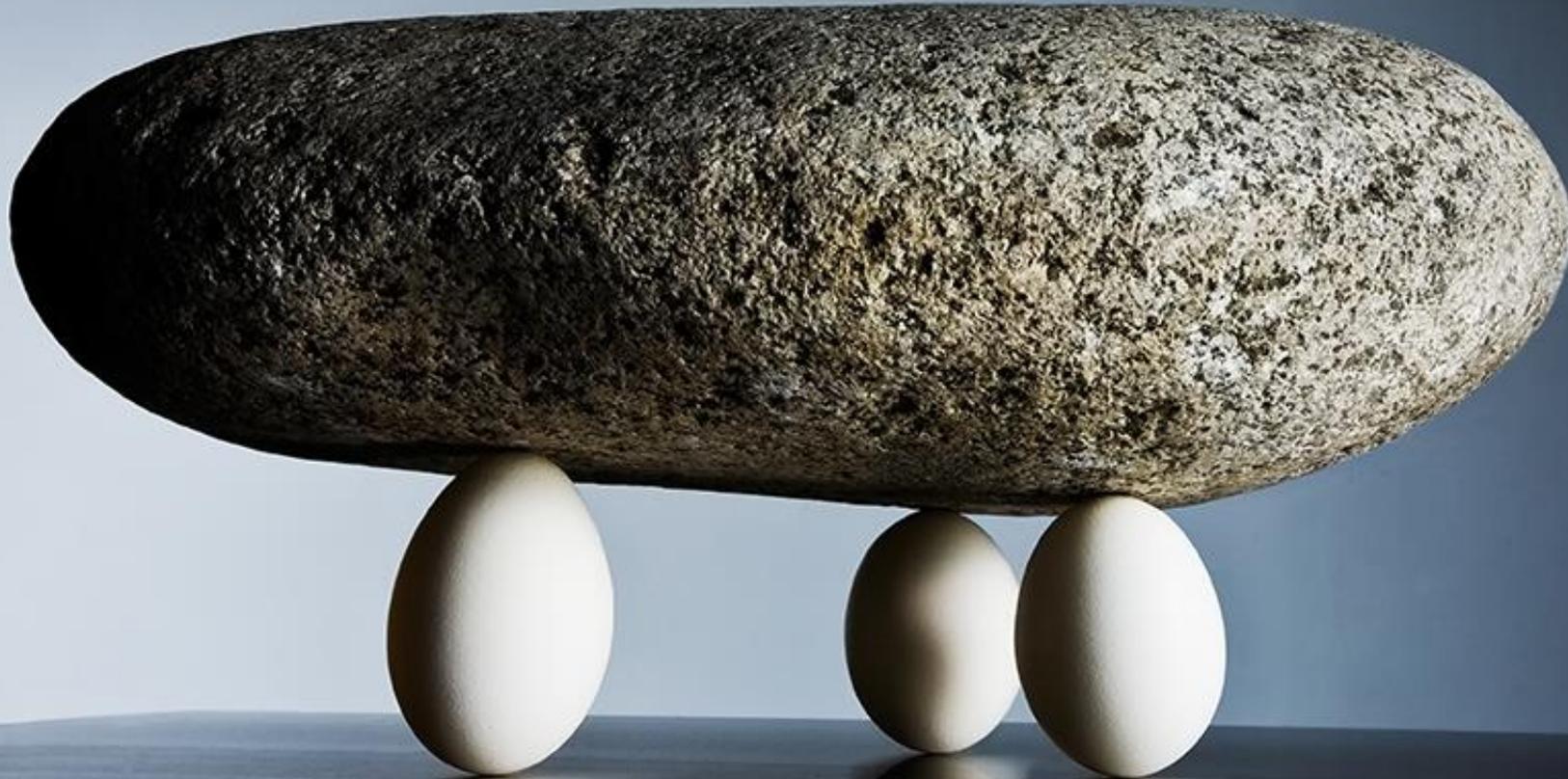


Culture and Conduct  
drive **Customer 1<sup>st</sup>** thinking...



Hasintha Gunawickrema

## What is conduct risk ?

## What should Leaders be asking themselves ?

The risk of unfair outcome or detrimental to customers.

1. Do we have a view of our top 10 Conduct Risks?
2. Have we taken proactive steps to ensure that we identify and respond to these known conduct risks ?
3. How confident are we on the accuracy of the data we used to assess conduct risks?
4. What have we learnt from our mistakes/gaps, and have we got robust plans to close the gaps?
5. How do we ensure we have a consistent customer outcome focused culture across our organization, and what are we doing to embed and improve conduct culture?

## Why is Conduct such an important agenda now?



Increasing and real time **Customer feedback**



**Evolving regulatory landscape**



**Our People** value ethical, growing organisations

# 4 pillars of a sustainable conduct risk management culture?

- 1. Management
- 2. Operations
- 3. Distribution
- 4. Customer

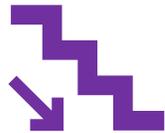
# Culture as a driver for better customer outcomes and improved productivity



# After effects of poor customer outcomes



**30%**  
Will post their negative experience on social media



**USD83 bn**  
Lost only in the US businesses due to poor customer outcomes (2019)

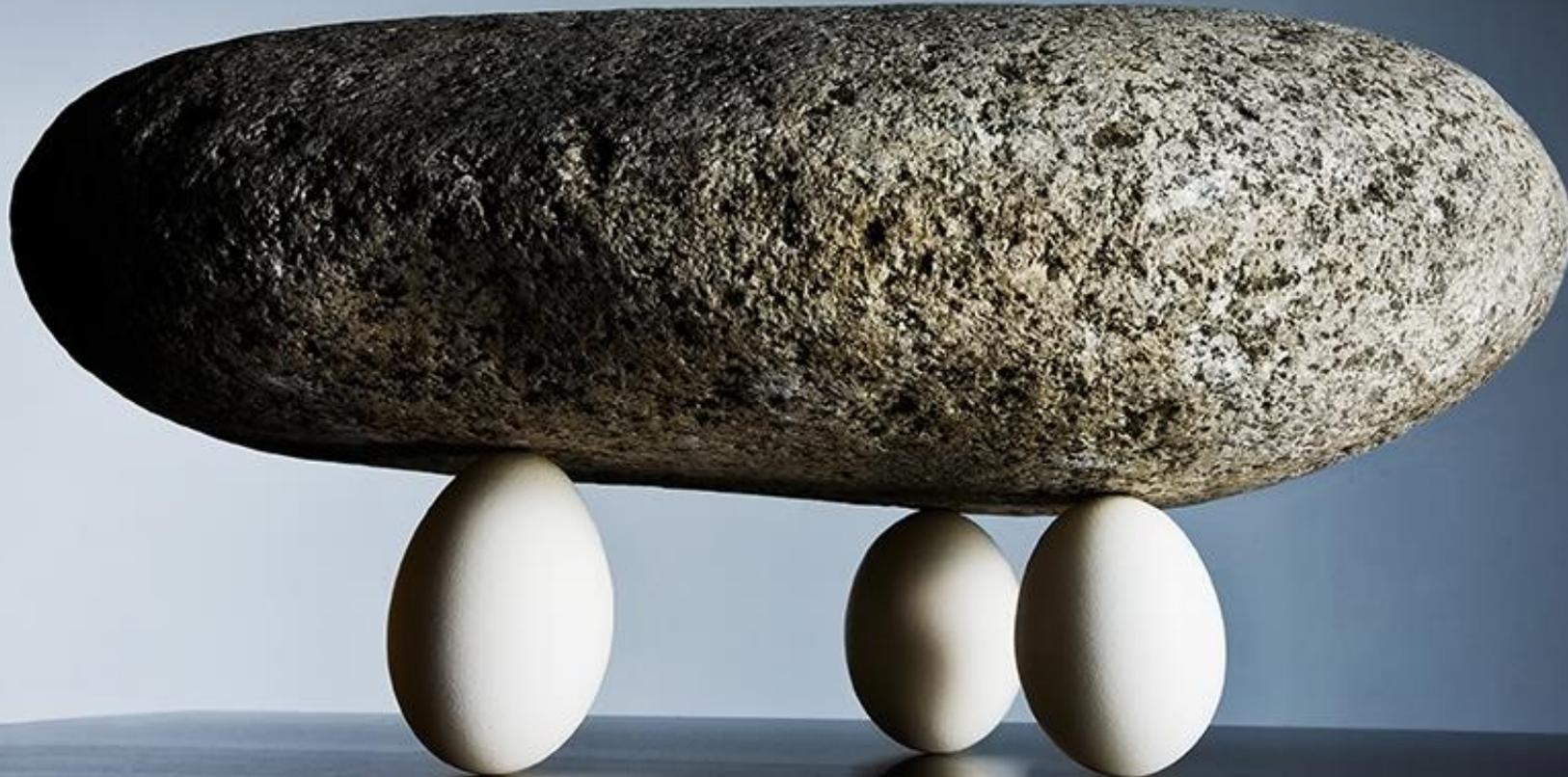


**56%**  
Will never use the company again



**54%**  
Escalate to a manager or supervisor

# Novel risks, Conduct and Culture



Hasintha Gunawickrema

# ...the *Novel risks!!!!*

**Novel risks**—a risk arising from circumstances that haven't been thought of or seen before

They make routine **risk** management ineffective, and, more seriously, delude management into thinking that **risks** have been mitigated when, in fact, they can escalate to serious if not fatal consequences.



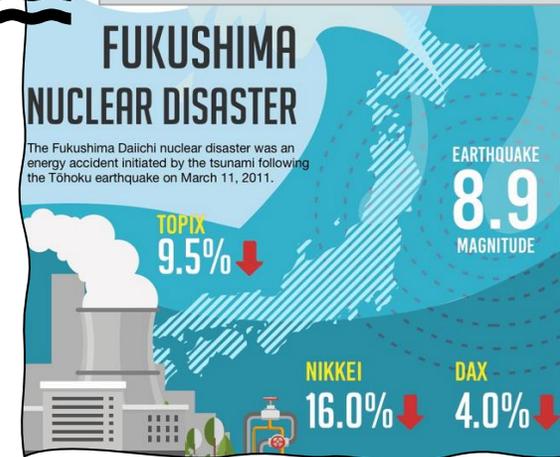
The global financial crisis of 2008



Boeing's development of the 787 Dreamliner



Fukushima nuclear plant catastrophe in Japan



So where does COVID 19 sits? and the role of conduct





# Q&A