



Business Ethics Bulletins

Company Overview

Delta Company is a leading science company producing coatings, crop protection chemicals, electronic materials, polymers and resins, and safety and security materials.

Industry:	Biosciences
2006 Revenue:	US\$29.0 Billion (€22.0 Billion) ²
2006 Employees:	59,000
VP, General Auditor and Chief Ethics and Compliance Officer:	Donna H. Grier

Practice Overview

Training Format:	E-mail and/or team meetings
Frequency:	~10 per year
Parties Involved in Training Design/Delivery:	Compliance and Ethics designs; line managers deliver to employees
Potential Audience:	All employees
Supporting Tools:	Guidelines for developing bulletins used to balance educating employees about the incident while protecting individual privacy and confidentiality

Key Concepts

- 1. Balance Communication of Consequences of Noncompliance with Examples of Ethical High Performance**—Use company ethics and compliance communications to emphasize the consequences of misconduct through case examples and offer guidance to employees on the desired behaviors and actions that can prevent misconduct.
- 2. Highlight Real Events and Actions to Show Organizational Commitment to Compliance**—Affirm company commitment to the consistent enforcement of disciplinary policies and further remediation through periodic internal publications of instances of noncompliance and the associated corporate response by detailing the nature of the violation, the attendant penalties, the source of the allegation, the type of investigation, the specific policy violated, and any relevant training modules.

¹ Pseudonym.

² Exchange rate as of 31 December 2006: US\$1.00 = €0.7577.

Promoting Ethical Behavior

Although compliance and ethics officers roll out numerous communication initiatives during the year, existing approaches often fail to clarify expectations for ethical behavior. While most companies set minimum guidelines of what employees should not do, most fail to tell employees what they should do instead. As a result, employees often lack the means to apply these rules and find solutions to complicated ethical dilemmas.

Communicating Real Cases of Noncompliance

Seeking an effective way to make compliance violations relevant to employees, Delta Company* began distributing Business Ethics Bulletins to the entire organization in 2000. These messages, communicated by employees' direct managers, depict real examples of misconduct at Delta and associated consequences of violating company standards.

Incorporating Examples of Ethical Leadership

In 2007, Delta added a new component to the Business Ethics Bulletins to clarify what the company expects of its employees. The Business Ethics Bulletins are created by the compliance and ethics organization, with support from the corporate internal audit and legal functions. While continuing to explain real cases of noncompliance, Delta Company included examples focused on positive action, where employees demonstrate ethical behaviors beyond adherence to company rules and regulations.

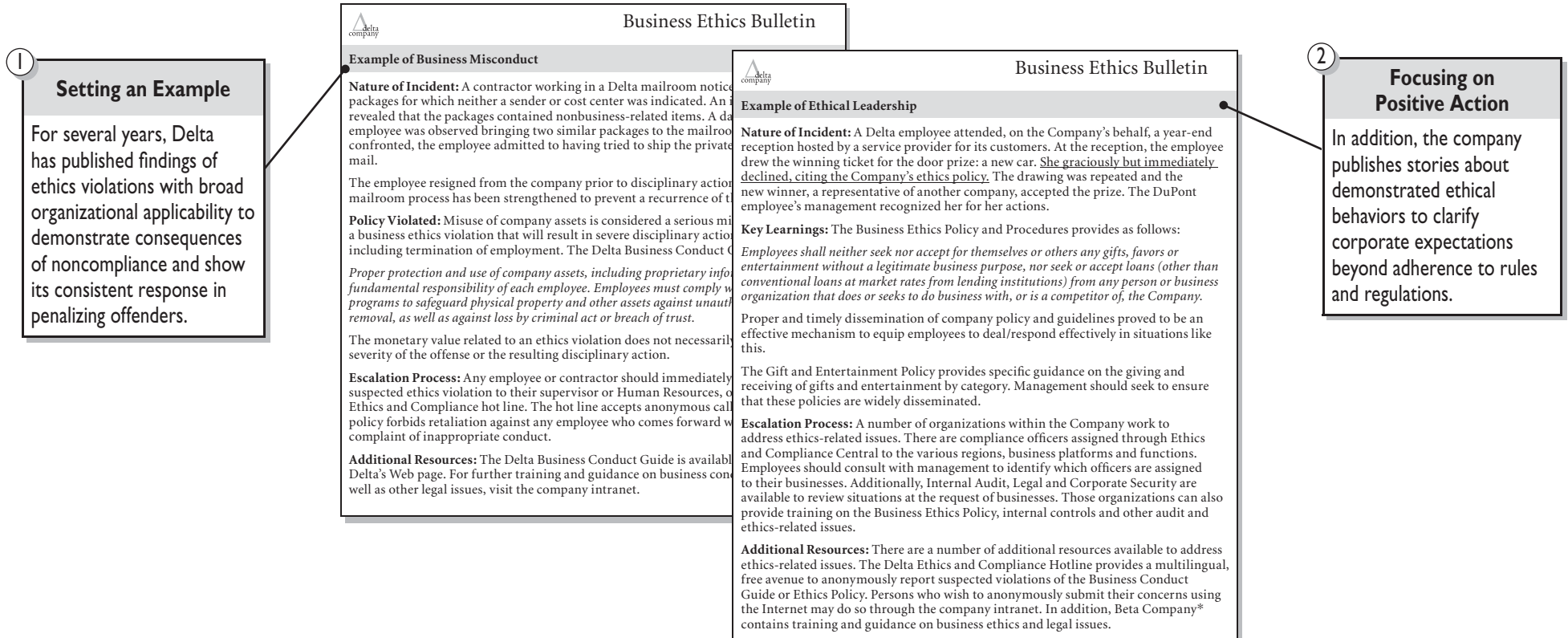
Using real-life examples of ethical leadership at Delta, the stories teach readers about the company policies associated with the cases and highlight practical ways in which compliance problems arise and how to address them. The cases also reference compliance and ethics resources available to employees. Since the inception of the practice, Delta has progressed from publishing up to five cases of noncompliance per year to approximately 10 in 2007, including stories of noncompliance and ethical leadership.

* Pseudonym.

ENCOURAGING THE RIGHT BEHAVIORS

Delta Company Extends Its Use of Business Ethics Bulletins to Share Examples of Demonstrated Business Integrity

Example of Old and New Business Ethics Bulletins



—SHARING THE GOOD WITH THE BAD—

"We think it is important to motivate employees to do the right thing, as part of educating on how to avoid doing the wrong thing. We have responded by highlighting employee actions that really exemplify ethical leadership."

Corporate Compliance Officer
Delta Company

* Pseudonym.

Source: Delta Company; Compliance and Ethics Leadership Council research.

Balancing Education with Risk of Legal Action

To balance the risk of legal action as a result of publicizing internal compliance violations with the need to educate the employee population about the individual and company consequences for noncompliance, Delta Company* creates informal guidelines for the development of the Business Ethics Bulletins. These principles ensure the bulletins are designed to prevent the occurrence of similar violations and deter prospective offenders. The principles recommend that the Business Ethics Bulletins are clear and specific—including details on the imposed sanctions and policies violated—and emphasize the importance of adhering to Delta's policies in all situations. In addition to the guidance provided by the principles, Delta includes a corporate attorney in the production team of each bulletin to mitigate the risk of legal action.

Cascading the Message Through Managers

Recognizing that managers play an important role in inflecting employee behaviors, Delta uses a cascade approach to disseminate each bulletin. First, the head of the business unit in which the example of misconduct or ethical leadership occurs and the internal audit group sign the Business Ethics Bulletin. The bulletins are then distributed to business unit senior managers who are responsible for cascading the information to their employees. For employees without regular access to the Internet and e-mail, managers are responsible for disseminating the bulletins using the most appropriate communication format, including e-mail, company newsletters, town hall meetings, or staff briefings.

* Pseudonym.

AN EYE ON CLEAR COMMUNICATIONS

To ensure the clarity and effectiveness of the message, Delta Company uses specific guidelines for developing Business Ethics Bulletins...

...and tailors the message delivery to the relevant audience and business context

Principles for Developing Business Ethics Bulletins

Communication Cascade of Business Ethics Bulletins

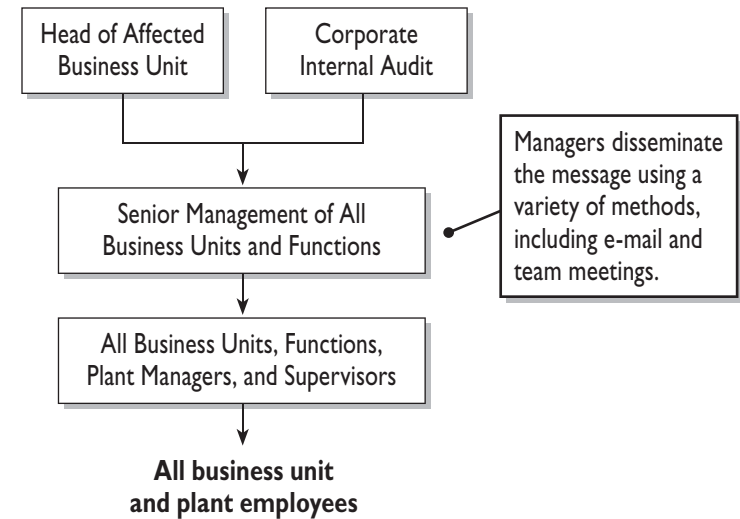
Business Ethics Bulletin Principles

- Clear**—Ensure the bulletin is clear, concise, factual, and easy to read, with no grammatical or stylistic errors.
- Specific**—Relate specific facts regarding the activity or offense to help prevent future occurrences of a similar nature (e.g., not “violated procurement policy” but rather “violated procurement policy by failing to put out project for sealed bid”).
- Anonymous**—Ensure the bulletin does not identify employees involved.
- Actionable**—Make the key takeaways section as concrete and specific as possible.

Company Diligence

- Emphasize the importance of adherence to the company’s principles regardless of the amount at issue, if the offense in question appears on surface to be “de minimis” (e.g., an expense report violation involving a small amount of money).
- Give relevant and specific facts regarding the investigation (e.g., “analysis of computer hard drive revealed” or “review of telephone records showed”).
- State how the activity was uncovered (e.g., allegation by coworker, anonymous hotline call, or a routine audit). Generally, employee confessions of improper conduct are not disclosed so as to encourage future confessions.

Bulletins balance educating employees about the incident with protecting individual privacy and confidentiality.



Managers disseminate the message using a variety of methods, including e-mail and team meetings.

STICKING WITH WHAT WORKS

“Although the bulletins are posted on an internal Web site, we still think it is best for managers and supervisors to communicate by e-mail and/or in face-to-face meetings. Employees are more likely to listen and discuss compliance and ethics issues within their own groups.”

Corporate Compliance Officer
Delta Company

* Pseudonym.

Source: Delta Company; Compliance and Ethics Leadership Council research.

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PRACTICE Q&A WITH THE CCO

Corporate Compliance Officer, DuPont

- 1. What was hardest about implementing this practice, and how did you deal with that obstacle?**
“We worked to protect privacy and confidentiality while providing sufficient details to educate the employee.”
- 2. In hindsight, what would you have done differently? What is the key to making this a successful practice?**
“The key to this practice is the distribution piece. Since it is written in a simple manner, it can be discussed at all levels of the organization.”
- 3. If you could only do one thing, what would it be (i.e., what do you think is the most important aspect of this practice)?**
“The most important aspect of this practice is that the bulletins are broadly available to be read and discussed.
We keep certain details anonymous, of course, but it is important that the stories are realistic and teach a lesson.”

