ESTABLISHING WAYS TO CONTACT ETHICS AND ADDRESSING ISSUES RAISED

PART OF ETHICS SUPPLIER MENTORING PROGRAM WEBINAR SERIES
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DISCLAIMER

The information presented in this webinar is not all-encompassing on the vast topics of ethics and compliance.

The material is offered as support and guidance, and it does not supersede or in any way impact your contractual obligations under subcontracts or purchase orders received from LMC.

You are solely responsible for determining the content and scale of your ethics and business conduct program.

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ELEMENTS OF AN EFFECTIVE ETHICS PROGRAM

- Company Values
- Program Structure & Oversight
- Leadership Commitment
- Risk Assessment
- Policies & Procedures
- Code of Conduct
- Training
- Communications
- Program Assessment
- Reporting Mechanisms
- Investigations & Disclosures
- Discipline & Incentives
WEBINAR AGENDA

Recap of Last Webinar

Inquiry & Reporting Mechanisms

Investigations & Disclosures

Discipline & Incentives
RECAP OF LAST WEBINAR
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Training and communications address risk and are crucial to ethics program.

Training should cover ethics (values) and compliance (laws, regulations).

Communication helps reinforce key messages outside of training.

Continual improvements are essential for an effective ethics program.
INQUIRY & REPORTING MECHANISMS
INQUIRY & REPORTING MECHANISMS – WHAT?
ANONYMOUS INQUIRY & REPORTING MECHANISMS – WHY?

Legal Requirement

Best Practice

Risk Mitigation Technique
INQUIRY & REPORTING MECHANISMS – POLLING QUESTION

How can people report misconduct to your company?

a. Dedicated telephone number
b. Dedicated email address
c. Online form or system
d. Suggestion box (or mailbox)
e. By speaking directly with management
ANONYMOUS INQUIRY & REPORTING MECHANISMS – HOW?

STEP ONE

Set up anonymous reporting mechanism

Phone number

Email address

Online form

Suggestion box
STEP TWO

Determine how it will work

Who will respond?

How? How often?

How to document?

How to ensure confidentiality?
ANONYMOUS INQUIRY & REPORTING MECHANISMS – HOW?

STEP THREE

Promote it actively

- Company websites
- Ethics training & communications
- Employee handbook or orientation
SMALL BUSINESS PERSPECTIVE
About Us

✓ Founded in 1964
✓ Small Veteran Owned (pursuing “service-disabled”)
✓ 70 employees
✓ 93,000 square feet
✓ New Ownership Jan. 2017
✓ AS9100D Certification
✓ ISO Cert # 110004.0101
Where We Do Business

Reisterstown, MD
Vision

• Raloid Corporation is committed to customer satisfaction by delivering quality products on time and in compliance with customer, regulatory and statutory requirements.

• We will strive for continual improvement by establishing and meeting quality objectives.
Supporting the Troops

Major Customers
- Lockheed Martin
- Raytheon
- DRS
- Ensign Bickford
- General Dynamics
- Kratos Defense
- ATK
- Northrop Grumman

Programs
- PAC 3
- Hellfire (Romeo)
- F-35
- Chaparral
- Standard Missile
- Patriot
- TOW
- Javelin
- Apache
Participation in Ethics Supplier Mentoring Program

• **Primary Objective:** Examine and make improvements to existing practices and formalize them into a Ethics Program, which will be shared with employees, thereby increasing their awareness of ethical conduct, standards and reporting at Raloid.

• **Implemented Changes**
  – Incorporated ethics program into existing policies
  – Created a policy statement on ethics
  – Created contacts list for reporting concerns/misconduct
  – Created an anonymous reporting method
  – Ethics messaging on flat screen TVs in shop
INVESTIGATIONS – WHAT?

Case
- Report of misconduct
- Investigation required

Non-Case Activity
- Question about policy or action
- Investigation not required
INVESTIGATIONS – WHY?

Initial Report

Investigation

Conclusion

Corrective Action

Disclosures
INVESTIGATIONS – HOW?

STEP ONE

Conduct intake

Who? Subject(s)
What? Allegation(s)
When?
Where?
Why?
How?
Who else? Witnesses
INVESTIGATIONS – HOW?

STEP TWO

Plan investigation

- Allegation(s) to investigate
- Subject(s) of investigation
- Evidence to gather
- Witnesses to interview – why, where, when
INVESTIGATIONS – HOW?

STEP THREE

Gather evidence

Documentary
Physical
Testimonial
INVESTIGATIONS - HOW?

STEP FOUR

Interview Subject
Perspective on situation
Possible reasons for actions
Focus on facts, not feelings
INVESTIGATIONS - HOW?

Write Report of Investigation

- Background
- Summary
- Conclusions (allegations and supporting info)
- Policy citations

STEP FIVE
INVESTIGATIONS – HOW?

STEP SIX

Close Out with Reporting Party and Subject

Allegation(s) substantiated or unsubstantiated?
INVESTIGATIONS – HOW?

DISCIPLINE & INCENTIVES

STEP SEVEN

Determine discipline

From counseling by manager

To termination of employment

Fair, equitable, consistent
INVESTIGATIONS – HOW?

DISCLOSURES

STEP NINE

Disclose misconduct

Violations of U.S. federal criminal law to Inspector General

Misconduct or mistakes that would affect price, schedule or quality of products or services to customer
KEY TAKEAWAYS

Inquiry and reporting mechanisms essential for effective ethics program

Fair, thorough investigations determine whether alleged misconduct occurred

Corrective action or disclosures may be necessary if misconduct is substantiated

Discipline and incentives together can deter misconduct, encourage reporting
SELF-SERVE RESOURCES

www.lockheedmartin.com
> Suppliers > Ethics

Supplier Self-Assessment Tool

Infographic Guides

All ethics resources, including 1-on-1 mentoring are completely free and voluntary.

...AND MORE!
THANK YOU!


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