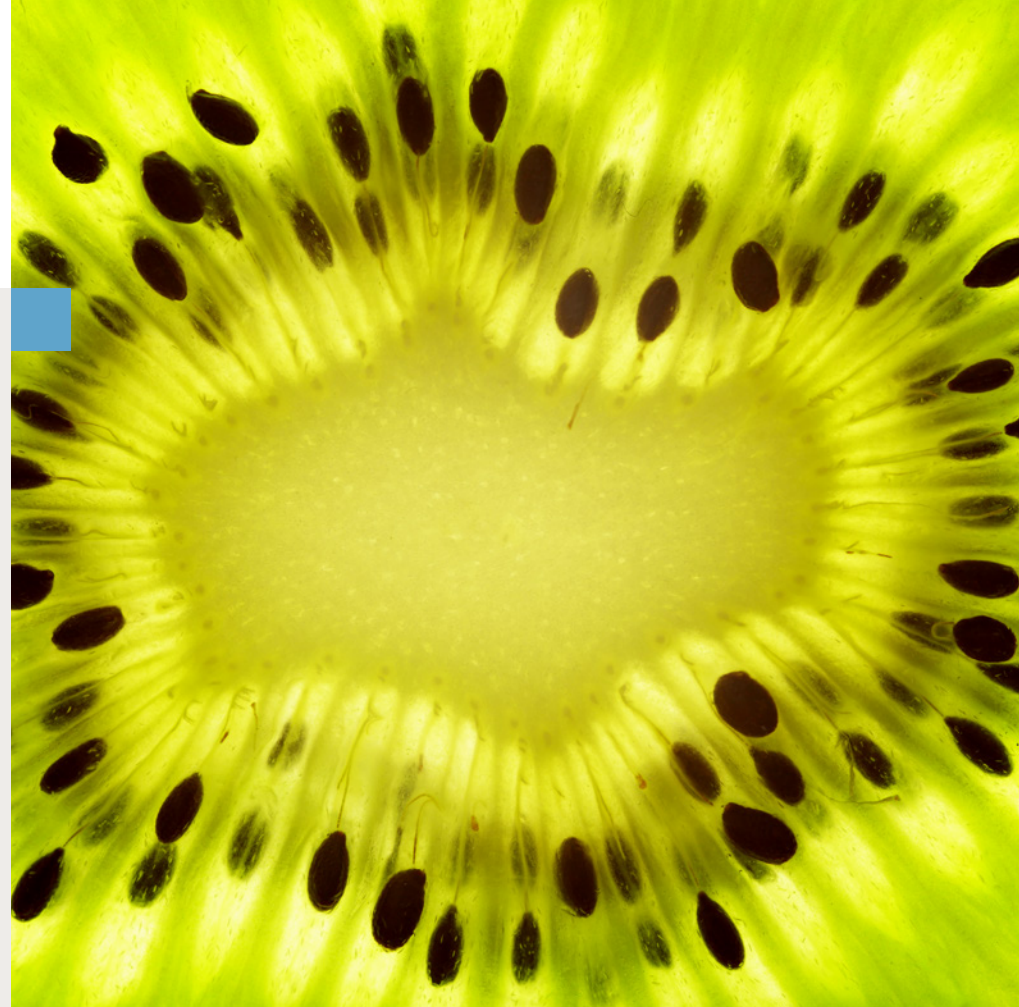


NAVEX™



## NAVEX Customer Success Story

# Zespri International Strengthens Compliance Following Challenges

"We see EthicsPoint® as a very important safety valve."

**Colin Pretorius**

*Internal Audit and Compliance Manager*

## Highlights



INDUSTRY

Food



NUMBER OF  
EMPLOYEES

450



CHALLENGE

Prosecution in China reveals need for a better compliance program.



SOLUTION

Reshaped culture and diligent commitment to doing business the right way.

## Solution

SINGLE-PRODUCT

**EthicsPoint®**

INCIDENT MANAGEMENT

## An organization's hotline reporting system serves many purposes, such as providing:

- A confidential place for employees to clarify policy and discuss or report concerns
- A communications channel beyond the rumor mill
- A way to direct employee questions to the appropriate resource
- An opportunity to provide guidance before a poor decision is made
- An early warning of issues or problem areas brewing in the organization
- A last internal stop for whistleblowers before they take an issue outside the organization to a regulator or attorney

[Download the Definitive Guide to Incident Management to Learn More](#)

To learn more about NAVEX E&C Incident Management® or to schedule a demo, please visit [www.navex.com](http://www.navex.com) or call us at **+1 866 297 0224**

## Challenge: Legal Troubles Overseas Shine a Light on Global Risks

Zespri International is a relatively small company with a large global footprint. Based in New Zealand, the kiwifruit exporter also has operations spread across Europe, Asia and the Americas. While New Zealand is a relatively low corruption country, that paradigm didn't hold true for some of their offshore markets.

When the company commenced shipments to China in the late 90s, they did so with a model that meant distributors in the market were responsible for clearing the goods through the border, paying the local taxes and selling the fruits through reliable channels. With largely decentralized operations, each of Zespri's offshore markets operated with quite a bit of autonomy, which ultimately led to severe financial and legal repercussions for the company when one of its importers was found guilty of duty evasion in China.

Zespri's Chinese subsidiary was prosecuted as an accessory to the under-declaration of customs duties by a former importer, which led to an investigation, the imposition of significant fines on Zespri, imprisonment of a Zespri employee and significant legal fees. Investigations, both internal and external, revealed that trust and a lack of understanding were core factors. "We certainly should have been more on guard, asked more questions and been more knowledgeable of global behaviors and risks in this area," said Colin Pretorius, internal audit and compliance manager for Zespri.

In addition to financial costs, there were huge costs in terms of time and resources. Zespri employees were interviewed about the incident, documents were requested and provided multiple times in relation to different legal proceedings, ongoing court cases took employees away from their jobs and media attention shone an unwanted spotlight on the company. "Those were all catalysts for us as a business to really say that's not who we are. We needed to do something a lot more proactive," said Pretorius.

## Solution: EthicsPoint® Offers Customizable, Global Solution

Soon after its trouble in China, Zespri took big steps towards understanding the global compliance regulations in the areas in which they were operating. One of the key features of its new compliance program was EthicsPoint Incident Management. "We see EthicsPoint as a very important safety valve," said Pretorius.

With localization, translation and interpretation services for more than 160 languages, EthicsPoint makes it easy for Zespri to tailor its hotline to each of its global markets and meet rapidly evolving international privacy and reporting requirements. "Our compliance program has matured our business quite strongly. EthicsPoint in particular has been a very easy-to-use system and has really checked one of those big boxes of challenges we had," stated Pretorius.

## Whistleblower Hotline Intake

Trusted by thousands of clients around the world, our hotlines help employees, customers, suppliers and other stakeholders quickly and easily report potential ethics and compliance issues. Our hotlines also provide you with the E&C data you need to inform your program, helping you spot trends and take corrective action before minor issues become major.

## Incident Management: EthicsPoint®

Capture and investigate E&C reports from across your organization in a centralized database. Our EthicsPoint Incident Management solution gathers data from all of your reporting channels—including your ethics hotline, web intake, and reports forms for open door conversations—to create a systematic approach to documenting case assignments and streamlining workflow.

## Awareness Solutions

Raise awareness of key E&C program components, including your hotline and key training messages, with NAVEX's proven awareness materials.

The anonymous reporting solution is promoted throughout the company on posters in common areas, in Zespri's code of conduct in its corporate training programs and in agreements with customers. Pretorius says all the promotion of EthicsPoint "sends a message to the company that we do mean it. It's not just some wording in our policy somewhere. It's actually something we feel passionate about."

## Results: Zespri Reaps Benefits from Commitment to Ethical Behavior

In addition to offering employees a safe and anonymous place to report misconduct, Zespri invested heavily in internal and external communication detailing its strict expectations for ethical behavior from employees, distributors, importers and customers.

That fastidiousness led to some tough business decisions that ultimately demonstrated the return on investment from doing business the right way. When Zespri discovered a handful of customers that weren't meeting its guidelines for ethical behavior, the company dismissed them. However, Zespri was able to make that gap up and in the end, found better business partners. "In fact, we found five more that we were able to very early in our relationship make clear who we were, what we stood for, and what we expected from them. Then we follow this up with either compliance visits, or documentation checks or making sure that duties were correctly declared," said Pretorius.

With clearer expectations, a better understanding of global compliance and improved avenues for reporting, Zespri has revamped its culture and ensured that its global footprint is an ethical one.



**SEE SOMETHING, SAY SOMETHING.**

At Zespri we want to encourage and support staff to speak up if they become aware of something at work that makes them feel uncomfortable.

Zespri strives to foster a culture based on quality, respect, integrity, openness, accountability and balance. We would like to encourage you to reach out and feel comfortable to confidentially report any unethical conduct or improper business activity you witness.

**TYPES OF SITUATIONS INCLUDE:**

- Infringements of laws in the countries in which we operate
- Breaches of company policies, values or ethics
- Harassment at work

**If you are concerned about behaviour you see, you can report this internally in line with local Speak-Up laws (see the Zespri Code of Conduct for more information on these options), or you can use Zespri's external Speak-Up services.**

**EXTERNAL SPEAK-UP SERVICES**  
External Website URL: [www.zespri.ethicspoint.com](http://www.zespri.ethicspoint.com)  
Telephone reporting numbers are available on the website for the countries where Zespri has office locations.

**INTERNAL SPEAK-UP SERVICES**  
Confidential 24/7 email address: [report@zedespricom.com](mailto:report@zedespricom.com)  
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