



WHAT IS AN ETHICS PROGRAM ASSESSMENT?

An ethics program assessment is a way of “auditing” the effectiveness of the ethics program as a whole, or of specific ethics program elements. It can be led by an internal or external team but must be done on a regular basis.

WHY ASSESS YOUR ETHICS PROGRAM?

- ✓ Identify opportunities to better prevent, detect and address the risk of ethical misconduct
- ✓ Ensure policies, procedures and other program elements meet current requirements

OTHER RESOURCES

DII Small Business Toolkit:
www.dii.org/featured-tools
Lockheed Martin Supplier Self-Assessment: www.lockheedmartin.com/content/dam/lockheed-martin/eo/documents/ethics/supplier-self-assessment-tool.xlsx
U.S. Dept of Justice “Evaluation of Corporate Compliance Programs”:
www.justice.gov/criminal-fraud/page/file/937501/download

ELEMENTS OF AN EFFECTIVE ETHICS PROGRAM PROGRAM ASSESSMENT

Supplier Self-Assessment
 Lockheed Martin Ethics Supplier Mentoring Program

LOCKHEED MARTIN

Program Element	Self-Assessment Questions	Supplier Notes	Lockheed Martin Practices and Resources
Company Values	Does your company have a values statement?		Lockheed Martin's core values are <i>Do What's Right, Respect Others, Perform with Excellence</i> .
Program Structure & Oversight	Who is responsible for ethics in your organization? What resources does this person or team have? Who has direct oversight or accountability for that person or team?		Lockheed Martin's Vice President of Ethics and Sustainability manages the activities of our Ethics team, reports directly to our CEO, and gives quarterly briefings to the Ethics and Sustainability Committee of our Board of Directors. Lockheed Martin's Ethics organization is an independent department within the Corporation with its own budget and full-time staff.
Risk Assessment	How often does your company conduct an assessment of its ethics and compliance risk?		The risk areas identified by Lockheed Martin are addressed in our Code of Ethics and Business Conduct, <i>Setting the Standard</i> , and by our Business Conduct Compliance Training (BCCT) courses.
Policies & Procedures	Do your company's policies and procedures address the topics identified by your risk assessment?		Most of Lockheed Martin's policies and procedures are considered proprietary information, but we publish documents related to our Anti-Corruption Program on our external website.
Code of Conduct	Does your company have a code of conduct or other written expectations for employee behavior? Is it available to all employees and others who act on behalf of the company?		Lockheed Martin's Code of Ethics and Business Conduct, <i>Setting the Standard</i> , details the high expectations we set for employee behavior. From our commitment to good citizenship to our code of ethics policy on corruption, all Lockheed Martin employees, consultants and members of the Board of Directors must certify that they have read, understand and will abide by our Code of Ethics and Business Conduct.
Training	How often does your company train employees on their ethical/compliance responsibilities? Does the training address the topics identified by your risk assessment?		Lockheed Martin requires all employees to participate in our annual Voluntary Our Values Ethics Awareness Training and to complete Business Conduct Compliance Training courses relevant to their role.
Communications	Does your company communicate with employees about ethics and compliance, in addition to training? Do these communications address the topics identified by your risk assessment?		Lockheed Martin uses a variety of methods to communicate with employees and external audiences. For example, we produce a series of short, non-proprietary videos called the Integrity Minutes and other multimedia communications to engage with employees outside of our annual training.
Leadership Commitment	How do your company's leaders demonstrate their support for ethics?		Lockheed Martin's President, CEO and Chairman introduces our annual Ethics Awareness Training module, as well as our Code of Ethics and Business Conduct. She also frequently refers to ethics in internal and external presentations.
Whistleblowing & Reporting Mechanisms	Does your company have a way for employees and external stakeholders to ask a question or report potential misconduct without fear of retaliation?		Lockheed Martin's <i>How the Ethics Process Works</i> brochure informs employees and other stakeholders how they can ask a question or report potential misconduct, and explains how contacts to the Ethics Office are handled.
Investigations & Disclosures	How does your company identify and investigate alleged misconduct? Do you have a process in place to ensure compliance with any mandatory disclosure obligations?		Lockheed Martin's <i>How the Ethics Process Works</i> provides an overview of what reporting parties can expect after they report potential misconduct to the Ethics Office. Lockheed Martin's Legal team handles all disclosures to the U.S. federal government.

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CHOOSE A FRAMEWORK

Start with Resources 35 or 36 in the DII Small Business Toolkit; the DoJ questions; or any of the standards in the LM Supplier Self-Assessment. Or create your own framework.



COLLECT DATA

Respond to the questions in the framework, collecting data or documentation where available. Note gaps in compliance or documentation, and any questions that arise.



TALK TO TEAM

Conduct interviews, surveys, or focus groups with leaders and employees to better understand anomalies in the data and the intangible aspects of your ethical culture.



DISCUSS FINDINGS

Compile your findings and recommendations into a presentation or report for management. Discuss how to improve the ethics program and measure changes.