

# BUSINESS CODE OF ETHICS WORKSHOP



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# How do we get into this Situation?

- Motive
- Opportunity
- Rationalization

We lose our moral “compass.”



# What is our “Compass?”

- Ethics
  - Standard of conduct
  - Conscience
  - What we do when no one is looking
  - Core values



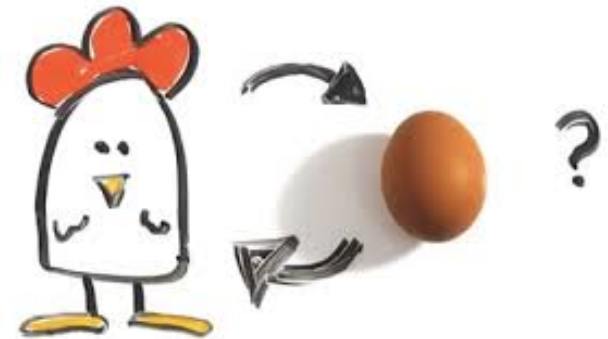
# Ethics Defined

1. A system of moral principles
2. Rules of conduct recognized to a particular class of actions or a particular group
3. Dealing with human conduct



# So What Comes First?

Ethical Challenges  
or  
Fraud



# Seven of the Biggest Corporate Scandals – Examples of Ethics Gone Wrong

- Volkswagen - estimated losses \$87 billion
- Worldcom - \$107 billion
- Enron - \$74 billion
- Bernie Madoff - \$20 billion
- Libor/Barclays - \$9 billion
- Petrobras - \$2 billion (so far)
- Olympus - \$1.7 billion



# “But This will Never Happen to Me”– Examples of Ethics Gone Wrong

- Church fraud - \$250,000
- Scrap recycling - \$1,000,000
- Former IRS agent - \$11,000,000
- Farm elevator - \$17,000



# What are the Ethics at Your Organization?

- How are they defined?
- How are they communicated?
- How often are they communicated?
- To whom are they communicated?





# Ethical Challenges at Agribusinesses 2014/2015

- Cash
- Chemical rebates
- Department allocations
- Inventory
  - Personal use
  - Company use
  - Over/short inventory amounts
- Use of company assets
- Grain payments
- Check writing



# What are you Doing?

- What are you doing about ethics? What about internal controls?
- How do you monitor your ethics? What about internal controls?



# What Should you be Doing?

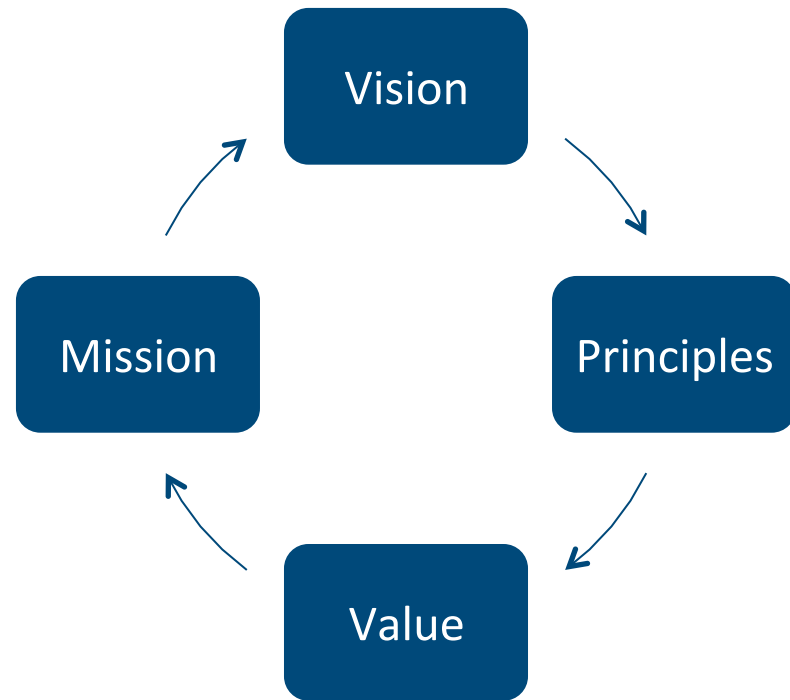
- What resources are you investing into the ethics, business practices, and internal control structure at your organization?



# Code of Ethics and Business Conduct

## Statement of Core Values

- Company vision
- Principles
- Values
- Mission



# Other Elements

- Conflicts of interest
- Gifts, gratuities, and business courtesies
- Meals and entertainment
- Use of company resources



# Example Business Conduct and Ethics Code - Chevron

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# Be a LEADER

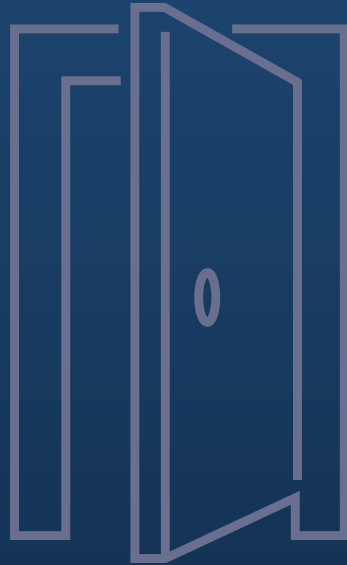
- Set the tone at the top
- Take responsibility
- Train employees
- Communicate
- Set attainable goals
- Make sure everyone understands



# What is the Worse Thing that you can Possibly Do?







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