ETHICS PROGRAMS

Supplier Training Excellence Program (STEP) Webinar

April 9, 2024
Ethics and Enterprise Assurance Organization

Ethics

Ethics and Business Conduct

Corporate Internal Audit

ESH and Health & Wellness

Enterprise Risk Mgt & Sustainability
WHY ETHICS?
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.ussc.gov/gl/%C2%A78B2.1
WHAT GOES INTO ETHICS PROGRAM?
COMPANY VALUES

Key principles which describe your culture and guide your decisions
CULTURE AND 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.
CODE OF CONDUCT

Do What’s Right
Respect Others
Perform with Excellence


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
TRAINING

CASE 3 “Team Bonding”

ISSUES: DOCUMENT FALSEIFICATION; LEADERSHIP CONCERNS; PERSONAL CONFLICT OF INTEREST

PART I: DISCUSSION

What issues do these characters encounter?
- Aaron is resentful that Peter was promoted instead of him but is a committed team member.
- Emily is sarcastic to Peter about the accelerated delivery schedule.
- Aaron and Emily discover an issue with two parts that require rework.
- Peter is under pressure to deliver on time in his new lead role.
- Summer is mentoring Peter but doesn’t do enough to get to the issues he is facing.

Which VOV techniques could help resolve these issues?
- Summer reframes the issue with Peter about the team’s commitment.
- Peter needs to ask questions instead of making assumptions and ignoring the team’s input.
- Emily and Aaron obtain data and report concerns to Summer.
- Summer asks questions of Peter to get information about how the parts pass quality.

PART II: WRAP-UP

Ask: “How should the scenario end?”

Leader Closing
Peter feels pressure to deliver in his new role. Summer encourages Peter to trust his team, but Peter dismisses others’ input and doesn’t ask the team or Summer for help when there is a delay. Peter’s unavailability and use of his sister’s Quality Stamp is a clear violation of policy and will negatively impact his job. Peter’s sister will also have to account for her role in the incident.

Bottom line: When facing challenges, engage with your team and leader for help. We are committed to providing safe and reliable products. Compromising quality and values to meet a deadline is never acceptable and usually creates more problems than it solves.

Governance
LM Code of Conduct: We Lead With Integrity

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

Voicing Our Values Through Ethics Awareness Training

Do What's Right | Respect Others | Perform With Excellence

CONFLICTS OF INTEREST
KNOW THE DIFFERENCE

Supplier
Engagement

Ethics in Engineering

Decision Tree Mobile App

Integrity Minute Series

Supplier Conduct Compliance Training

Supplier Ethics Mentoring Program Webinar Series

Lockheed Martin Corporation
PIRA CHQ2024040163
LM SUPPLIER OUTREACH

Click on Photo to access LM’s Supplier Outreach Website
SELF-SERVE RESOURCES

Check out:
Supplier Code of Conduct
Infographics
Other Resources


ADVANTAGES OF SMALL GROUP AND/OR ONE-ON-ONE MENTORING

We are happy to chat in small 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