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:

Global Intranet: How we work>Operational Governance>Business Conduct Training 2019

Internet: baesystems.com/businessconducttraining2019
Welcome to the Business Conduct Training for 2019

As a people manager, you play a key role in creating a positive, inclusive working environment characterised by the highest standards of business conduct.

Our commitment to responsible and ethical business conduct – as a Company and as individuals – underpins our reputation for being a trusted and reliable business. Our success depends on maintaining the standards of conduct that our customers, shareholders, partners and colleagues expect.

To do that, we need to have a shared understanding of what’s expected of us all and create an environment in which all employees feel they can ask questions and be supported in making the right decisions.

This conversation-based training offers everyone in the business an opportunity to consider some of the challenges we face in our workplace, focusing on those that are particularly relevant to your team.

In the scenarios – as in real life – the issues can be complex and the right answer may not always be obvious. A rich and open discussion with your team about what the implications might be for individuals, our customers and the Company will help build the awareness and confidence we all need to raise issues and manage real situations when they occur.

Thank you for your role in leading the Business Conduct Training this year and continuing to support your teams in making responsible and ethical decisions in their daily work.

“Running our Business Conduct Training effectively sets the tone for your team – demonstrating your commitment to the highest standards of ethical conduct, and to creating an environment in which questions and issues can be raised, discussed and considered with integrity and respect.”

Charles Woodburn
Chief Executive
BAE Systems plc
Quick start guide

You’ll find more detailed step-by-step information on how to prepare for the Business Conduct Training 2019 in the following pages, but here’s 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 that the issues covered are relevant wherever you work and as a leader you can help make the context relevant. See page 8 for more information.

Before the training

<table>
<thead>
<tr>
<th>1</th>
<th>Preparation</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔️ Read the Leader’s guide.</td>
<td></td>
</tr>
<tr>
<td>✔️ Watch all of the videos and select a minimum of two for your session.</td>
<td></td>
</tr>
<tr>
<td>✔️ Decide whether to use video or cards (page 5).</td>
<td></td>
</tr>
<tr>
<td>✔️ Book a room.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2</th>
<th>Know the materials</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔️ Watch the videos you’ve selected or read through the enclosed scenario cards. See page 5 for details on how to view the videos.</td>
<td></td>
</tr>
<tr>
<td>✔️ Note the key messages for each scenario.</td>
<td></td>
</tr>
<tr>
<td>✔️ Familiarise yourself with the decision-making model and our Code of Conduct.</td>
<td></td>
</tr>
</tbody>
</table>
During the training

3 Introduce the training
   - Explain why we are doing the training. You might like to reference the Chief Executive welcome (page 1).

4 Share selected training scenario/s
   - Play the chosen videos or read that scenario’s card.
   - Use the questions in ‘Start the discussion’ to start the initial conversation.
   - Use the key messages (pages 8-14) as a prompt. Encourage the sharing of relevant personal experiences.

5 Close the session
   - Take any questions for follow up.
   - Make a note of the attendees for recording in the relevant Learning Management System.

After the training

6 Record attendance
   - Record attendance.
   - You will find details on recording attendance on your local Learning Management System on the following dedicated Intranet/Internet pages:
     - **Global Intranet**: How we work>Operational Governance>Business Conduct Training 2019
     - **Internet**: baesystems.com/businessconducttraining2019

7 Ongoing conversations
   - Use the additional short videos during meetings throughout the year.

Download your quick start guide checklist as a PDF.

- **Global Intranet**: How we work>Operational Governance>Business Conduct Training 2019
- **Internet**: baesystems.com/businessconducttraining2019
Our decision-making model gives you some helpful guidance when making complex decisions relating to business conduct.

In your training session, introduce the model, and encourage your team to use it when considering the scenarios.

1 Gather the facts
   ▶ Do I have all the relevant information?
   ▶ Have I separated assumptions from facts?
   ▶ What other information might I need, and where could I find it?

2 Understand the rules
   ▶ What are the relevant laws and regulations?
   ▶ What do the Code of Conduct and our policies say?
   ▶ What are the industry standards and practices?

3 Consider the situation
   ▶ Think about accountability, honesty, integrity, openness and respect.
   ▶ How does the situation affect others and how may it be perceived?
   ▶ Would I feel comfortable explaining my decision to my colleagues, family and friends?
   ▶ How would I feel if this appeared in a newspaper? Would it reflect badly on me, my colleagues or the Company?
   ▶ Is it setting a good example?
   ▶ Ask yourself: am I doing the right thing?

4 Seek advice from others
   ▶ Talk to your manager or supervisor.
   ▶ Consult with the Human Resources or Legal department.
   ▶ Speak to an Ethics Officer, phone the Ethics Helpline, report the issue via the Ethics website or send an email.
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

- 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 run this training before?
- Most training will be conducted face-to-face. However, teams that work across different locations may need to use alternative methods such as Webex or conference call.
- If you are delivering the training to line managers who will be training their own teams, ensure that they know where they can obtain the materials. If you are unclear about where to find the materials, ask your line manager.
- Familiarise yourself with this Leader’s guide, the scenarios, the key messages from each scenario, the Code of Conduct and the responsible decision-making model.
- 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. This will help you to record who has received the training (see page 7).

Organise your time and place

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 a minimum of two scenarios. Consider the issues that each scenario explores and choose those you think are most applicable to your team. A key aim of this training is to encourage discussion by making it relevant to your team. Help your team consider similar situations that could occur in their working environment.

Decide on whether to share the scenarios as videos or using the training cards enclosed.

Training cards

Training cards are enclosed with this guide. You can download and print extra copies by visiting the intranet site, or the relevant Learning Management System.

Video locations

Global Intranet: How we work>Operational Governance>Business Conduct Training 2019

Internet: baesystems.com/businessconducttraining2019

Supporting resources

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

Ensure you have copies of the Code of Conduct or access to an electronic version.

Confirm access to 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, download a copy of the videos before the training, or use the training cards.

The Code of Conduct:

BAE Systems’ Code of Conduct (the Code) provides all employees with guidance on situations that may arise in day-to-day activities on behalf of the Company. The Code was revised and distributed to all employees worldwide in 2018. All of us, wherever we work, must behave ethically in dealing with fellow employees, customers, suppliers, contractors, stakeholders and competitors, wherever they are located.
During the training

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 behaviours.
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.

Delivering the session
You can use this introduction to introduce the training.

“Welcome to this year’s Business Conduct Training.

The aims of today’s session include:

- Giving us an opportunity to discuss areas which may be a concern for us. Helping us to take personal responsibility for doing the right thing.
- Showing how the responsible decision-making model can be used to help us to make better decisions.

I’ll cover key points from the Chief Executive welcome (page 1), then run through the chosen scenarios. We’ll discuss the scenarios and use the responsible decision-making model to help.

The scenarios are set in a variety of locations, but don’t let the work environment distract you – let’s focus on the issues.”

Play the selected video or use the training card
NB: The outlines for each scenario start on page 8 of this guide. For your chosen scenarios, either watch the video or use the enclosed training card. If using the card, you can:
- Read the card aloud, or ask a volunteer to read the card.
- Share the card with the team members to read (ensure you photocopy or print enough copies).
After the video/training cards

- Use the responsible decision-making model to work through your chosen scenario.
- Generate discussion using the questions in the model.
- This Leader’s guide provides you with insights, along with questions and discussion points for each scenario.
- 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.

Repeat the above for each scenario you have selected. Bear in mind the overall goal is an engaging, in-depth discussion of the issues, rather than watching multiple scenarios.

Close the training

You may want to 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 questions raised, and confirm the process for unanswered questions.
- Provide a reminder of the support available: – Line Manager, Ethics Officer, Human Resources, Ethics Helpline and Legal.
- Ensure you have noted attendees for recording purposes.
- Draw the training to a close and thank participants for sharing their views.
- Use the additional short videos, available on the Business Conduct Training web page, during meetings throughout the year to encourage ongoing conversations.

Recording the training

After the session it is the responsibility of each leader to record attendance of their team 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.

Following up

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

You will also find details on the following dedicated intranet/internet pages:

**Global Intranet:** How we work>Operational Governance>Business Conduct Training 2019

**Internet:** baesystems.com/businessconducttraining2019
### Scenario overview

Below is a summary of each of the training scenarios, which can be shared as videos or using the training cards enclosed. Pick a minimum of two scenarios to share with your team. Select the most relevant theme and use your experiences and those of your team, both inside and outside work, to relate the scenario to your work environment.

<table>
<thead>
<tr>
<th>Scenario overview</th>
<th>Theme</th>
<th>Code of Conduct Chapter and Policies</th>
<th>Characters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario 1</td>
<td>Safety</td>
<td>2.2 Safety and wellbeing</td>
<td>Juan, a factory worker, Mark, a colleague</td>
</tr>
<tr>
<td><strong>Safety</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Juan discusses with Mark the earlier near miss and whether he should report it.</td>
<td>Safety, Retaliation, Speaking up</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scenario 2</td>
<td>Managing Information</td>
<td>2.10 Marking and protecting information 2.12 Sharing information</td>
<td>Ben, an office worker, Joy, an office worker</td>
</tr>
<tr>
<td><strong>Managing Information</strong></td>
<td></td>
<td>BAE Systems Document Creation, Retention and Disposal Policy</td>
<td></td>
</tr>
<tr>
<td>Two weeks before Joy leaves the organisation, she is having an informal chat with one of her colleagues.</td>
<td>Managing information, Importance of clear communication</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scenario 3</td>
<td>Workplace Bullying</td>
<td>2.1 Inclusive workplace behaviour</td>
<td>Candice, an engineer, Ray, a project manager</td>
</tr>
<tr>
<td><strong>Workplace Bullying</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ray is discussing with Candice a recent meeting he attended with some colleagues and how it escalated with yelling and abusive language.</td>
<td>Workplace bullying, Professional behaviour, Speaking up</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scenario 4</td>
<td>Quality</td>
<td>2.5 Bribery, Gifts and Entertainment HR Global Intranet site</td>
<td>Mo, a shop floor worker, Sarah, a colleague, Frank, a senior manager</td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mo is discussing with his colleague Sarah about their supervisor’s latest instructions. He feels that they are cutting corners that could affect the quality and specification.</td>
<td>Quality, Pressure, Speaking up and retaliation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scenario 5</td>
<td>Fraud</td>
<td>2.1 Inclusive workplace behaviour</td>
<td>Emma, works in a remote office, Matt, her line manager, Sheetal, Finance Manager</td>
</tr>
<tr>
<td><strong>Fraud – Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emma and Matt are having a telephone conversation regarding reward and recognition for all the good work she has been doing recently.</td>
<td>Fraud, Gifts and hospitality/ bribery, Manager responsibilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scenario 6</td>
<td>Sexual Harassment</td>
<td>2.1 Inclusive workplace behaviour</td>
<td>Selina, an office worker, Debbie, a colleague, Geoff, a manager</td>
</tr>
<tr>
<td><strong>Sexual Harassment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selina is given advice on what to wear to a conference.</td>
<td>Sexual harassment, Care with communication</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Scenarios are available as videos on the Global Intranet and on our external website via the following links:

**Global Intranet:** How we work>Operational Governance>Business Conduct Training 2019

**Internet:** baesystems.com/businessconducttraining2019
Juan discusses with Mark the earlier near miss and whether he should report it. Mark challenges him on why he hasn’t ‘done the right thing’.

**Description**

Juan, a factory worker

Mark, a colleague

**Start the discussion**

Below are some questions that will aid you in the “Start the discussion” session following the video or reading the script.

Please refer to the responsible decision-making model, ensuring that all key messages are covered.

- What are the possible issues?
- Why might Juan be nervous about speaking up?
- What might prevent people at our Company from raising concerns?
- What might the consequences of speaking up be – both positive and negative?
- Why was Juan’s initial reaction not to say anything?
- What would you have done in this situation?
- Are there any situations where you would not speak up to a relevant person?
- Does anyone have any other similar examples they can share?

**Key Messages**

Refer to the Code of Conduct section 2.2 Safety and Wellbeing.

Each of us has a responsibility for safety in the workplace. We must:

- know and comply with applicable safety rules, procedures and all local requirements;
- consider the risks and hazards in our workplace and daily operating environment;
- intervene immediately if someone is putting themselves or others at risk; and
- report all health and safety risks promptly to a manager or to a Health and Safety representative.

You are encouraged to seek advice or raise your concerns about all business conduct-related issues. Any manager or employee found to have retaliated against someone who has raised a concern in good faith will face disciplinary action, which could include dismissal.

For more information on the responsible decision-making model, see page 4.
Once you have watched the video or read the scenario training card script, use the questions in “Start the discussion” to try to draw out from the attendees the “Key Messages”.

Start the discussion

Below are some questions that will aid you in the “Start the discussion” session following the video or reading the script.

Please refer to the responsible decision-making model, ensuring that all key messages are covered.

- What are the possible issues?
- Does information used or produced by employees belong to BAE Systems or the individual?
- When leaving the organisation can individuals take with them materials they produced or have legitimate access to? Would your answer change if: 1. The information had a special marking? 2. Joy was going to a competitor?
- What should Joy’s manager have communicated to her?
- What other situations can you imagine where company data is put at risk by employees’ behaviour?
- Was Ben right to give the advice he did? Was it enough? Should he have taken any other action?
- Have you witnessed this type of scenario? What other issues could arise?

Key Messages

Refer to the Document Creation, Retention and Disposal Policy, IT Acceptable Use Policy and Code of Conduct sections 2.8, 2.10, 2.11 and 2.12.

- All information created or received by BAE Systems employees or contractors whilst carrying out BAE Systems business are corporate assets and owned by BAE Systems, unless agreed otherwise by a partner, customer or supplier.
- Before sending any data outside the Company, stop and think. Does the data have any special markings which mean its release needs authorisation or particular security measures?
- If the data is not marked, is it still appropriate to send? Your personal email provider and your personal devices are not approved to handle this type of data. Our IT systems scan information leaving the Company and you could face disciplinary action or an external investigation if you send something inappropriate.
- As well as sending information by email, sharing can include public conversations or telephone conversations, web-conferencing and other online sharing, removable media, printed material or even having your laptop open on a train.

For more information on the responsible decision-making model, see page 4.
Scenario 3

Workplace Bullying

Once you have watched the video or read the scenario training card script, use the questions in “Start the discussion” to try to draw out from the attendees the “Key Messages”.

Start the discussion

Below are some questions that will aid you in the “Start the discussion” session following the video or reading the script.

Please refer to the responsible decision-making model, ensuring that all key messages are covered.

► What are the possible issues?
► Have you ever experienced a similar situation? What did you do?
► Why do you think Ray is reluctant to speak up?
► Would you speak up even if someone else’s career was on the line?
► What might the consequences of speaking up be – both positive and negative?

Key Messages

Refer to the Code of Conduct section 2.1 Inclusive workplace behaviour.

► Listening to and respecting one another’s opinions supports collaborative working and more informed decision-making.
► It’s important to understand the inputs, values and opinions of everyone, even in the most difficult situations.
► When we observe inappropriate behaviour, we have an obligation to do something about it. This may mean talking to the person or people involved, discussing it with your line manager, seeking advice from the many resources available or reporting the matter confidentially through the Ethics Helpline. Walking by inappropriate behaviour makes us part of the problem.
► If your role involves managing or supervising others, you have additional responsibilities in supporting your team to do the right thing, including acting with integrity, serving as a role model for the high standards of conduct expected throughout the Company.
► Poor behaviour has consequences. If someone is behaving badly, letting them get away with it will encourage them to do it again in the future.

For more information on the responsible decision-making model, see page 4.

Description

Ray is discussing with Candice a recent meeting he attended with some colleagues and how it escalated with yelling and abusive language. Candice challenges Ray to speak up.

Theme

Workplace bullying
Professional behaviour
Speaking up

Characters

Candice, an engineer
Ray, a project manager
Once you have watched part one of the video or read the scenario training card script, use the questions in “Start the discussion” to try to draw out from the attendees the “Key Messages”. Then watch part two or read the scenario training card script.

**Start the discussion**

Below are some questions that will aid you in the “Start the discussion” session following the video or reading the script.

Please refer to the responsible decision-making model, ensuring that all key messages are covered.

- What are the possible issues?
- Why does Sarah feel the way she does?
- What would you do in Mo’s situation?

**Key Messages**

- When we see something that is not right, we have an obligation to do something about it. This may mean talking to the person or people involved, discussing it with your line manager, seeking advice from the many resources available or reporting the matter confidentially through the Ethics Helpline. Walking by an issue makes us part of the problem.

- It is short sighted to think that cutting corners helps to maintain the schedule. Poor quality will be detected during inspection, or worse, once it is in operation with the service men and women (e.g. sailors, pilots, soldiers). This can put lives at risk and damages our reputation. Doing things twice always takes longer, and costs more. That’s why it is important to do it right first time.

- Poor quality has consequences. The service men and women need to trust our product to work, every time. If it doesn’t work, there are often significant operational and safety implications for people using our products – people can get seriously hurt. Trust is one of our Company values. When we deliver poor quality, trust is lost and takes a long time to regain.

**Description**

Mo is discussing with his colleague Sarah about their supervisor’s latest instructions. He feels that they are cutting corners that could affect the quality and specification. Sarah advises him to keep his head down.

In the second part of the video, Mo ‘speaks up’ to Frank, who is a family friend but also a senior manager within the organisation.

**Theme**

Quality
Pressure
Speaking up and retaliation

**Characters**

- Mo, a shop floor worker
- Sarah, a colleague
- Frank, a senior manager

For more information on the responsible decision-making model, see page 4.
Scenario 5
Fraud – Expenses

Once you have watched part one of the video or read the scenario training card script, use the questions in “Start the discussion” to try to draw out from the attendees the “Key Messages”.

Then watch part two or read the scenario training card script.

Start the discussion
Below are some questions that will aid you in the “Start the discussion” session following the video or reading the script.

Please refer to the responsible decision-making model, ensuring that all key messages are covered.

► What are the possible issues?
► Are there other ways that Matt could thank Emma?
► Has anybody experienced different approaches to the use of the corporate Amex card in different parts of the business?

After your discussion continue with part two of the video.

Continue the discussion
(Nine months later)
► The scenario has escalated. What are the issues now?

Key Messages
Refer to the Code of Conduct section 2.5 Bribery, Gifts and Entertainment.

► We will never offer, give or receive bribes or inducements for any purpose, either directly or through a third party.

► A bribe includes any direct or indirect payment, benefit or gift offered, given or received with the purpose of improperly influencing a decision or outcome. The payments do not have to be of large value. It could be as simple as a lunch, or an invitation to a sporting event.

► Even the suggestion or perception of corruption may damage the reputation of the Company and affect its ability to do business. It may also bring the personal integrity of individuals into question.

Refer to HR Global Intranet site.

► We value the hard work, commitment and achievement of our employees across the world. There are many ways to recognise great performance and contribution. Please refer to the Global Recognition Intranet site for further information.

► If you work for an entity outside of the UK or US and would like to recognise an employee or team for collaborative work, please contact your local Human Resources department.

For more information on the responsible decision-making model, see page 4.

Description
Emma and Matt are having a telephone conversation regarding reward and recognition for all the good work she has been doing recently.

In the second part of the video, Matt has been asked to attend a meeting with Finance to discuss some irregularities regarding Emma’s expense claims.

Theme
Fraud
Gifts and hospitality/ bribery
Manager responsibilities

Characters
Emma, works in a remote office
Matt, her line manager
Sheetal, Finance Manager
Once you have watched part one of the video or read the scenario training card script, use the questions in “Start the discussion” to try to draw out from the attendees the “Key Messages”. Then watch part two or read the scenario training card script.

Start the discussion
Below are some questions that will aid you in the “Start the discussion” session following the video or reading the script.

Please refer to the responsible decision-making model, ensuring that all key messages are covered.

▶ What are the possible issues?
▶ Is this advice acceptable?

After your discussion continue with part two of the video.

Continue the discussion
▶ What are the possible issues?
▶ Is this advice acceptable?
▶ Does anything change when a different gender gives advice?

Key Messages
Refer to the Code of Conduct section 2.1 Inclusive workplace behaviour.
▶ We do not tolerate harassment through any means or of any kind, including sexual, verbal, non-verbal and physical. Abusive, humiliating or intimidating behaviour is never acceptable. We each have a personal responsibility to make sure that neither we nor anyone else behaves this way.
▶ We should treat each other with courtesy, dignity and respect at all times.
▶ Harassment is not only measured by the words that are said. Context is just as important. Consider:
  – relative seniority of both parties;
  – location (open plan office is different to a private room);
  – tone of voice; and
  – timing.

For more information on the responsible decision-making model, see page 4.
Supporting materials

Scenarios are available as videos on the Global Intranet and on our external website via the following links:

**Global Intranet**: How we work>Operational Governance>Business Conduct Training 2019

**Internet**: baesystems.com/businessconducttraining2019
Thank you
for supporting the Business Conduct Training 2019.

We welcome your feedback about this training – please email any thoughts or suggestions to essential.learning@baesystems.com