



# **COMMUNICATION ON ENGAGEMENT**

## **DECEMBER 2018**

TRACE International, Inc.

# Foreward

I am pleased to reaffirm TRACE's commitment to advancing the Ten Principles of the United Nations Global Compact with a strong emphasis on Principle 10.

TRACE continues to help thousands of companies of all sizes across industry sectors to not only meet fundamental responsibilities in the area of anti-corruption but to also raise compliance standards. TRACE is dedicated to mobilizing the international business community and other key stakeholders to implement the 10th Principle and encourages all companies to adopt robust anti-bribery programs by supporting their compliance efforts with practical tools and resources. For nearly two decades, TRACE has supported companies as they endeavor to operate at the highest levels of integrity and transparency and to develop and implement best practices to address all forms of corruption.

We are fully committed to engaging in collaborative, multistakeholder initiatives which help businesses reduce corruption and advance commercial transparency. As a leading anti-bribery business organization, we seek to deploy our global network and capabilities to promote the 10th Principle and to raise awareness of anti-corruption efforts worldwide.



Alexandra Wrage

A stylized, handwritten signature in black ink, consisting of several fluid, connected strokes.

TRACE President  
14 December 2018

# About TRACE



TRACE International is a 501c(6) non-profit business association that pools resources to provide multinational companies and their commercial intermediaries with practical and cost-effective anti-bribery compliance solutions. While TRACE is recognized globally by anti-bribery authorities for its leadership in promoting corporate compliance, it remains completely autonomous without any public funding.

TRACE membership helps companies conduct business ethically and in compliance with the U.S. Foreign Corrupt Practices Act and other similar anti-bribery regulations, all while remaining competitive. Members have access to a full suite of resources and innovative compliance tools that are easy to use and implement. Joining TRACE provides a low cost alternative to increasingly expensive and time-consuming corporate compliance. Member benefits include:

**Compliance Benchmarking**

**Due Diligence & Risk Sorting**

**Multilingual Online Training**

**Database of Third Parties**

**Conferences Worldwide**

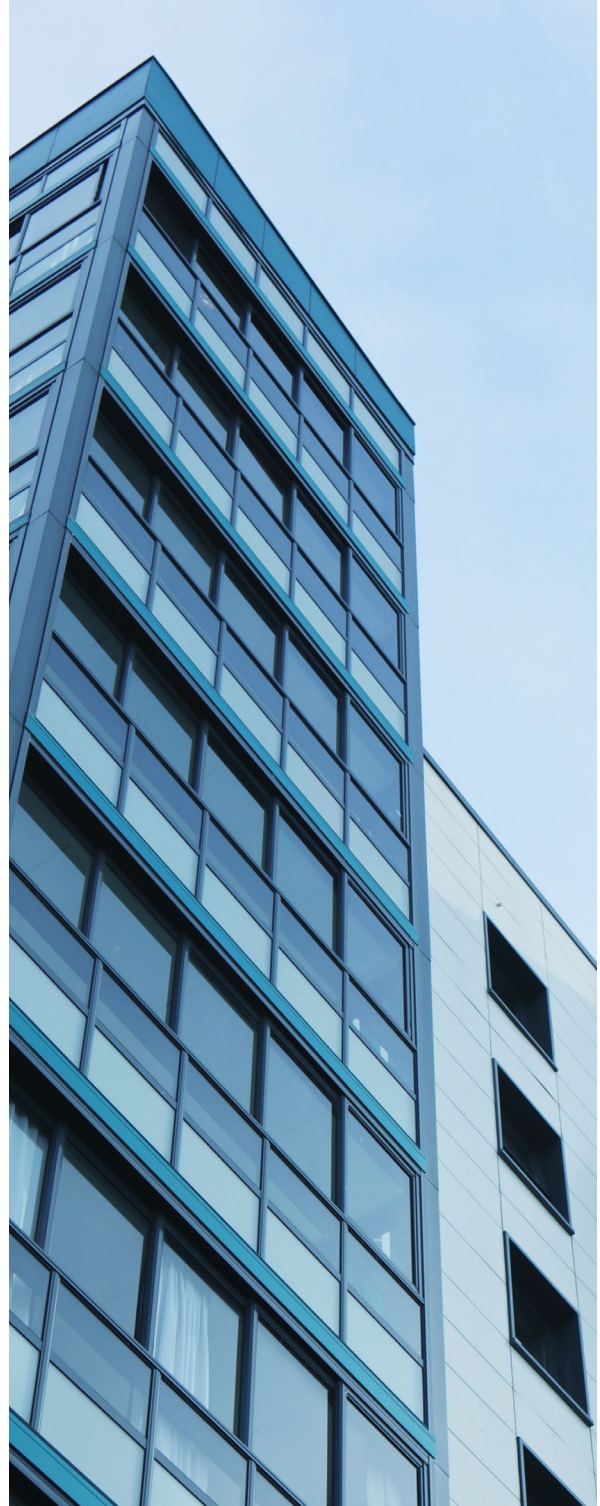
**Anti-Bribery Accreditation**

**Gifts & Hospitality Management**

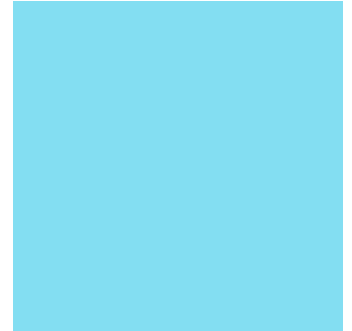
# Introduction

TRACE International was founded in 2001 and has been a signatory to the United Nations Global Compact and member of the Anti-Corruption Working Group since 2005, joining shortly after the introduction of the 10th Principle against Corruption in 2004. Participation in the Global Compact is fundamental to our mission of advancing commercial transparency and raising anti-bribery compliance standards.

As a leading anti-bribery business organization with hundreds of multinational member companies, and a network of thousands of small and medium-sized enterprises (SMEs) globally, we use our channels of communication to drive the 10th Principle and mobilize companies to align their values with those of the Global Compact. Many members of TRACE are also individual signatories to the Global Compact and work with us to implement the 10th Principle. As a member of the UNGC, we have served as a voice for many companies and have engaged in collaborative efforts to develop anti-bribery best practices. Over the last decade we have taken many practical steps to support the 10th Principle and to engage with the Global Compact initiative. In this Communication on Engagement, we describe the practical actions our organization has taken to advance the 10th Principle in the last two years.



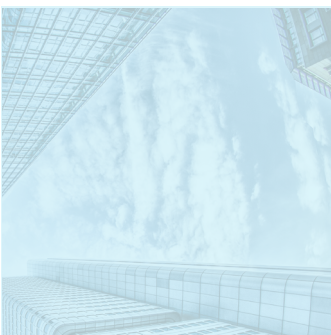
## Education & Training



## Global Partnerships & Collective Action

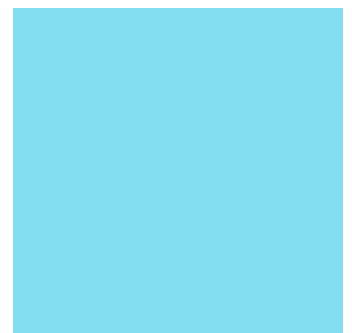
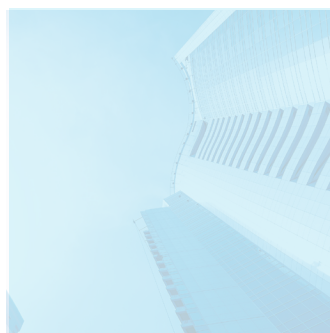


## Transparency Initiatives



## Free & Public Tools

## Publications & Thought Leadership



# Education & Training



## ANTI-BRIBERY EVENTS

Over the last two years, TRACE has hosted 40+ anti-bribery events worldwide. These events facilitate the benchmarking of anti-corruption best practices and encourage companies to adopt the highest standards. Additionally they provide companies with a cost-effective way to train employees and third parties on anti-bribery compliance fundamentals as they are free of charge for TRACE Members and partners. Event locations have included Beijing, Dubai, London, Johannesburg, Mexico City, Rome, Paris, São Paulo, Singapore, Tokyo and other global business hubs. In commemoration of International Anti-Corruption Day, TRACE participated in Standard Chartered's Anti-Bribery, Pro-Business Discussion on 12 December 2018 in New York with the UN Global Compact.



## ONLINE TRAINING

TRACE provides its members with multilingual online training on global anti-corruption compliance and avoiding trafficked labor in the supply chain in support of Principles 4 and 10 of the Global Compact. TRACE educates a variety of audiences on anti-corruption and best practices in supply chain ethics through the **TRACE Anti-Bribery Specialist Accreditation (TASA)** program, a comprehensive training and accreditation program for anyone seeking to further their knowledge in the field of anti-bribery. The program includes a course on implementing the 10th Principle.

TRACE also works to educate future leaders on the importance of anti-bribery through **Bribe Busters**, its publicly available animated series on corruption aimed at school children.

## PODCAST

In May 2017 TRACE launched the podcast **Bribe, Swindle or Steal** as a platform for wider discussion and exploration of topics related to corruption, fraud, money laundering and sanctions. Through interviews with investigative reporters, business people and prosecutors, TRACE President Alexandra Wrage examines different angles of financial crime and explores what motivates people to break the law, how wrongdoers cover their tracks and what can be done to put a stop to the looting. Popular episodes have explored the OCED's anti-corruption campaign, the murder of investigative reporter Daphne Caruana Galizia and the Volkswagen omissions scandal.

**BRIBE,  
SWINDLE  
OR STEAL**



# GLOBAL PARTNERSHIPS & COLLECTIVE ACTION



TRACE works in collaboration with industry organizations worldwide to raise anti-bribery compliance standards and to encourage both multinational companies and small and medium-sized entities (SMEs) to implement the 10th Principle. Partner organizations include **Africa House London**, **DA-Desk**, **Ethics and Reputation Society (“TEID”)**, **Invest in Africa (IIA)**, **Norwegian Shipowners Association (NSA)** and other organizations committing to advancing commercial transparency. Recognizing that SMEs often lack the resources to address bribery, through these partnerships TRACE has provided hundreds of SMEs with access to **TRACE Certified Due Diligence** which has helped to raise awareness globally of anti-bribery requirements while providing SMEs with a business and compliance credential and anti-bribery training.

# TRANSPARENCY INITIATIVES

*TRACE, through its Foundation, supports projects that encourage greater commercial transparency. Recent initiatives include:*

## **The TRACE Prize for Investigative Reporting**

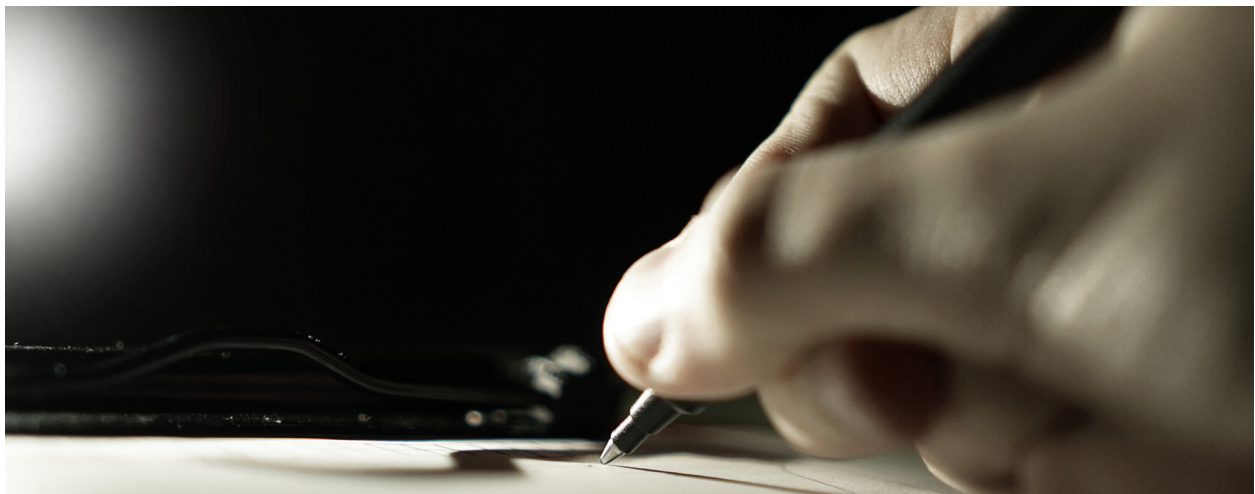
The annual **TRACE Prize for Investigative Reporting**, launched in 2016, recognizes journalism that uncovers business bribery or related financial crime with the goal of increasing commercial transparency. Each year the prize draws nearly 100 applicants from around the world. Applications are reviewed by an independent panel of judges who select up to two winning entries. Each winning entry receives a cash prize of US\$10,000 in support of their continued work.

Previous winners have included the International Consortium of Investigative Journalists (ICIJ) for the Panama Papers, freelance journalist, Dorothee Myriam Kellou, for her investigation into Lafarge's operations in Syria, and freelance reporters, Kelly Carr and Jaimi Dowdell, writing for The Boston Globe, for their investigation "Secrets in the Sky", which details the failures of the Federal Aviation Administration's registration of U.S. planes and pilots.

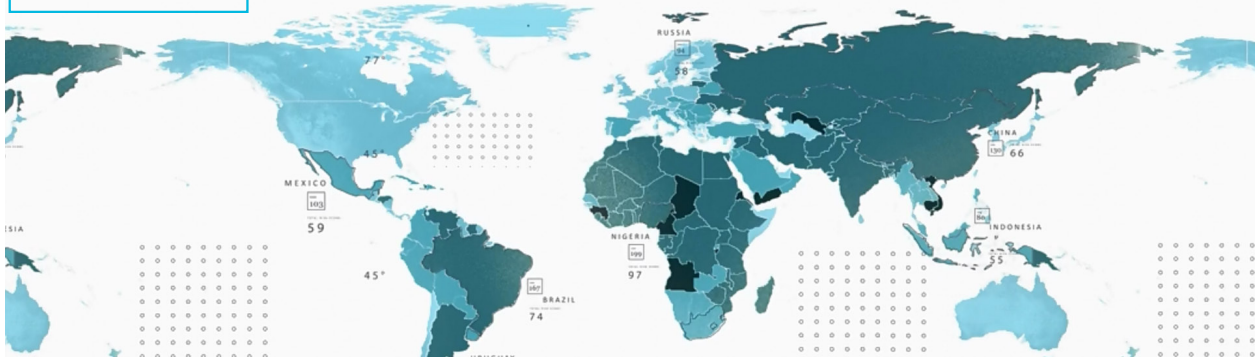
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## **TRACE Journalism Fellow**

In 2018, TRACE launched a journalism fellowship to further its support for individual reporters working to advance commercial transparency. The selected journalist will participate in a six-month journalism fellowship program administered by Alfred Friendly Press Partners.



# FREE & PUBLIC TOOLS



## The TRACE Bribery Risk Matrix

The **TRACE Bribery Risk Matrix® (TRACE Matrix)** measures business bribery risk in 200 countries and was originally published in 2014 to meet a need in the business community for more reliable, nuanced information about the risk of commercial bribery worldwide. It addresses the risk that companies will be asked for bribes within each country, rather than the conduct of the companies or citizens. Publicly available at no cost, the TRACE Matrix helps companies examine the conditions that allow commercial bribery to flourish: (1) the nature and extent of government interaction with the private sector; (2) societal attitudes toward bribery and the government's ability to enforce its prohibition; (3) the degree of governmental transparency; and (4) the ability of civil society to monitor and expose corruption.

The TRACE Matrix is publicly available at [www.TRACEinternational.org/trace-matrix](http://www.TRACEinternational.org/trace-matrix).

*The TRACE Matrix is updated annually and has been updated twice since our last COE.*

## TRACE Matrix Data Browser

The **TRACE Matrix Data Browser** is a comprehensive tool for sorting and grouping the data from which the TRACE Bribery Risk Matrix scores are derived and identifying trends and patterns that may be relevant in understanding the risk environment each country presents. The tool was developed in 2018 and is publicly available at [matrixbrowser.TRACEinternational.org/](http://matrixbrowser.TRACEinternational.org/).

## Intermediary Directory

The **Intermediary Directory** is a publicly searchable database of pre-vetted and trained small and medium-sized enterprises (SMEs). Intermediaries included in the Directory have completed TRACE Certified Due Diligence in the last year. Users may request and obtain **TRACE Certified Due Diligence** reports for third parties in the Directory at no cost, reducing the time and expense associated with due diligence for both multinational companies and SMEs.

# PUBLICATIONS

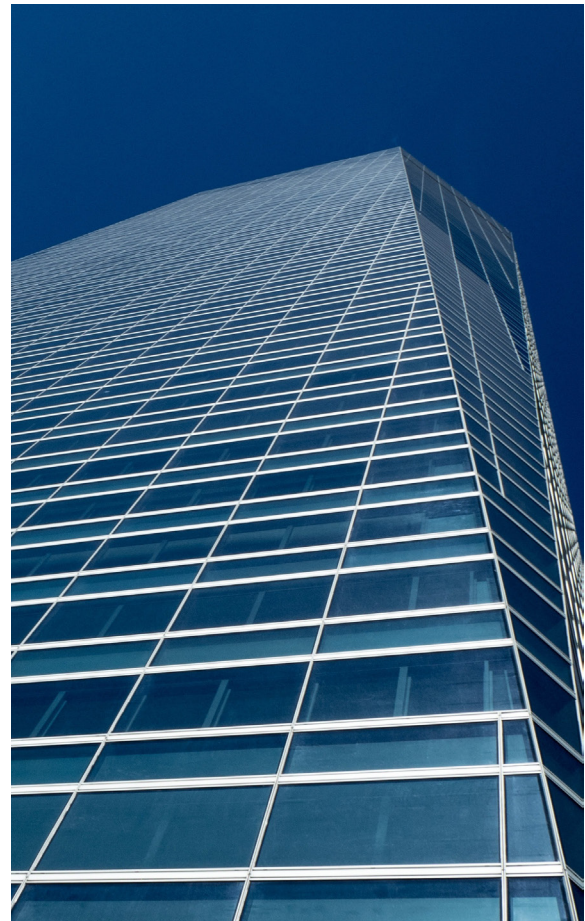
TRACE regularly publishes books, whitepapers and articles to provide the global anti-corruption community with resources and guidance on anti-bribery compliance. Recent publications have included, “What You Should Know About Anti-Bribery Compliance” and “Red Flags for Bribery Risk: What They are and What They Mean.”

To learn more, visit [www.TRACEinternational.org/publications](http://www.TRACEinternational.org/publications).

In addition, TRACE publishes its **Global Enforcement Report (GER)** annually which provides graphic and textual analyses of all known enforcement events (including investigations and enforcement actions) since the first bribery cases were prosecuted in the United States following the enactment of the U.S. Foreign Corrupt Practices Act. Data from the GER is based primarily on the cases and investigations tracked in the **TRACE Compendium**, TRACE’s online database of transnational corruption cases.

## MEASUREMENT OF OUTCOMES

The activities TRACE has undertaken in the last two years in support of the 10th Principle have produced the desired outcomes. More companies globally have developed anti-corruption programs and policies and implemented the 10th Principle by working with TRACE. We continue to establish and raise anti-bribery best practices in relations to third party due diligence and to reduce the cost of compliance by offering companies shared-cost solutions based on collective action principles. Working in collaboration with other organizations, TRACE is scaling up impact through industry initiatives that promote anti-bribery compliance and encourage companies to develop policies that address all forms of corruption. Through our events we have educated thousands of business and compliance professionals on fundamental responsibilities in the area of anti-corruption. The introduction of the TRACE Matrix Data Browser provides the global anti-corruption community with a free tool to more effectively address bribery and corruption globally.









# About TRACE

TRACE is a globally recognized anti-bribery business organization and leading provider of cost-effective third party risk management solutions. Members and clients include almost 400 multinational companies headquartered worldwide.

For more information, visit [www.TRACEinternational.org](http://www.TRACEinternational.org).

Follow TRACE:    



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