



# TRAINING THE GLOBAL SUPPLY CHAIN

A CASE STUDY WITH SABIC\*



Saudi Basic Industries Corporation (SABIC), a global leader in chemicals headquartered in Riyadh, Saudi Arabia, has worked with TRACE as a member since 2016 to implement a bespoke multilingual compliance training program for various third party users. SABIC's innovative, tailored training model leverages TRACE's suite of eLearning courses to:

- convey SABIC's commitment to doing business ethically and in compliance with the law;
- build a shared baseline of knowledge among SABIC's contractors and supply chain partners;
- address gaps in third party compliance policies and procedures; and
- build capacity by strengthening third party programs and the supply chain overall.

SABIC has found that many suppliers, especially those that do not have the resources to offer their own compliance training programs, are receptive to the eLearning courses. Some of SABIC's smaller suppliers have never been exposed to this type of training and are particularly appreciative of being able to take the training in their local language. Many provide positive feedback and are enthusiastic about working with an industry leader to raise the standard of compliance in their respective regions together.

*\*SABIC is using the trainings created by TRACE for the purposes of training third parties within its value chain on compliance issues.*

# TAILORING TRAINING REQUIREMENTS

SABIC administers TRACE eLearning to its third parties on an ongoing basis, with the required courses and frequency depending on a number of factors, including the type of company and its role with SABIC, due diligence findings and geographic risk. SABIC addresses training differently for distributors, suppliers and temporary employees.

## DISTRIBUTORS

Each SABIC distributor globally is asked to have all employees that work on SABIC accounts complete anti-bribery and economic sanctions training. As contracts renew, this requirement is built into each distributor's key performance indicators. This helps to ensure that all distributors are aware of SABIC's commitment to compliance in the supply chain and share the same baseline of knowledge on these topics.

## TEMPORARY EMPLOYEES

Temporary employees are required to complete training to confirm that they understand their obligations under SABIC's Temporary Worker Code of Conduct. SABIC's temporary employees complete TRACE eLearning courses on anti-bribery, anti-money laundering, avoiding trafficked labor, conflicts of interest and economic sanctions compliance.

## SUPPLIERS

Supplier training is triggered via a due diligence evaluation of each supplier's policies and procedures for topics such as:

- anti-bribery;
- anti-money laundering;
- avoiding child labor;
- avoiding forced labor; and
- economic sanctions compliance.

If the due diligence results indicate a gap in one of these topics, SABIC's compliance department evaluates the need for training on a case-by-case basis, considering additional factors such as the geographic market risk and the supplier's role with SABIC. If SABIC determines that training is necessary, the compliance department assigns specific modules and tracks them to completion through TRACE. For example, if a supplier does not have a program addressing forced labor, employees may be required to complete TRACE's Avoiding Trafficked Labor course.

## CREATING AN ETHICAL SUPPLY CHAIN

Given the size of the organization, SABIC is ensuring that TRACE's eLearning courses are reaching the right parties in its supply chain and that trainees have the tools to follow up if necessary. To maintain open lines of communication with third party intermediaries and other stakeholders, including NGOs and the communities in which it operates, SABIC provides open access to its compliance reporting channel. The company publicizes the reporting mechanism through externally facing materials, including its sustainability report, website and supplier portal.

SABIC plans to build on its successful compliance training program to meet increasing consumer, lender and investor expectations for multinational companies to boost compliance not only within the company but also among its business partners. Training, SABIC has found, is an essential investment to create a more sustainable and secure supply chain.

Through its membership program, TRACE offers unrestricted access to an eLearning library and customizable training platform. Courses cover key compliance issues and are available in up to 29 languages. Learn more at [www.TRACEinternational.org/compliance-training](http://www.TRACEinternational.org/compliance-training).