

Managing for Results



1. Leadership
2. Team Effectiveness
3. Communication
4. Strategy & Planning for Results
5. The Changing Workplace
6. Conflict Resolution
7. Process Management
8. Managing Performance
- 9. Due Diligence**
10. Managing Diversity



Agenda

- Roles and Responsibilities
- Laws and Regulations
- Due Diligence Defence
- Today's Standards
- Due Diligence Strategy
- Personal & Corporate Liability
- Case Study

Objectives



- To provide leaders with a framework for due diligence that increases awareness of their obligations and responsibilities.
- To practice using the framework in actual situations.



Management Practices

As leaders, you will want to endeavour to do as much as you can to ensure we meet our business targets while operating in a manner that:

1. adheres to the Code of Conduct principles,
2. fosters a working environment that ensures the safety of employees, the public and the environment,
3. meets regulatory compliance in respect of health, safety and protection of the environment.



Code Of Conduct-

- **Integrity**
- **Laws and Regulations**
- **Commitment to Customers & Suppliers**
- **Public Accountability**
- **Environment, Health, Safety and Security**
- **Team Work and Communication**
- **Community Relations**
- **Management Responsibilities**

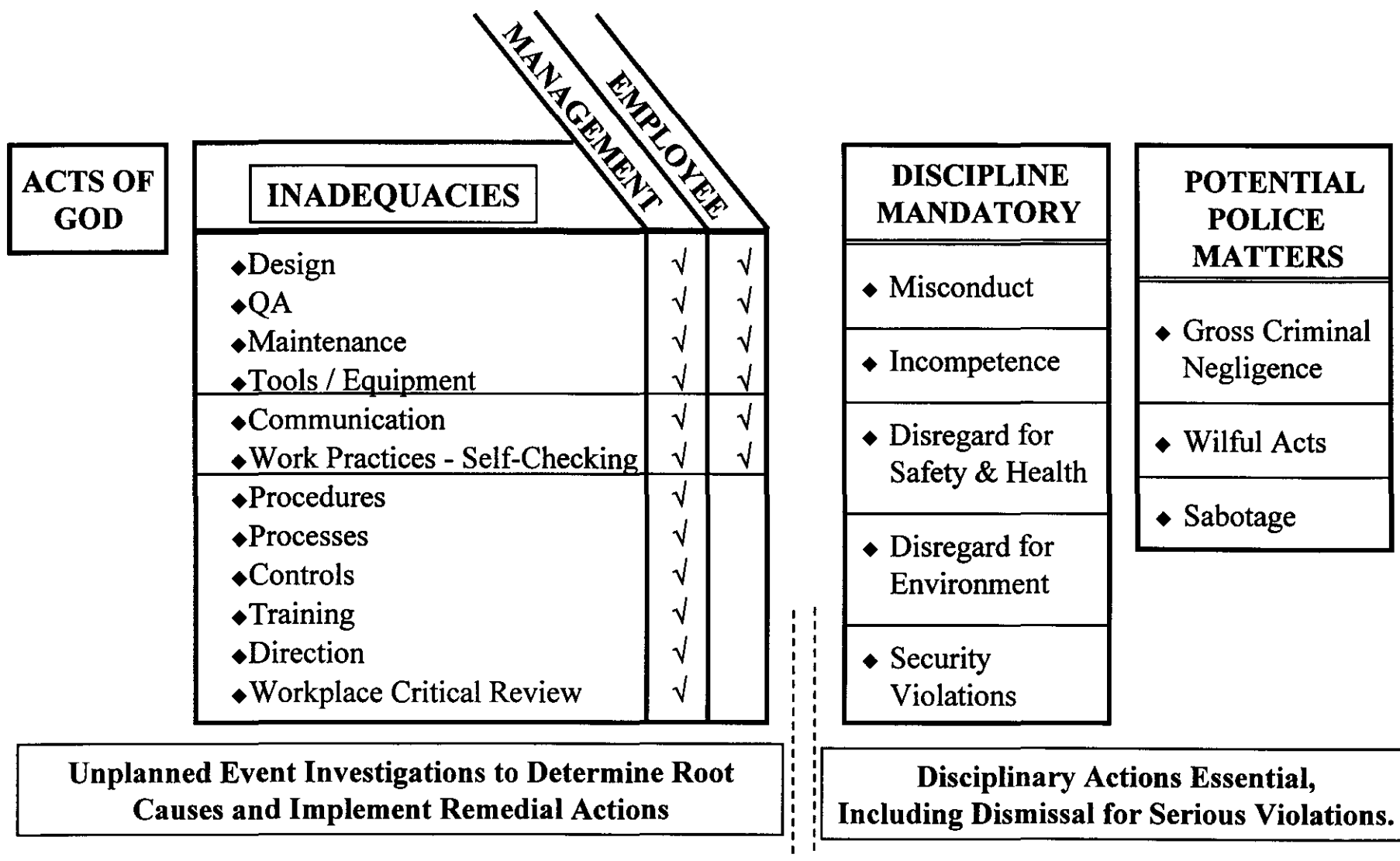


As a Leader you have the:

- **right and responsibility** to demand that procedures and safe work practices be followed,
- **responsibility** to ensure the safety and health of employees while they are at work ,
- **authority and responsibility** to take disciplinary measures if rules and regulations are violated.



Spectrum of Failures

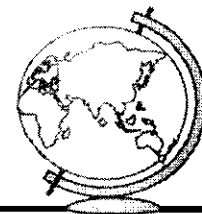


System of Responsibility



- Company President
- Management
- Supervision
- Worker





Laws and Regulations

fully comply with all applicable laws, regulations and government guidelines both in home country and abroad and act in a manner that bears close public scrutiny.

Conducting Business



- Programs -Quality Assurance
- Processes - Procedures, Hiring practices, etc.
- Systems - Work Permit system
- Tools - Checklist (e.g. Planned Inspection, Training Field Checkout)



Due Diligence Definition

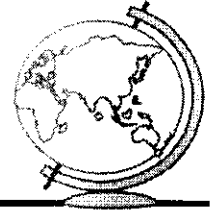
taking all reasonable care to ensure that your work and the work for which you are responsible is carried out in compliance with all applicable laws and regulations



~~***Court of Appeal for Ontario 1995 September***~~ **18**

The court of Appeal for Ontario held that the trial justice was wrong to prohibit Bata Industries Ltd from paying the fines of two of its former directors. Indemnification of directors is allowed under the Ontario Business Corporations Act... and the previous judgement underestimated the impact of a director's being charged, brought to court, arraigned like a common criminal, and given a personal record of offence. This treatment of senior executives does get their attention.^{99 - 10V}

Beyond Due Diligence



striving to meet the intent and spirit of
regulations and non-mandatory
guidelines

The Due Diligence Defence



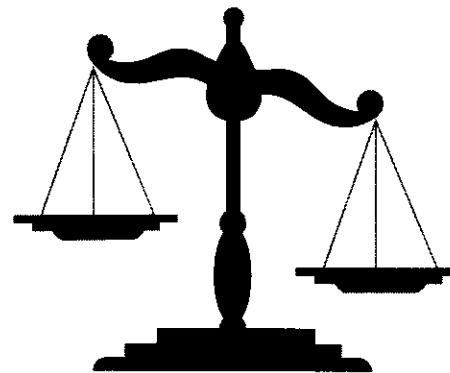
A court will consider:

- industry standards
- expected degree of knowledge or skill
- risk of harm
- the alternatives

Due Diligence is...



taking all reasonable steps to
prevent the occurrence of the
offence



Today's Standards



Are normally based on the:

- industry standard and these can usually be found in applicable statutes, regulations and bylaws.



Xerox Canada Public Affairs Director



(Quoted by the Globe & Mail)

“No longer is it enough to simply go about one’s business according to the letter of the law. Rather, what is required is a whole new framework for decision making, one that takes into account the interests of a new set of stakeholders beyond shareholders. Traditionally, business decisions were based on the reasoning:

*Our goal is to return a profit to
the shareholders while obeying the law.*

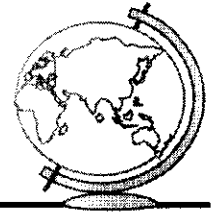
Xerox Canada (cont'd)



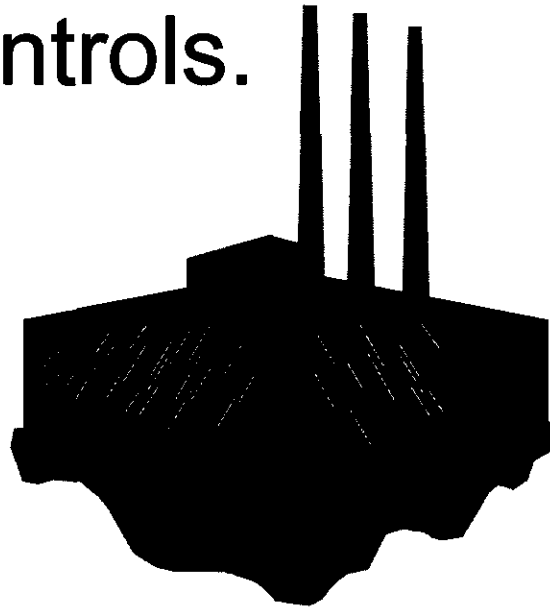
But today, a company's stakeholders include not only shareholders but also its employees, customers and suppliers. They also include the community in which the company operates and the public at large. Ethical thinking must be incorporated into every decision a business makes, in every department."



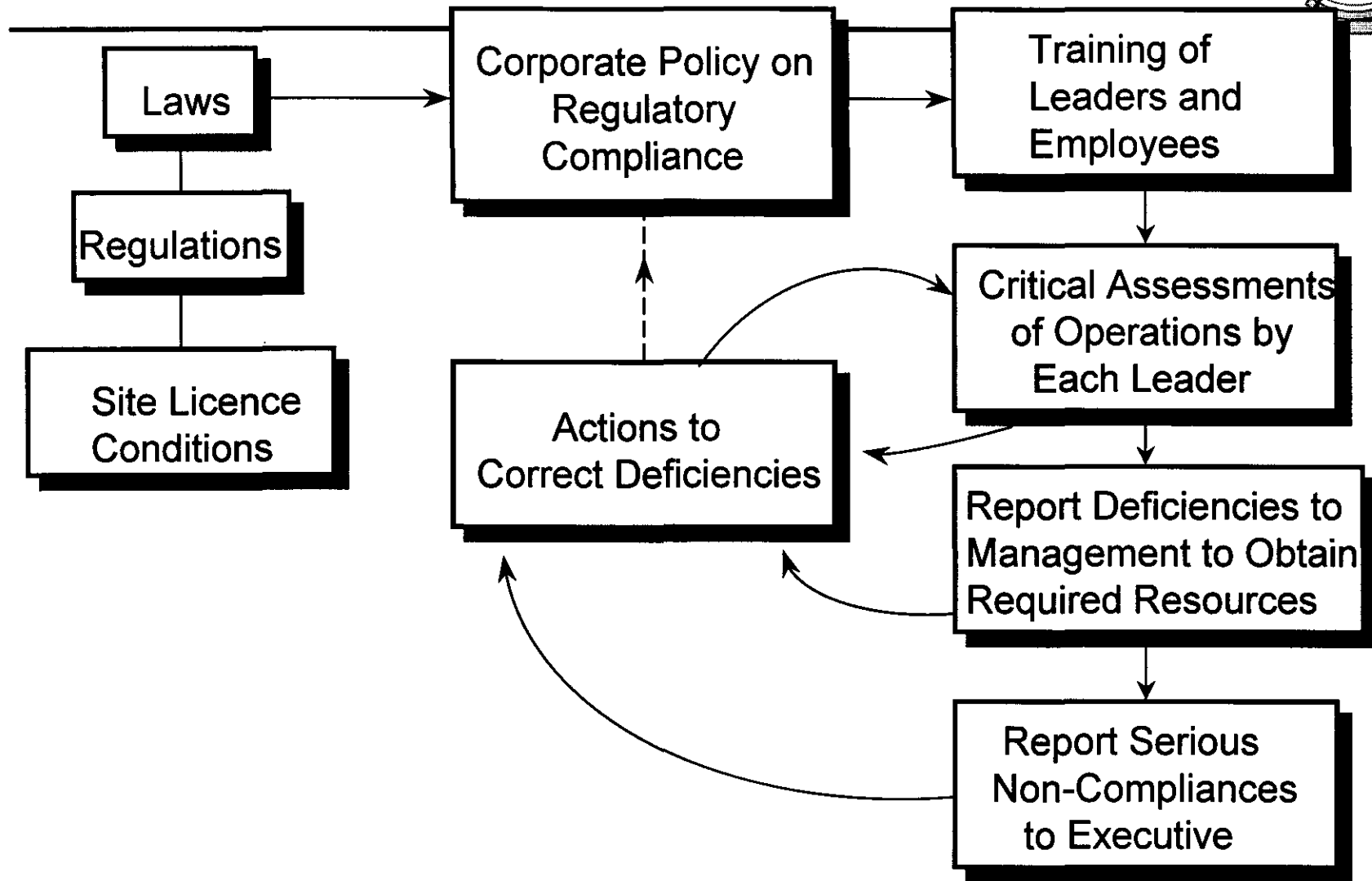
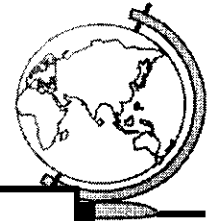
Today's Standards



Companies must constantly strive to update their awareness, systems, training and equipment so as to deploy the very best controls.



DUE DILIGENCE STRATEGY





Assessment

- what regulations apply
- personnel knowledge and qualifications
- procedures
- equipment
- monitoring methods
- plan to deal with non-compliances
- reporting process
- improvement through experience feedback
- personnel response to non-compliance



Personal Liability

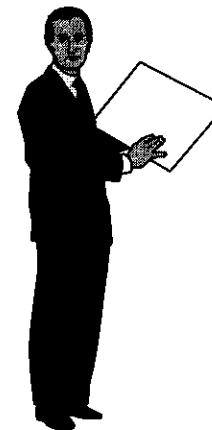
“ Where a company commits an offence, any officer or director of the company who directed, authorized, assented to, acquiesced in, or participated in the commission of the offence is a party to and guilty of the offence.”

Atomic Energy Control Act



Leaders must:

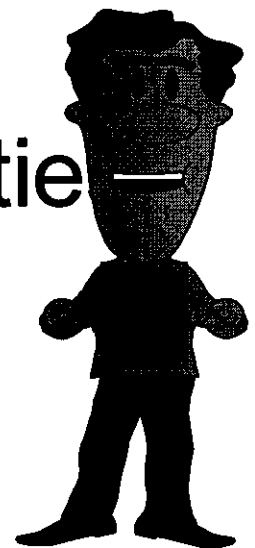
- implement the policies and procedures established by the company
- ensure team members are aware of their legal responsibilities
- ensure they receive regular and complete compliance reports
- advise their management when a deficiency cannot be dealt with





Employees must:

- adhere to company policies and procedures
- be aware of their legal responsibilities
- communicate any deficiencies in ability to adhere





Summary

- regulators' requirements are increasing
- regular assessment and followup is essential
- employees need to be aware of corporate policies and applicable regulations, and knowledgeable of the procedures required in their duties
- leaders must foster a working environment that ensures the safety and overall health of employees, the public and the environment