ETHICS PROGRAMS

Supplier Training Excellence Program (STEP) Webinar

July 11, 2023

LOCKHEED MARTIN
Ethics and Enterprise Assurance Organization

Ethics and Business Conduct
- ESH and Health & Wellness

Corporate Internal Audit
- Enterprise Risk Mgt & Sustainability
WHY?
ETHICS PROGRAMS REDUCE BUSINESS RISK!

Many elements of an effective ethics program are required by law or regulation and can reduce penalties in event of misconduct.

Allegations of misconduct can damage the reputation of a single company or the entire industry.

An effective ethics program can help identify and address issues before they affect quality, cost or schedule.

Ethics programs reduce risk to your business …and to ours.
CONTRACTOR CODE OF BUSINESS ETHICS & CONDUCT
FAR 52.203-13

Qualifying contracts require an ethics program.

https://www.acquisition.gov/far/52.203-13
If misconduct occurs, having an effective ethics program can reduce fines by up to 90%.

https://guidelines.uscc.gov/gl/%C2%A78B2.1
WHAT GOES INTO ETHICS PROGRAM?
COMPANY VALUES

Key principles which describe your culture and guide your decisions

- Perform with Excellence
- Respect Others
- Do What’s Right
CULTURE AND COMPLIANCE

‘Speak-Up’ Culture

Legal Compliance

A program which helps employees conduct business, mindful of compliance and ethical obligations relating to policies, procedures, laws, and regulations.
COMPLIANCE RISK AREAS

An effective ethics program can reinforce compliance with law, regulation, or policy.

- Bribery & Corruption
- Conflicts of Interest
- Financial Records
- Trade Controls
- Sensitive Information Protection
- HR & Labor Policies
- Employee Safety & Health
- Counterfeit Parts
CODE OF CONDUCT

Summary of expectations for employee conduct

MULTIPLE CONTACT METHODS

- Helpline
- Dedicated email account
- Website
- Ethics Officer Direct Contact Info
- Corp Directories-Link to Ethics Officer
- Posters and electronic business cards

Avenues for employees to ask a question or report potential misconduct
Education about specific compliance topics and strategies for addressing ethical dilemmas
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
Ethics Program - Overview

Code of Conduct
Ethics Awareness Training

CONFLICTS OF INTEREST
KNOW THE DIFFERENCE

Supplier Ethics Mentoring Program Webinar Series

Integrity Minute Series

Decision Tree Mobile App

Business Conduct Compliance Training

LOCKHEED MARTIN PROPRIETARY INFORMATION

PIRA #: CHQ201803006
AT YOUR SERVICE!
SELF-SERVE RESOURCES

Check out our Supplier Code of Conduct, Infographics, or contact us to “talk Ethics” anytime!

ADVANTAGES OF ONE-ON-ONE MENTORING

We are happy to chat in groups or 1:1 to share ideas about ethics and compliance programs!
INFORMATION AND RESOURCES

Government Regulations & Guidance
- US Federal Acquisition Regulation (FAR)
- US Federal Sentencing Guidelines for Organizations (FSGO)
- Resource Guide (Chapter 5) to the US Foreign Corrupt Practices Act (FCPA)
- UK Ministry of Justice Guidance - The Bribery Act 2010
- U4 Anti-Corruption Resource Center – The Relationship Between Business Integrity and Commercial Success (Australian, German, Finnish, Denmark, Swiss, Norwegian partnership)

Industry Standards
- Defense Industry Initiative on Business Ethics & Conduct (DII)
- International Forum on Business Ethical Conduct for the Aerospace and Defence Industry (IFBEC)

International Best Practices
- International Chamber of Commerce (ICC)
- Organization for Economic Cooperation and Development (OECD)
- Transparency International
ETHICS ENGAGEMENT ALUMNI
CALL ANYTIME!

Wendy Evans
wendy.w.evans@lmco.com
407-462-4478

Mario Allen
mario.allen@lmco.com
407-496-5725