Risk Assessment: Combining Data from Multiple Sources to Identify and Mitigate Risk

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The Coca-Cola Company is EVERYWHERE...almost.
What we will cover

BUILDING THE FOUNDATION OF COMPLIANCE DATA INCLUDING UNIQUE SOURCES OF DATA TO GAIN COMPLIANCE VALUABLE INSIGHTS

COMBINING DATA INTO ANALYTICS, METRICS, AND RISK ASSESSMENTS

THE FINISHED PRODUCT: VISUALIZATIONS AND DASHBOARDS
Our Journey

FROM

TO

U.S. Department of Justice

Criminal Division

Prosecutors should also consider “[t]he effectiveness of the company’s risk assessment and the manner in which the company’s compliance program has been tailored based on that risk assessment” and whether its criteria are “periodically updated.” See, e.g., JM 9-47-120(2)(c); U.S.S.G. § 8B2.1(c) (“the organization shall periodically assess the risk of criminal conduct and shall take appropriate steps to design, implement, or modify each requirement [of the compliance program] to reduce the risk of criminal conduct”).

Guidance Document
Updated: April 2019
Setting the Foundation with Data

Where to find your data

- Ethics & Compliance Data
- Other Internal Data
- External Data
Ethics & Compliance Data

- Hotline trends
- Case data
- COI Disclosures
- Govt Dealings Requests
- Training completion rates
  - by type/categories
  - by org levels/types
  - by empl. characteristics
  - by root cause/risk

Third Party DD
- High Risk vendors
- Red Flags
- associated employees

Other Internal Data

External Data
Example Custom Fields

- Case Closure Analysis
- Risk Score
- Governance employee involvement
- Root Cause
- Financial Impact Analysis
- Internal Control Weaknesses
Other Internal Data – HR Data

**employee characteristics**
- Unique Identifier
- Grade Level
- Seniority
- Job Resp.
- Mgr/Ind. Contrib.
- Manager name/uid
- Org/Location
- No SPI required

**employee relations cases**
- Volume
- Types of Issues
- Org/Location
- Employees implicated

**engagement survey**
- Engagement levels
- Compliance specific questions
- Other insightful questions
Other Internal Data – Public Affairs
- regulatory watches - activism

Finance Data

Capital Plans
- Greenfield/Other construction

Operational and Expectations
- Budget/actuals

Travel & Entertainment
- Govt dealings
- Gifts and entertainment
- High spenders
TI-Corruption Perception Index

TRACE Bribery Risk Matrix

Enforcement Actions

Regulations

Open Web/Internet

Benchmark Reports (Navex, PwC, Ethisphere)

Ethics & Compliance Data

Other Internal Data

External Data

Open Web
Analytics, Metrics, and Creative Visualizations in Dashboards and Reporting

Dashboard
1. Completion Rate for Entity for Annual COBC Training
2. Completion Rate for Entity for Annual COBC Certification
3. Completion Rate for Entity for Employees with a High Risk Profile
   - Grade level
   - Job responsibilities
   - Previous Discipline
   - T&E Data
   - Manage ‘High Risk’ Vendors

Each analytic is scored and rolls into an overall metric score for the risk assessment

<table>
<thead>
<tr>
<th>Category</th>
<th>Completion rate</th>
<th>Weighted Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Training</td>
<td>95 or higher</td>
<td>0</td>
</tr>
<tr>
<td>Overall Training</td>
<td>85-94</td>
<td>5</td>
</tr>
<tr>
<td>Overall Training</td>
<td>75-84</td>
<td>15</td>
</tr>
<tr>
<td>Overall Training</td>
<td>below 74</td>
<td>25</td>
</tr>
<tr>
<td>High Risk empl roles</td>
<td>98 or higher</td>
<td>0</td>
</tr>
<tr>
<td>High Risk empl roles</td>
<td>90-97</td>
<td>5</td>
</tr>
<tr>
<td>High Risk empl roles</td>
<td>80-89</td>
<td>15</td>
</tr>
<tr>
<td>High Risk empl roles</td>
<td>below 79</td>
<td>25</td>
</tr>
<tr>
<td>Certification</td>
<td>95 or higher</td>
<td>0</td>
</tr>
<tr>
<td>Certification</td>
<td>85-94</td>
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<td>below 74</td>
<td>25</td>
</tr>
</tbody>
</table>
Engagement Survey Data

- Ethics & Compliance specific questions
- Other insightful questions
- Overall engagement Scores

Each question is assessed for each entity and scored based on percentage of unfavorable responses. Each score rolls into a metric in the risk assessment.

<table>
<thead>
<tr>
<th>Question</th>
<th>category</th>
<th>&gt; % unfav</th>
<th>&lt; % unfav</th>
<th>points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees are respected, regardless of their level</td>
<td>respect</td>
<td>25</td>
<td>50</td>
<td>1</td>
</tr>
<tr>
<td>Senior leaders’ actions match their words</td>
<td>tone</td>
<td>20</td>
<td>30</td>
<td>2</td>
</tr>
<tr>
<td>I feel comfortable reporting dishonest or unethical practices without fear of negative repercussions</td>
<td>ethics</td>
<td>10</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>Are you seriously considering leaving the company in the next 12 months?</td>
<td>engagement</td>
<td>30</td>
<td>50</td>
<td>1</td>
</tr>
</tbody>
</table>

Engagement Survey Data
Hot Spot Metric

- HR employee data: unique identifier for employees and their manager
- Case data: employees mapped to unique identifier who are subjects of allegations and/or investigations
- Analytic to score each manager when there is a subordinate investigation

![Bar chart showing COBC Cases for different managers](chart.png)
Examples: Root Cause & Employee Grade Level

Sample Data

Your Journey
### First risk assessments ... excel!

| Group                      | Entity                                    | Country     | CPI | COBC | Hotline | Engagement | Org | Final Score | Override comments         |
|----------------------------|-------------------------------------------|-------------|-----|------|---------|------------|     |             |                           |
| Bottling Investments       | BIG Controller's Group                    | United States | 1-3| 1-3  | 1-3     | 1-3        | 1-3 | Low/Med/High |                           |
| Bottling Investments       | BIG Information Technology                | United States | 1-3| 1-3  | 1-3     | 1-3        | 1-3 | Low/Med/High | Override due to...          |
| Bottling Investments       | India Bottling Operations (7 Zones, HO and SS) | India       | 1-3| 1-3  | 1-3     | 1-3        | 1-3 | Low/Med/High |                           |
| Bottling Investments       | Guatemala Bottler                         | Guatemala   | 1-3| 1-3  | 1-3     | 1-3        | 1-3 | Low/Med/High |                           |
| Bottling Investments       | Bangladesh Bottler                        | Bangladesh  | 1-3| 1-3  | 1-3     | 1-3        | 1-3 | Low/Med/High |                           |
| Bottling Investments       | Moreesa Bottler                           | Uruguay     | 1-3| 1-3  | 1-3     | 1-3        | 1-3 | Low/Med/High | Override due to...          |
| Bottling Investments       | Myanmar Bottler                           | Myanmar     | 1-3| 1-3  | 1-3     | 1-3        | 1-3 | Low/Med/High |                           |
| Bottling Investments       | Nepal Bottler                             | Nepal       | 1-3| 1-3  | 1-3     | 1-3        | 1-3 | Low/Med/High |                           |
| Bottling Investments       | Singapore/Malaysia Bottler                | Singapore   | 1-3| 1-3  | 1-3     | 1-3        | 1-3 | Low/Med/High |                           |
| Bottling Investments       | Vietnam Bottler                           | Vietnam     | 1-3| 1-3  | 1-3     | 1-3        | 1-3 | Low/Med/High |                           |
| Bottling Investments       | Coca-Cola Bottler Sales and Services (CCBSS) | Philippines | 1-3| 1-3  | 1-3     | 1-3        | 1-3 | Low/Med/High |                           |
| Bottling Investments       | Sri Lanka Bottler                         | Sri Lanka   | 1-3| 1-3  | 1-3     | 1-3        | 1-3 | Low/Med/High |                           |
| Bottling Investments       | Cambodia Bottler                          | Cambodia    | 1-3| 1-3  | 1-3     | 1-3        | 1-3 | Low/Med/High |                           |

- CPI = Corruption Perception Index
- COBC = Code of Business Conduct Cases
- Hotline = volume and restrictions
- Engagement = Engagement Survey analysis
- Org = Type of entity being assessed
- 1-3 - 1 = Low; 2 = Medium, 3 = High
- Final Score = formula from the previous 5 components to give a High, Medium, or Low score

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