summary of panellists’ contributions & discussion points (please be as detailed as possible)

Linda Nielsen’s presentation:
   - Trade fosters prosperity
   - Challenges to anti-corruption
   - Anti-corruption tools
   - Expectations to due diligence and presentation of the international CSR-guidelines
   - Role of the Danish National Contact Point to the OECD
• Relevance of the OECD Guidelines in an anti-corruption perspective
• Examples on how violation on human rights has its origin in corruption (The Rana Plaza collapse)
• Ethics and responsibility

Jesper Bredesen’s presentation:
• Compliance basics
• Culture is a system of knowledge we have learned to execute without thinking/questioning
• Creating culture – what’s the problems? - what’s the handles?
  1. Getting understood – being heard
  2. How to change behavior – create culture
  3. Speed tickets considerations
  4. General decision patterns
• How Lundbeck did it
  1. Get the right structure from the start
  2. Establish shared values (at management level) and communicate them (passionately)
  3. Establish reasonable and realistic goals (equals the change-capacity)
Main principles:
• Service not a police function
  Ethical considerations: Ethics is not build from punishment – ethics has hard conditions when you feel threatened
• Consensus driven (make it difficult to escalate)
  Ethical considerations: It takes a lot of discussion to establish and accept shared ethical values and a culture around them – but when they are there ...it’s so much easier
• Make the right compliance decisions at lowest possible organizational level - as early as possible (early conceptual reviews)
  Ethical considerations: Ethical thinking and behavior is not only a management matter - compliance culture is founded in every single employee

Cecilia Müller Torbrand’s presentation:

Maritime corruption and examples on what does the maritime industry do.
• MACN as a global business network working towards the vision of a maritime industry free of corruption that enables fair trade to the benefit of society at large.
• Established in 2011, MACN comprises shipping companies and other companies in the maritime industry.
• MACN governance and strategy:
  1. Capacity Building: Providing industry-leading innovative solutions to members
  2. Collective Actions: Driving and leading sustainable change in the operating environment
  3. Culture of Integrity: A recognized contributor to integrity standards in the industry and society

Main outcomes of session (include the highlights and interesting questions from the floor)

• A risk of corruption is also a risk of human rights violations
• The tone at the top is miserable: JP Morgan is fined for $13 billion. The CEO gets a bonus for lowering the fine.
• Too much focus on short term profits – culture of fear
• How can the board of directors be influenced? Attend meetings – general assemble.
• Danish companies are important in supporting a culture in the right direction.
Key recommendations and concrete follow-up actions

- Don’t hire ‘bad people’. Do not give too much power to one person.
- Avoid that ‘good people’ do bad things
- Create a compliance culture – a trusting environment is important
- Allow people to discuss difficult questions in the open.
- Discussion on general guidance vs. specific guidance to companies. Some companies want very specific and hands-on guidance as opposed to more general CSR-standards.
- Focus on compliance hotlines and whistleblower systems

We value your assessment following the outputs of the session, if you need to, please get feedback from the session coordinator or the moderator for this component.

What can be done to create opportunities for scaling up the solutions discussed in the session? And by whom?

Investors have a lot of power to influence the board of directors – especially in the early stages when the contract is signed. Make alliances with other companies and investors to support a culture in the right direction.
Key Insights for the future of the anti-corruption agenda (including Game Changing ideas/ suggestions/ actions from the session)

- Collaboration between companies like the MACN and between investors are the key to success and progress on anti-corruption
- Collaboration between individuals with same goals, eg. Members of a pension fund. In collaboration they can demand the board of directors to focus on a specific issue.
- NGOs have an important role in changing ethical behaviour which can be channelled out through the organisation. The moral compass of a company or sector can be changed.

Rapporteur’s name and date submitted

This Long Report needs to be submitted by 7 November