How to use this PDF

This interactive PDF is designed to help you easily navigate this guide and find the information you are looking for.

Guide to the navigation buttons:

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- Throughout this document any page references are interactive – clicking on them will take you straight to the relevant page.

Similarly, any links to external locations such as web/email addresses are interactive and clicking on them will take you directly to the destination.

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## Further resources

Other materials to support and inform the discussions this training may involve are available. You will find specific ones highlighted at relevant points throughout this guide and on the individual scenario cards. For a full list of these resources, please visit:

- **Intranet**: Global Intranet > Operational Governance > Business Conduct Training 2017
- **Internet**: baesystems.com/businessconducttraining2017
Welcome to the Business Conduct Training 2017, which every employee across our global business will complete.

Being a responsible and ethical organisation with high standards of business conduct is crucial to our ongoing success, and a fundamental reason we can all be proud to work for BAE Systems.

Maintaining our reputation as a reliable, trustworthy business depends on our individual and collective conduct. In order to make the right decisions when faced with complex, ambiguous or difficult situations, we need to be able to recognise the issues, understand our responsibilities and the potential impacts for the business, and respond appropriately.

Your role in leading our Business Conduct Training for 2017 is key.

Creating an environment that encourages open and honest discussion is a key foundation for good business conduct. This face-to-face, discussion-based training – and your leadership – help to establish that positive environment.

The training is designed to stimulate conversations with your team about the conduct expected of us all as BAE Systems employees and the personal and workplace pressures that may influence our decision-making.

There is a range of scenarios to choose from, each covering a number of themes, such as respect and inclusivity in the workplace, and the importance of working within policies and procedures. Your role is to encourage your team to think about the issues raised from different perspectives, and consider how we should apply BAE Systems’ principles and values to each situation.

This guide gives you all the information you need to prepare for and run a successful session with your team. Please read it and, if you have any queries, contact your local Ethics Officer or email code.feedback@baesystems.com

Enjoy the session.
Quick start guide

You’ll find more detailed step-by-step information on how to prepare for and run the Business Conduct Training 2017 in the following pages, but here’s a quick-reference overview.

Before the training

1. Preparation
   - Read this Leader’s guide.
   - Choose two scenarios (page 8).
   - Decide whether to use the videos or the training cards (page 5).
   - Book a room.

2. Know the materials
   - Watch the two video scenarios you’ve selected or read through the scenario cards enclosed before running the training. See page 5 for details on how to view the videos.
   - Note the key learning points for each scenario.
   - Familiarise yourself with our responsible decision-making model (page 4).

Each scenario is set in one of the many working environments experienced by our employees. But remember that the issues covered are relevant wherever you work and as a leader you can help make the context relevant. See page 6 for more information.
Introduce the training
– Explain why we are doing the training by sharing the introduction (page 1).

First selected training scenario
– Play Part One of the video or read Part One of the card.
– Pause the video.
– Use the Part One questions to start the initial conversation.
– Then play or read Part Two of the scenario.

Discuss the full scenario
– Use the scenario summaries and key learning points (pages 9-14) as a prompt.
– Encourage the sharing of relevant personal experiences.

Repeat for your second chosen scenario

Close the session
– Take any questions for follow up.
– Note attendees for recording in your Learning Management System.

Record attendance
– See page 7.
– Follow up on any questions from your team and send any feedback about the training to code.feedback@baesystems.com
Our responsible decision-making model gives you some helpful guidance when making complex decisions relating to business conduct.

You’ll find a copy in your supporting materials at the back of this guide. In your training session, introduce the model, display it in the room and encourage your team to use it when considering the scenarios.

**Gather the facts**
Gather the relevant information. Determine what other information you may need and where to find it.

**Consider the situation**
Think about accountability, honesty, integrity, openness and respect. Consider team, cultural and personal values. Think about how the situation affects others and how it might be perceived.

**Understand the rules**
Check you’ve read and understood the Code of Conduct, Company policies and procedures. Be aware of laws and regulations, contract language, industry standards and practices.

**Validate with others**
Speak to your manager or someone else in your management structure. Consult with local Ethics Officers, Human Resources or Legal. Use the Ethics Helpline.
Delivering the training

This section of the guide contains the detailed information you need to deliver the training and record your team’s attendance.

Before the training

Preparation

Before starting:

- Think about how you are going to make this session engaging and valuable. Have you delivered training before? If so, could you offer your support to other managers?
- Familiarise yourself with the Leader’s guide, the scenarios and the key learning points.
- Use the enclosed copy of the quick start guide to prompt you before and during the training.
- Depending on the numbers attending your session, consider breaking into smaller groups to discuss the scenarios.
- Prepare a list of attendees for future recording of training completion.
- Decide on whether to share the scenarios as videos or by using the training cards enclosed.

Book a location to run the training or allocate around 30 minutes for it in your regular team meeting. If you’re using the video scenarios, remember to book a room with a screen and arrive a little early to test that everything is working.

Select scenarios

Select two of the six scenarios. Consider the issues that each scenario explores and choose the two you think are most applicable to your team.

Using the videos

Subject to your locally agreed delivery method, options for running the videos are:

- Intranet: Global Intranet > Operational Governance > Business Conduct Training 2017
- Internet: baesystems.com/businessconducttraining2017

Using the training cards

The training cards are enclosed at the back of this guide. You can download and print extra copies from the intranet page above, or via your Learning Management System.

Supporting resources

- If needed, photocopy or print further copies of the training materials included in the back of this guide.
- Confirm access and connectivity to the training videos via the online links. If you are experiencing difficulty playing the videos, contact your local IT helpdesk.
- If you have network connectivity problems, consider downloading a local copy of the videos or use the training cards enclosed at the back of this guide.
What makes a successful session?
A successful Business Conduct Training session will involve active participation from all attendees and relevant, meaningful discussions focused on ethical business conduct.

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 present; avoid one or two confident individuals dominating.
- Encourage participants to share relevant personal experiences; share your own experiences as well to demonstrate how the issues may relate to your work 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.

During the training

Welcome and open the session:
Explain why this session is important to you and your team.

The training:
- Demonstrates how our conduct has an impact on our business.
- Develops our ability to recognise and respond appropriately to business conduct issues.
- Helps create the right environment to generate open and honest discussions, where the group can share experiences and concerns.
- Encourages us to consider issues from different perspectives and improves our ability to apply ethical principles and values to workplace concerns.

Run the scenarios: For your chosen scenarios, either watch the video or use the enclosed training cards. If using cards you can:
- Read the card aloud, or ask a volunteer to read the card.
- Share the cards with the team members to read (ensure you photocopy or print enough copies).

Discuss the scenarios:
- Each scenario consists of two parts. After watching the video for Part One or reading that section of the card, briefly discuss the two questions that follow. Only a short pause is required: the purpose of the questions is to focus on the key areas at that stage.
- Now view or read Part Two of the scenario. Use the questions and key learning points for the relevant scenario (pages 9-14) or the training cards to support the discussion.
- Make sure all of the scenario themes and key learning points are covered.
- Encourage your team to use the responsible decision-making model and to share any relevant personal experiences, allowing time for discussion.

Close and summarise the session:
- Address any questions raised, and confirm the process for unanswered questions.
- Provide a reminder of the support available:
  - Line Manager
  - Ethics Officer
  - Human Resources
  - Ethics Helpline
  - Legal
- Ensure you have a note of those in attendance for recording purposes.
  - Thank your team for contributing.

Explain that there are many different working environments across our Company, and that each scenario is set in just one example. Emphasise that this does not mean that the issues raised could only happen in that environment: the key issues presented are generic and applicable across the Company.
After the training

Recording the training
After the session, it is the responsibility of each leader to record attendance using the locally agreed Learning Management System such as Success Factors or Skillport or via locally agreed routes.

Further support on recording completion of training is available locally, through business points of contact. You will find details of the dedicated intranet/internet pages on page 5 of this guide.

Following up
Finally, follow up on any outstanding questions from your team and if you have feedback send it to code.feedback@baesystems.com
Scenario overview

Below is a summary of each of the training scenarios, which can be shared as videos or using the training cards enclosed. Choose two scenarios to share with your team. Focus your selection based on the relevant theme and use your experiences and the considerations to relate the scenario to your work and environment.

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Scenarios are available as videos, for a full list of these resources, please visit:

- **Intranet**: Global Intranet > Operational Governance > Business Conduct Training 2017
- **Internet**: baesystems.com/businessconducttraining2017
Scenario 1
Whatever it takes

Description
An employee wins new business under difficult circumstances, but has he gone too far?

Themes
- Gifts and hospitality.
- Protecting and sharing Company information.

Characters
- Julian, an employee.
- Jennifer, a colleague.
- Tom, a colleague from the Legal department.
- Mo, Julian’s line manager.

After watching/reading Part One, briefly consider the following questions:

► How would you describe the behaviours shown by Jennifer, Julian and Tom? Define the issues.
► What are BAE Systems’ expectations regarding the behaviours observed?

After watching/reading Part Two, consider the following to encourage discussion:

► Describe the pressures in Part Two, and how those pressures led to the behaviours shown by Jennifer, Julian and Tom in Part One.
► What are the best responses that Jennifer, Julian and Tom could have made to ease or prevent these pressures?
► Share experiences where you have observed similar pressures. What behaviours did these pressures lead to and what could have been done differently?

After your team has discussed the scenario, ensure the following key learning points have been covered:

► The underlying intent of the hospitality could be interpreted as a bribe in order to win the new business (if the giving or receiving of gifts or hospitality is in any way for the purpose of obtaining an inappropriate advantage or benefit, then this may amount to bribery, which is prohibited under BAE Systems policies and is a criminal offence). The inclusion of spouses may be inappropriate as their inclusion appears to be for the purpose of securing new business.
► Always check Company policy and seek approval before giving or receiving a gift or hospitality, and, where necessary, record it in the gifts and hospitality register.
► Whilst pressure may exist to achieve Company goals to secure future business, it is critical that Company policies are followed at all times.
► Information shared verbally in a public place or with the wrong person can have the same impact as a document emailed to an incorrect recipient.

Further resources:
► Code of Conduct, 2.5 – Bribery, Gifts and Entertainment and the Gifts and Hospitality policy.
► Code of Conduct, 1.2 – Company Commitment.
► Code of Conduct, 2.12 – Conflicts of Interest.
► Responsible Use of Information.
Scenario 2
Speaking out

After watching/reading Part One, briefly consider the following questions:

▸ How would you describe the behaviours shown by Erica and Alan? Define the issues.
▸ What are BAE Systems’ expectations regarding the behaviours observed?

After watching/reading Part Two, consider the following to encourage discussion:

▸ Describe the pressures in Part Two, and how those pressures led to the behaviours shown by Erica and Alan in Part One.
▸ What are the best responses that Erica, Alan, Brian and Daria could have made to ease or prevent these pressures?
▸ Share experiences where you have observed similar pressures. What behaviours did these pressures lead to and what could have been done differently?

After your team has discussed the scenario, ensure the following key learning points have been covered:

▸ Ethical business conduct starts with how we treat each other. Our culture depends on all of us treating each other with dignity and respect, regardless of the stress or pressure we may feel or may be under.

▸ In an open culture, everyone should feel comfortable speaking up and challenging what is occurring in the workplace, raising concerns and asking questions. Our Company has a number of routes available for raising concerns, including via your manager, Human Resources, the Ethics Helpline and Ethics Officers. The earlier you speak up, the quicker an issue can be resolved.
▸ We should all listen to colleagues’ concerns in a supportive manner. Receiving feedback or advice about the way in which you work is not always easy, we all have a responsibility to promote ethical and professional behaviour that is in line with our values and principles.
▸ The Company commits that its leaders, managers and supervisors will act with integrity, promote ethical business conduct and foster an environment which encourages employees to raise questions or concerns without fear of retaliation.
▸ We have a personal and collective responsibility to make ourselves aware of the safety and product safety implications of our roles and ensure that we operate within the law and business unit safety policies and processes.
▸ Providing feedback on concerns raised is a vital part of a manager’s role. If you can’t resolve a concern raised, explain the reasons why in an open and transparent way.

Further resources:

▸ Code of Conduct, 2.1 – Inclusive Workplace Behaviour.
▸ People policy.
▸ Employee Assistance Programme.
▸ Code of Conduct 3.1 Product Safety.
Scenario 3  
Fair treatment

A manager appears to be treating one member of her team more favourably than another.

**Themes**
- Conflict of interest.
- Favouritism.
- Consistent performance management practices.
- Pressure and impact on well-being.

**Characters**
- Jeff, an employee.
- Alex, an employee.
- Sara, Jeff and Alex’s manager.
- Stephan, Sara’s director.

After watching/reading Part One, briefly consider the following questions:

- How would you describe the behaviours shown by Jeff, Sara and Alex? Define the issues.
- What are BAE Systems’ expectations regarding the behaviours observed?

After watching/reading Part Two, consider the following to encourage discussion:

- Describe the pressures in Part Two, and how those pressures led to the behaviours shown by Jeff, Sara and Alex in Part One.
- What are the best responses Jeff, Sara and Alex could have made to ease or prevent these pressures?
- Share experiences where you have observed similar pressures. What behaviours did these pressures lead to and what could have been done differently?

After your team has discussed the scenario, ensure the following key learning points have been covered:

- Conflicts of interest can arise when personal interests influence decision-making and treatment of others at work. Good practice is to discuss potential conflicts of interest.
- When addressing situations where individuals are not performing at their best, it is important to be consistent with all employees, providing constructive, open and honest feedback. Focusing on a deadline or urgent requirement can often lead to overlooking the root cause of an issue. We should try to take a step back, look at the whole process and understand how it can be done better.
- The Company is committed to supporting employees to maintain a good level of well-being. Competing deadlines and day-to-day activities can sometimes be at odds with personal commitments and responsibilities. Teams can help each other during pressured times by creating an environment that encourages open dialogue to finding ways to support success.
- Irrespective of location, all employees should be able to discuss concerns during regular updates with their manager.

**Further resources:**
- Code of Conduct, 2.1 – Inclusive Workplace Behaviour.
- People policy.
- Employee Assistance Programme.
Scenario 4
Maintaining standards

After watching/reading Part One, briefly consider the following questions:

► How would you describe the behaviours shown by Anthony, Craig and Harry? Define the issues.
► What are BAE Systems’ expectations regarding the behaviours observed?

After watching/reading Part Two, consider the following to encourage discussion:

► Describe the pressures in Part Two, and how those pressures led to the behaviours shown by Anthony, Craig and Harry in Part One.
► What are the best responses Anthony, Craig and Harry could have made to ease or prevent these pressures?
► Share experiences where you have observed similar pressures. What behaviours did these pressures lead to and what could have been done differently?

After your team has discussed the scenario, ensure the following key learning points have been covered:

► We work in a demanding and fast-paced environment. If a project appears to demand more than originally expected, this should be highlighted to the appropriate senior manager who can help with the concern. While it may be easier to avoid the issue and not ‘make waves’, failing to act is inconsistent with our Company’s principles.
► Managers have a responsibility to assist employees in difficult situations. By doing so, trust is built up between both employees and customers. By working together to address problems, we hold each other accountable and can agree solutions.
► The Company commits that its leaders, managers and supervisors will act with integrity, promote ethical business conduct and foster an environment which encourages employees to raise questions or concerns without fear of retaliation.

Further resources:

► Code of Conduct, 2.2 – Health and Safety.
► Code of Conduct 3.1 – Product Safety.
After watching/reading Part One, briefly consider the following questions:

- How would you describe the behaviours shown by Sam, Jennifer and Paula? Define the issues.
- What are BAE Systems’ expectations regarding the behaviours observed?

After watching/reading Part Two, consider the following to encourage discussion:

- Describe the pressures in Part Two, and how those pressures led to the behaviours shown by Sam, Jennifer and Paula in Part One.
- What are the best responses that Sam, Jennifer and Paula could have made to ease or prevent these pressures?
- Share experiences where you have observed similar pressures. What behaviours did these pressures lead to and what could have been done differently?

After your team has discussed the scenario, ensure the following key learning points have been covered:

- When recommending a new supplier, we must follow due process, even when acting with the best of intentions.
- Conflicts of interest can arise when personal interests influence decision-making at work.
- Even the perception of a conflict of interest can cause problems. Ask yourself: could someone else look at the situation and get the wrong impression?
- Our Legal and Human Resources departments can provide guidance on the Conflicts of Interest Register.
- Speaking up about concerns and asking for support with Company processes is important; the earlier questions are raised the quicker the issue can be resolved.

Further resources:

- Code of Conduct, 1.2 – Company Commitment.
- Code of Conduct, 2.12 – Conflicts of Interest.
- People policy.
Scenario 6
Where’s the data?

Description
A manager under pressure to deliver an important report finds evidence of a possible data security breach.

Themes
- Intimidation and harassment.
- Pressures and unintentionally cutting corners.
- Protecting and sharing Company information.

Characters
- Anita, a recent new starter.
- Sam, Anita’s line manager.
- Glen, a senior manager.

After watching/reading Part One, briefly consider the following questions:
- How would you describe the behaviours shown by Sam and Anita? Define the issues.
- What are BAE Systems’ expectations regarding the behaviours observed?

After watching/reading Part Two, consider the following to encourage discussion:
- Describe the pressures in Part Two, and how those pressures led to the behaviours shown by Sam and Anita in Part One.
- What are the best responses that Sam and Anita could have made to ease or prevent these pressures?
- Share experiences where you have observed similar pressures. What behaviours did these pressures lead to and what could have been done differently?

After your team has discussed the scenario, ensure the following key learning points have been covered:
- Information is one of our Company’s most important assets. Sharing data with unauthorised parties can introduce security risks which could prove damaging.
- Don’t share data, internally or externally, with unauthorised people even if you trust that person.
- As well as potentially leading to damage to the Company, sharing data inappropriately could lead to you being open to disciplinary proceedings.
- Bullying is a pattern of behaviour that intimidates, offends, degrades or humiliates a person or group of people. It’s a persistent use of offensive behaviour that gradually undermines a person’s self-esteem and confidence. Bullying behaviour doesn’t affect only the individuals it’s directed toward, but can divide work teams, damage morale, prevent communication and damage productivity.
- Bullying, abusive, humiliating or intimidating behaviour is never acceptable and it goes against our Company’s principles. It’s our responsibility to treat others with respect and understanding, and in ways that demonstrate that we value the views and opinions of all of our colleagues, creating an inclusive work environment.

Further resources:
- Code of Conduct, 2.7 – Use of Company Information Technology.
- Export Control policy
- IT Acceptable Use policy.
- Security policy.
- Code of Conduct 2.1 – Inclusive Workplace Behaviour.
- Communications policy.
- Responsible Use of Information.
Supporting materials

Scenarios are available as videos, for a full list of these resources, please visit:

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- **Internet**: baesystems.com/businessconducttraining2017
Thank you
for supporting the Business Conduct Training 2017.
We welcome your feedback about this training – please email any thoughts or suggestions to the Operational Governance team at: code.feedback@baesystems.com