2020 BAE Systems
Business Conduct Training:
Workplace Pressure, Opportunity and Rationalization

Facilitator’s guide
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Dear Colleagues,

Through the initiative and creativity of our employees, we have accomplished a great deal over the past few years: we have grown our business significantly, provided market-leading products and services for our customers and built an unprecedented backlog that will serve us well into the future. That impressive performance means we have a great deal of work ahead of us as we experience increased volume and complexity across all Sectors of our business. It also means that we will all be challenged to find ways to work more productively and efficiently to meet our customers’ requirements and timelines. We have been successful in meeting these challenges in the past, and I have every confidence that we will do so again. For some of our team, challenges like these can translate into feelings of pressure to work harder and faster. And that creates risk that we must all be mindful of.

To prepare all of us to recognize and address that risk, this year’s Business Conduct training focuses on: workplace pressure, opportunity, and rationalization. We know that the combination of pressure, opportunity, and rationalization can lead to ethical dilemmas if: pressure causes a person to believe that doing the wrong thing is necessary to achieve objectives; if it provides a window of opportunity to take a risky shortcut; or if a person can rationalize that the inappropriate behavior is the best way to succeed.

As leaders, we have an obligation to create an environment where employees are comfortable speaking up when they feel these kinds of pressures. Through an open and transparent dialogue we can bring concerns to the surface before feelings of pressure lead to misconduct.

This year’s Business Conduct training can serve as a catalyst for that dialogue. I encourage you to take the time to have meaningful conversations about how we can recognize pressure-based concerns, address them responsibly, and work through the situation with respect and integrity. After all, it’s not just what we do, it’s how we do it.

Tom Arseneault
President and CEO, BAE Systems, Inc.
Quick start guide

The purpose of this guide is to help managers and supervisors prepare to facilitate a Workplace Pressure, Opportunity and Rationalization workshop. You will find detailed, step-by-step instructions on how to facilitate the 2020 Business Conduct Training in the following pages, but here is a quick-reference overview.

✓ Please use this checklist as an easy way to prepare for the training.

Each scenario is set in one of the many working environments experienced by our employees, but remember: the issues and dilemmas presented in the scenarios are relevant wherever we work. As a facilitator, you can help make the dilemmas universally applicable.

Before the training

1. Prepare
   - Read the Facilitator Guide
   - Choose one or two scenarios
   - Decide whether to use the videos or scenario scripts
   - Schedule a room

2. Know the materials
   - Watch the video/s you’ve selected or read through the scenario scripts
   - Note the key messages
   - Familiarize yourself with the participant handout
During the training

3. Introduce the training
   - Explain the value of the training and how it relates to our work
   - Present the Chief Executive Officer message page 3
   - Play the introduction video

4. Share selected training scenario/s
   - Play the chosen video/s, or read the scenario scripts
   - Use the questions to start the initial conversation

5. Close the session
   - Talk about ethics resources (Code of Conduct, HelpLine, Local Ethics Officers)
   - Remind your team to record completion in iLearn, Success Factors, or by signing a class roster
   - Thank the participants

After the training

6. Follow-up
   - Answer questions brought up by your team
   - Ensure all team members have completed and recorded their training by the due date
Delivering the training

The purpose of this guide is to help managers and supervisors prepare to facilitate a Workplace Pressure, Opportunity and Rationalization workshop. This section contains the detailed information you need to deliver the training and provide direction to your team for recording attendance.

Workplace pressure can create stress and stress may impact the decisions that we make. Poor decisions can cause us to cut corners and sometimes lead to misconduct. Opportunity allows shortcuts or misconduct to occur. Rationalization allows the individual to persuade themselves that the misconduct was warranted.

Each one of us has experienced workplace pressure in our careers. Open and transparent dialogue can create a positive work environment in which employees can feel comfortable speaking up. As a manager, you play a critical role in listening and taking action when an employee asks a question or reports a concern.

Before the training

Preparation

- Familiarize yourself with this Facilitator’s Guide, the scenarios, and the key messages from each scenario.
- Think about how to make this session engaging and valuable. Have you delivered training before? Could your expertise support others, or would you benefit from a discussion with a colleague who has delivered this training before?
- Workshops should be conducted face-to-face. However, teams that work across different locations may need to use alternative methods, like Webex or a conference call. Be sure to test these methods first.

- If you will not be using the videos, scenario scripts are available. Either the facilitator or session participants can read the scenario scripts.

Reserve your time and place

Reserve a location to hold your hour-long workshop.

Remember to book a room with the right technology and arrive a little early to ensure that everything is working.

Select scenarios

Choose one or two scenarios. Consider the issues explored in each scenario and pick the ones most applicable to your team.

Supporting resources

Please contact your Local Ethics Officer for any questions about facilitating the workshop.

If needed, copy or print additional copies of training materials.

Confirm access to training videos using the online links.

Contact your local IT helpdesk if you are experiencing difficulties playing the videos.

If holding the session remotely, or if you have network connectivity problems, download a copy of the videos before the training, or use the scenario scripts.

Video locations

See the Inc. or your sector ethics page on OneSpace

NOTE: the key messages for each scenario part are intended to summarize the main themes of the scenario, once the primary discussions have taken place.

Scenario scripts

You may download and print the scenario scripts by visiting the intranet site.

Participant handout

Print the one-page participant handout as a tool for extending the learning of this workshop into daily work life.
What makes a successful session?

A successful Business Conduct Training session requires great facilitation, active participation from all attendees, and relevant, meaningful discussions.

Here are some tips for achieving a successful session:

- Ask open-ended questions and actively listen to everyone’s contribution.
- Encourage balanced participation from everyone; try to prevent one or two individuals from dominating the discussion.
- Encourage participants to share relevant personal experiences; share your own experiences to demonstrate how the issues may relate to your work environment.
- Help your team consider similar situations that could occur in their working environment.
- Remember, you don’t need to have all the answers – if a question or challenge comes up that you can’t answer in the moment, make a commitment to get expert guidance and come back to the team.

“Welcome to BAE Systems’ 2020 ethics training, which this year is called Workplace Pressure, Opportunity and Rationalization.”

As a result of participating in this workshop, an employee should be better able to:

- Analyze scenarios to identify workplace pressures, opportunities for misconduct and ethical issues
- Engage as a team to recognize rationalizations and affirm our commitments under the Code of Conduct
- Embrace the responsibility to ask questions and report concerns; encourage employees to recognize ethical successes

I’ll cover the key points from the CEO welcome (page 3) and play a short video. Then, we will look at the scenarios.

After viewing or reading a scenario, we will discuss the workplace pressure, opportunity and rationalization in the scene. To achieve this, we will break up into groups. This will give us an opportunity to look at the situation from different perspectives, consider what may have led to a particular situation, and determine what impact the situation can have on others.

Play the selected video/s or use the scenario scripts

The outlines for each scenario are found beginning on page 10 of this guide. For each chosen scenario, either watch the video or use the scenario script. If you are using scripts, you can:

- Read the script aloud, or ask a volunteer to read the card.
- Share the script with team members to read (ensure you print enough copies).

After presenting the video / scenario scripts

- Divide the participants into small groups, and answer the questions associated with the scenario.
- Assign each group a character from whose perspective the group will consider the scenario. Have each small group discuss the scenario from the assigned character’s perspective using the discussion questions.
From the perspective of your character:

– How would you describe the behavior(s) in this scene? Define the issues.
– If you observed this conduct in our workplace what could be the consequences? What could be done to prevent it?
– How would you describe the pressure the characters felt?
– How would you describe the opportunity for the misconduct to occur?
– What rationalization(s) are being used in the scene? How might they affect ethical decision making?

Discuss each question, and be sure to bring up any important points that the group did NOT think of.

Ask the group:

– Is there anything the characters could have done to improve the situation?
– What are the behaviors that are not appropriate in the workplace?

This Facilitator’s Guide provides you with insights, along with questions and key messages for each scenario.

**NOTE:** the key messages at the end each scenario are intended to wrap up or summarize the main points of the scenario, once the primary discussions have taken place.

– Your role is to facilitate a discussion guided by those questions, and to demonstrate that you are a leader who welcomes diversity of thought and opinion.
– Make sure all of the scenario themes and key messages are covered.
– Encourage your team to share any relevant personal experiences, allowing time for discussion.

If you have time, run through a second scenario. It is more important to engage over an in-depth discussion of the issues, than to watch multiple scenarios.

Recording the training

After the session, it is the responsibility of each individual to record their training in iLearn, Success Factors or by signing a class roster.

Leaders should ensure that all team members have completed and recorded their training by the due date.

Following up

Finally, follow up on any outstanding questions from your team.

Close the training

As appropriate, cover the following in your closing statement:

– Encourage your team to build discussions about ethical issues into day-to-day activities to raise concerns early and resolve issues at an earlier stage.
– Address any remaining questions already raised, and confirm the process for unanswered questions.
– Provide a reminder of the support available: Your manager, HR, Local Ethics Officer or the Ethics HelpLine.
– End the training and thank participants for sharing their views.
Scenario selection matrix

Below is a summary of each of the training scenarios, which can be presented using the videos or by using the scenario scripts. Choose one or two scenarios to share with your team. Select the scenarios with the most relevant themes faced by your team, and use your experiences and those of your team, both inside and outside work, to relate the scenario to your work environment.

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<tr>
<th>Scenario information</th>
<th>Themes</th>
<th>Characters</th>
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<td><strong>Scenario 1: Time reporting</strong>&lt;br&gt;Joel confides to Carlos that he has been spending a lot of working hours taking care of personal matters. (Photo animation)</td>
<td>► Recording time, costs and materials  &lt;br&gt;► Speaking up</td>
<td>Carlos, employee  &lt;br&gt;Joel, employee</td>
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<td><strong>Scenario 2: Gifts and hospitality</strong>&lt;br&gt;Through a text conversation, Elena tells Sarah she expensed a dinner with her friend who works for a competitor. (Photo animation)</td>
<td>► Recording time, costs and materials  &lt;br&gt;► Bribery, gifts and entertainment</td>
<td>Sarah, employee (not pictured)  &lt;br&gt;Elena, employee (not pictured)</td>
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<td><strong>Scenario 3: Poor communication</strong>&lt;br&gt;Sunil is under pressure to meet a deadline but has questions for his manager, who is not easy to reach. A coworker offers some advice. (Whiteboard)</td>
<td>► Product safety  &lt;br&gt;► Speaking up</td>
<td>Sunil, employee  &lt;br&gt;Anna, Sunil’s manager</td>
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<td><strong>Scenario 4: Deadline pressure</strong>&lt;br&gt;Carolyn tells Patrick she has been working late on a project that may otherwise fall behind schedule. (PinPoint)</td>
<td>► Speaking up  &lt;br&gt;► Recording time, costs and materials</td>
<td>Patrick, employee  &lt;br&gt;Carolyn, employee</td>
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<td><strong>Scenario 5: Managing a difficult situation</strong>&lt;br&gt;Cheryl asks Clyde about one of his employees who has concerns about his performance review. (Photo animation)</td>
<td>► Speaking up  &lt;br&gt;► Inclusive workplace behavior  &lt;br&gt;► Retaliation</td>
<td>Cheryl, HR representative  &lt;br&gt;Clyde, manager</td>
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<td><strong>Scenario 6: Family relationships</strong>&lt;br&gt;Celia and Gianni, who are married and both work for BAE Systems, are assigned to the same project. (Whiteboard)</td>
<td>► Conflicts of interest  &lt;br&gt;► Family relationships  &lt;br&gt;► Speaking up</td>
<td>Celia, employee  &lt;br&gt;Gianni, employee</td>
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Stage 1: Start the discussion
Divide the participants into small groups. Assign each group one of the following perspectives:
- Carlos, employee
- Joel, employee
The small groups should spend 5-10 minutes discussing the questions below.

From the perspective of your character:
- How would you describe the behavior(s) in this scene? Define the issues.
- If you observed this conduct in our workplace what could be the consequences? What could be done to prevent it?
- How would you describe the pressure the characters felt?
- How would you describe the opportunity for the misconduct to occur?
- What rationalization(s) are being used in the scene? How might they affect ethical decision making?

Discuss each question, and be sure to bring up any important points that the group did NOT think of.

Ask the group:
- Is there anything the characters could have done to improve the situation?
- What are the behaviors that are not appropriate in the workplace?

Once participants have provided their thoughts, the facilitator should highlight the key messages listed on the right.

Stage 2: Key messages
- In this scenario, Joel is charging time he is not actually working to a contract. Improper time charging not only violates U.S. government regulations, but also affects how BAE Systems charges labor and other costs to our customers. Time mischarging can also result in a loss of customer trust and damage to the Company’s reputation. The Company uses our timesheets to charge various costs to our customers, and the hours we record translate into revenue for the Company. This information allows us to report our performance and financial status, both internally and externally.
- Joel is feeling pressure to deliver a project ahead of schedule while being expected to cut costs; but the pressure he feels to take care of his father is causing him to lose focus on his work.
- The fact that Joel’s team members and manager work at different locations give Joel the opportunity and the rationalization that, as long as he can be reached by phone, he is still working—even though he is not focusing on the work. It seems Joel feels justified in his actions because his manager rarely reaches out, and Joel doesn’t think anyone really cares much about what he is doing, as long as he can be reached.
- Falsely reporting our time is never justifiable. If we are in a situation where we feel we cannot dedicate our full focus on our work, we should discuss the matter with our manager or Human Resources.
- In this situation, Joel recognizes that he is not working to his full potential, but feels he has nowhere to turn for help—he needs to take care of his father, but he also fears he will lose his job if he does so. While it is good that he confided his concerns to Carlos, he still needs to contact his manager or his Human Resources department and explain his situation. The Company will then work with him to find an appropriate solution.
**Scenario 2 Gifts and hospitality**

**Stage 1: Start the discussion**

Divide the participants into small groups. Assign each group one of the following perspectives:

- Sarah, employee
- Elena, employee

The small groups should spend 5-10 minutes discussing the questions below.

**From the perspective of your character:**

- How would you describe the behavior(s) in this scene? Define the issues.
- If you observed this conduct in our workplace what could be the consequences? What could be done to prevent it?
- How would you describe the pressure the characters felt?
- How would you describe the opportunity for the misconduct to occur?
- What rationalization(s) are being used in the scene? How might they affect ethical decision making?

Discuss each question, and be sure to bring up any important points that the group did NOT think of.

Ask the group:

- Is there anything the characters could have done to improve the situation?
- What are the behaviors that are not appropriate in the workplace?

Once participants have provided their thoughts, the facilitator should highlight the key messages listed on the right.

**Stage 2: Key messages**

- In an effort to impress her friend and “maintain a good relationship” with a competitor, Elena used Company funds to pay for their expensive dinner. While maintaining relationships with customers and business partners is a regular part of doing business, an extravagant dinner with an old friend, no matter what their position is in relation to the Company, is not a reasonable—or justifiable—business expense. Entertainment should never be extravagant, and it should always have a business purpose.

- Honest, accurate and objective recording and reporting of information, whether financial or non-financial, is essential to the Company’s governance, credibility and reputation. Failure to record financial information and labor charges accurately will damage the Company’s credibility and reputation and potentially expose Elena to serious consequences.

- If Elena and her friend had been competitive as children, Elena may have felt pressure to present herself as more successful or important at the Company. She took the opportunity that no one from work would have seen her at that type of restaurant to impress her friend.

- Elena certainly seemed to have plenty of rationalizations for her actions. Mischaracterizing the meal as a “working dinner” to maintain a business relationship, feeling that the Company owes her something or that the incident was a “one-time thing” are not justifications for using Company funds for personal purposes.
Stage 1:
Start the discussion

Divide the participants into small groups. Assign each group one of the following perspectives:
- Sunil, employee
- Anna, Sunil’s manager
- Harold, Sunil’s coworker

The small groups should spend 5-10 minutes discussing the questions below.

From the perspective of your character:
- How would you describe the behavior(s) in this scene? Define the issues.
- If you observed this conduct in our workplace what could be the consequences? What could be done to prevent it?
- How would you describe the pressure the characters felt?
- How would you describe the opportunity for the misconduct to occur?
- What rationalization(s) are being used in the scene? How might they affect ethical decision making?

Discuss each question, and be sure to bring up any important points that the group did NOT think of.

Ask the group:
- Is there anything the characters could have done to improve the situation?
- What are the behaviors that are not appropriate in the workplace?

Once participants have provided their thoughts, the facilitator should highlight the key messages listed on the right.

Stage 2:
Key messages

- Poor communication can lead to pressure and unnecessary stress, which can sometimes cause individuals to make poor decisions—in this case, cutting corners in the quality testing process could result in the Company’s reputation being damaged.
- Sunil has trouble communicating with his manager, Anna, who works in a different location, and has instead turned to his coworker, Harold, who tells him to circumvent testing procedures in order to meet a deadline.
- It is understandable that, as a new employee, Sunil feels pressured to make a good impression on Anna by meeting the deadline. It is also understandable that he wants to appear capable and competent. However, Anna is adding extra pressure on Sunil by being difficult to connect with and providing short and unclear answers when Sunil does manage to get her attention. This situation could also present an opportunity for misconduct.
- Sunil’s tough position has led him to consider cutting out steps in a testing procedure, as Harold has advised. He can sign the test results, the project will be done on time, and no one will be the wiser.
- Sunil wants to make a good impression and make the deadline at all costs. Sunil is rationalizing that, since Harold is an expert in the testing process, skipping a few steps could probably be acceptable.
Scenario 4 Deadline pressure

Stage 1:
Start the discussion
Divide the participants into small groups. Assign each group one of the following perspectives:
- Patrick, employee
- Carolyn, employee
The small groups should spend 5-10 minutes discussing the questions below.

From the perspective of your character:
- How would you describe the behavior(s) in this scene? Define the issues.
- If you observed this conduct in our workplace what could be the consequences? What could be done to prevent it?
- How would you describe the pressure the characters felt?
- How would you describe the opportunity for the misconduct to occur?
- What rationalization(s) are being used in the scene? How might they affect ethical decision making?
Discuss each question, and be sure to bring up any important points that the group did NOT think of.
Ask the group:
- Is there anything the characters could have done to improve the situation?
- What are the behaviors that are not appropriate in the workplace?

Stage 2:
Key messages
- Carolyn is trying to fix problems on a project without telling anyone that she has found inconsistencies in the specifications, and that the project could run behind schedule because of them. The schedule pressure is making her work extra hours to fix the problems, but she is not recording the extra hours because it’s a fixed price contract. By not recording her time properly, the Company will not have an accurate overview of how much actual time and effort it took to complete the project.
- Carolyn wants to impress the customer, and is rationalizing that successful completion will bring more work for the Company, and she may feel like she is saving the day by fixing the team’s oversights. However, by not communicating the issues she found, she may actually be covering up a problem and creating an opportunity for misconduct that needs to be addressed immediately.
- Even though it’s a fixed price contract, it’s still a government project. The Company may need to disclose any inconsistencies or deviations from the contract to the government as soon as it becomes aware of them and develop an appropriate remedy.
- Carolyn needs to communicate that the project may fall behind schedule and the issues she has identified. If she does not, the project may not meet the contractual specifications, which may negatively impact the Company, and possibly Carolyn herself. If she chooses not to report her concerns, Patrick has a responsibility to speak up now that he has learned of the situation or convince Carolyn to bring up her concerns.
Scenario 5 Managing a difficult situation

Stage 1:
Start the discussion
Divide the participants into small groups. Assign each group one of the following perspectives:
- Cheryl, HR representative
- Clyde, Tommy’s manager
- Tommy, employee

The small groups should spend 5-10 minutes discussing the questions below.

From the perspective of your character:
- How would you describe the behavior(s) in this scene? Define the issues.
- If you observed this conduct in our workplace what could be the consequences? What could be done to prevent it?
- How would you describe the pressure the characters felt?
- How would you describe the opportunity for the misconduct to occur?
- What rationalization(s) are being used in the scene? How might they affect ethical decision making?

Discuss each question, and be sure to bring up any important points that the group did NOT think of.

Ask the group:
- Is there anything the characters could have done to improve the situation?
- What are the behaviors that are not appropriate in the workplace?

Once participants have provided their thoughts, the facilitator should highlight the key messages listed on the right.

Stage 2:
Key messages
- Both Clyde and Tommy have different perspectives about Tommy’s work performance. It may be true that Tommy makes mistakes that impact the rest of the team, but without the proper documentation, Clyde has nothing specific to support Tommy’s lower performance review and he has, instead, created the impression that he is retaliating against Tommy for raising his concerns.
- Clyde’s unwillingness to address Tommy’s concerns—especially at morning team meetings—may create an environment in which other team members feel uncomfortable speaking up if they feel their concerns will fall on deaf ears.
- The team is facing pressures to meet schedules, but Tommy’s errors have set the team back—creating new pressures, in turn, by placing an extra burden on the rest of the team and creating an opportunity for misconduct to occur.
- While Clyde is right to take Tommy aside and remind him to be more mindful of how his actions impact the rest of the team, he needs to work with Human Resources and document his conversations—especially if he feels Tommy does not respond well to corrective feedback. In turn, Tommy needs to be more receptive to feedback and recognize that his mistakes affect the overall team’s performance.
- Tommy is right to raise his concerns. However, he may want to consider whether there may be a more appropriate time and place to do so. While Clyde may feel Tommy should be able handle some of the issues on his own, he still has a responsibility to address those concerns.
- As a manager, Clyde has a responsibility to actively demonstrate that doing the right thing is important to him. He also has a responsibility to create a positive work environment where his team feels comfortable raising concerns and asking for advice.
Stage 1:
Start the discussion
Divide the participants into small groups. Assign each group one of the following perspectives:
- Celia, employee
- Gianni, employee
- Celia’s team members
The small groups should spend 5-10 minutes discussing the questions below.

From the perspective of your character:
- How would you describe the behavior(s) in this scene? Define the issues.
- If you observed this conduct in our workplace what could be the consequences? What could be done to prevent it?
- How would you describe the pressure the characters felt?
- How would you describe the opportunity for the misconduct to occur?
- What rationalization(s) are being used in the scene? How might they affect ethical decision making?
Discuss each question, and be sure to bring up any important points that the group did NOT think of.

Ask the group:
- Is there anything the characters could have done to improve the situation?
- What are the behaviors that are not appropriate in the workplace?

Once participants have provided their thoughts, the facilitator should highlight the key messages listed on the right.

Stage 2:
Key messages
- A family relationship in the workplace can prevent either of the individuals from performing their job objectively. In this situation, by placing Celia and Gianni on the same project, the teams’ leadership has created a conflict of interest for them.
- While it is true that Celia and Gianni are not in the same reporting line and work in different departments, the team’s concern that Celia would be overseeing her own husband’s work is understandable. After all, if Celia feels pressured to maintain a good relationship with her husband, she may not apply the same professional judgement to Gianni’s work that she would to anyone else’s—even if she rationalizes she is being impartial. This situation may present the opportunity for her to overlook a mistake in an effort to avoid conflict later at home.
- Although Celia believes she will remain professional and objective, she should consider how the arrangement could affect the perceptions of the rest of the work-group—even if the teams’ leadership do not consider the arrangement to be problematic.
- Celia should recognize this conflict of interest and support her team members in discussing the matter with her manager. However, if Celia is reluctant to raise the issue, anyone else on the team should feel comfortable reporting their concerns. Speaking up will allow the Company to review the situation and make any adjustments deemed necessary.