



TRAC

Transparent.
Efficient.

The Global
48 Hour Solution for
Baseline Due Diligence

All companies operating internationally work with third parties of some kind:

suppliers and vendors, sales agents, freight forwarders, lawyers and accountants, commercial real estate agents—the list is almost endless. TRAC satisfies the requirement for companies to conduct baseline due diligence on current and potential business partners and vendors to a reasonable, international standard and to conduct ongoing monitoring of their hundreds, or hundreds of thousands, of business partners and vendors, at no cost.

TRAC is the only global online platform that captures, assesses and shares baseline due diligence information on organizations and individuals across the supply chain and assigns a universal ID number (TRAC Number) to all approved applicants. TRAC benefits both multinationals and their suppliers while promoting greater transparency in the global supply and marketing chain.



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Supply Chain Risk

Visibility into your global supply and marketing chain is a critical part of your business. When you do not know who your suppliers are, you leave your company exposed to the risk of bribery, money laundering, sanctions violations, and labor rights abuses that can result in significant legal, financial and reputational problems.

With the steady pace of enforcement under the U.S. Foreign Corrupt Practices Act (FCPA) and similar laws and a stronger focus from regulators on supply chain compliance, today's multinational corporations are under increasing pressure to have visibility into every supplier and business partner in their global supply and marketing chain. But how can companies do this without exhausting financial and human resources and inundating their suppliers with repetitive paperwork?

The answer is simple – TRAC.

Historically, multinational corporations bore the expense in time and money of obtaining due diligence reports on the business partners around the globe with whom they worked. As both expectations and expenses rise, that model is no longer sustainable. TRAC reverses that equation, eliminating the cost of baseline third party screening for multinational corporations and enabling intermediaries to own and share their due diligence information with an unlimited number of global partners for just \$80 a year.

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Efficient and Effective Baseline Due Diligence

Due diligence helps companies understand who they are doing business with, but most companies don't have the financial and internal resources required to screen every single supplier in their global supply and marketing chain. This means that companies are missing basic due diligence information, such as ownership details, for roughly 80 percent of their suppliers, potentially hundreds of thousands of third parties for some companies. That's why companies are encouraged to apply a risk-based approach to the due diligence "pyramid". Ideally, they will invest more resources and effort in screening high-risk relationships at the top of the pyramid, and spend less to screen suppliers at the bottom. While companies need not engage in full due diligence for all supply chain vendors, they are expected to adopt a more systematic approach to screening partners that appropriately addresses risks at all levels of the pyramid. TRAC breaks down silos and provides companies with a practical and cost-effective solution for baseline due diligence. It can be used solely for the bottom third of the third party pyramid, or as a risk-sorting tool for the entire pyramid.

“TRAC is representative of the new dynamic in which companies such as ours are increasingly the subject of due diligence reviews. In the emerging model, suppliers, customers, vendors, and resellers are all conducting some form of due diligence on one another. Establishing an information platform for that mutual and perpetual due diligence is a very powerful concept and provides enormous value and efficiency to all of the market participants.”

*Michael Ward,
Deputy General Counsel & Vice President,
Compliance Systems and Investigations, Cisco
Systems*

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What is Trac:

TRAC, (TRACE Registered Access Code), is an online platform that enables the rapid exchange of baseline due-diligence information and quickly and cost-effectively establishes a TRAC holder's identity, address, and other key information. The system allows the TRAC holder to share their due diligence profile with all of their customers with a single click, and it grants multinational companies real-time visibility into their supply and marketing chains.

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How it Works:

Companies, partnerships, charities, and individuals are eligible to receive a TRAC number and to share their information with whomever they may designate, for US\$80 annually. TRAC holders and companies are eligible to view another entity's TRAC profiles at no cost, with the approval of the TRAC holder. To obtain a TRAC, an Authorized Representative, chosen by the company, fills out an initial questionnaire. This information is then processed by TRACE analysts, and typically within one business day, a unique 12 digit TRAC number is issued. The Authorized Representative remains in control of managing the information within a TRAC profile.

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“TRAC brings together on-line, social media architecture, extensively benchmarked criteria and TRACE’s reputation in this field, resulting in a simple but robust and well-respected solution for baseline compliance that makes due diligence easier for our third parties and us.”

Kathryn Koorenny,
Associate General Counsel for Business Ethics
and Litigation at American Airlines

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TRAC Can Help You:

IF YOU ARE A MULTINATIONAL COMPANY

- › Reduce your due diligence workload and expenses, enabling you to more effectively address other risks in your supply chain
- › Collect and verify addresses and business registration forms for all of your suppliers and business partners
- › Collect ownership information and compliance certifications on a broad range of issues, including forced labor and conflict minerals
- › Monitor third party relationships with daily screening of names against international sanctions and enforcement lists
- › Resolve most false positives from watch list searches
- › Assess compliance within your supply and marketing chain
- › Demonstrate your commitment to corporate social responsibility
- › Organize, screen, train and contact all of your business partners

IF YOU ARE A THIRD PARTY

- › Complete compliance paperwork once to a reasonable international standard
- › Update and maintain all key information in a single location, through which all approved partners can be notified of changes
- › Obtain straightforward information on important regulations and laws
- › Share vetted due diligence information for a nominal annual fee of US\$80 a year
- › Market your commitment to good governance and transparency

TRAC at a Glance:

Global Cost-Effective Secure Pioneering Confidential Portable

TRAC holders in over 100 countries;
system and support service available in twenty languages

The only online due diligence platform that is free for companies to access

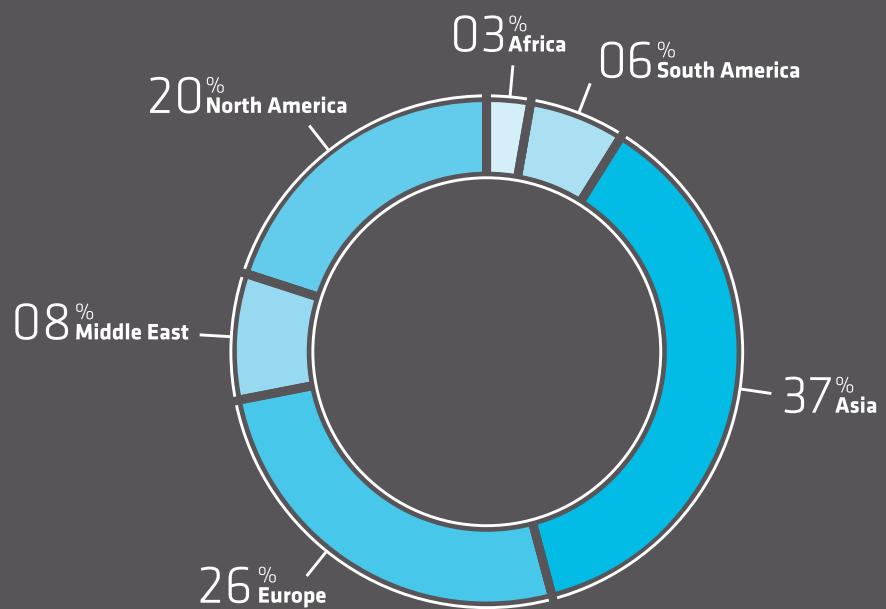
Encryption level higher than most online banking encryption; servers hosted in the United States in a highly secure datacenter that is compliant with SAS 70 Type 2

The first global platform that allows companies to efficiently exchange verified compliance information that meets international baseline compliance standards

The TRAC holder has complete control over their profile

TRAC holders can share their due diligence information with all of their business partners at the click of a mouse

Distribution of TRACs



TRACE is:

- › the global leader in anti-bribery standard setting and shared-cost compliance solutions
- › the pioneer of anti-bribery compliance within the private sector
- › the largest organization in the world dedicated to anti-bribery compliance with hundreds of multinational member companies and thousands of commercial intermediary members in 150 countries
- › a leading provider of risk-based due diligence solutions – offered at a fraction of the cost of vendors
- › the primary organization that Fortune 500 companies rely on for anti-bribery compliance guidance

TRAC

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