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File

Ethics Philosophy Statement

Manager's Advice Package

Ethics Office

June 1993

a schedule this as part of my next staff meeting w/ my opening hour. I'll need slides of the ethics philosophy statement and a fu usrt

Cover Letter

ETHICS PHILOSOPHY

Ethics Philosophy Statement

Staff Meeting Discussion

The Ethics Philosophy statement is an opportunity to raise awareness of business ethics in Digital for all employees. It is the beginning of dialogue intended to clarify the company's ethical standards to ensure consistent, highly ethical business interactions with all of our customers, suppliers and other stakeholders worldwide. It is one more part of the transformation of the company toward improved customer focus.

As a managers, you may want to discuss the Ethics Philosophy, or your staff may ask you to discuss it. This advice Package contains the following materials, to assist you.

- Discussion questions
- Background Notes
- Ethics Support Resource list
- Overhead masters

Discussion Questions

1. How does the Ethics Philosophy Statement compare to your view of Digital ethics?

2. What ethics issues are effecting this group and the company?

3. How are these issues impacting business performance?

4. Over the past year, has Digital been moving closer to, or farther away from the ethical standards expressed in the Ethics Philosophy Statement?

An electronic version of the questions is available for you to return to the Ethics Office.

[INSTRUCTIONS FOR ELECTRONIC SURVEY HERE]

Ethics Philosophy Statement
Background Notes

1. What is the Ethics Philosophy Statement?
    - A statement of general ethical principles for Digital
    - It is based on
        - Demands of the business in a complex Global environment
        - Digital culture and values
        - The expectations of the Senior Leadership Team
    - The Philosophy is also the foundation and introduction
      for more specific expectations, given in
        - The Worldwide Code of Conduct
        - Corporate and local policy and procedures

2. Why does Digital need an Ethics Philosophy?
    - To formalize expectations and processes in response to
      increasing business complexity
    - To renew belief in Digital as an ethical company. There has been
        - Uncertainty in the marketplace that Digital will
          meet all of its commitments
        - Internally perceived inequity in downsizing
    - To assure employees that Digital still expects to
      conduct business with high ethical standards
        - Experience in other companies shows that to
          maintain high standards, expectations must be discussed
          openly
    - To provide common ethical ground for decision-making
      across all the diverse cultures and places where Digital does
      business
        - Digital's ethical standards will be broad enough to
          accommodate culturally defined ethical practices
        - But, there will be limits. Digital may not do
          business in some areas of the globe because our standards
          would not be consistent with cultural norms
    - To reduce substantial business and financial risks which face
      every large corporation that DOES NOT focus attention on ethical
      standards. EX:
        - The US Government can impose severe criminal and financial
          penalties for corporate wrongdoing.
            - Companies must demonstrate in practical terms, a
              commitment to ethical behavior
            - IF a company has a well communicated and
              applied ethics program, the penalties are reduced

- Within the past year, Digital has ALREADY suffered financially for infractions of regulations

3. The Ethics Philosophy Statement is the first element of a larger effort.
    - To raise awareness of ethics in business operations
    - To develop organizational capability to deal with ethics issues in business operations
    - The next steps include
        - Complete staffing of the Ethics Office
        - Release of the worldwide Code of Conduct
        - Opening an Ethics Office "BE-line" (Business Ethics line) for any ethics related question
        - Initiate Code of Conduct Training
        - Ongoing inclusion of Ethics issues in management and employee learning and development activities
    - The Code of Conduct will provide more specific guidance for ideas expressed in the Ethics Philosophy.

Ethics Philosophy
Resources

The Ethics Philosophy Statement introduces broad areas of ethical awareness. Digital has many specialized resources to assist in particular areas.

Organizations

Personnel

The local personnel representative is available to help resolve issues. Local Personnel can help access additional resources such.
- Open Door manager
- Employee Relations
- Employee Assistance Program

Legal

  Export

  Government

  General

Security

Community Relations

This group has an established process for allocating Digital resources to worthy community needs.

Investor Relations

This group will help resolve issues regarding Digital information and the investment community

Public Relations

This group will provide guidance regarding the release of any information about Digital and also contacts between Digital staff and the media.

The Business Conduct Committee

Finance
- Purchasing
- Audit
- Acquisitions

The Ethics Office

The Ethics Office is a resource on any issue that raises ethical concerns.
Currently, you may contact the Ethics Office via Win Hindle's office.

Environmental Health & Safety

Documentary Resources

The US Personnel Handbook

Territory or Country Personnel Handbooks

Draft   Draft   Draft

Ethics Philosophy Manager's Package

Overhead Masters

Ethics Philosophy

What is the Ethics Philosophy?

- **General ethical principles for Digital based on**

    - **Complex Global business demands**
    - **Company culture and values**
    - **Expectations of Senior Leadership**

- **Foundation for Code of Conduct and other policies**

Ethics Philosophy

Why does Digital need an Ethics Philosophy?

- To formalize and standardize ethical expectations worldwide
- To revive belief in Digital as an ethical company
- Reminder of expectation for high ethical standards
- Provide common ethical ground across diverse cultures
- Reduce Digital's business risk
- First phase of larger Ethics program

Ethics Philosophy

Ethics Programs

- Ethics Philosophy Statement first step
- Code of Conduct release
- Code of Conduct education
- Other ethics program activities
  - Ethics Office staffed
  - Business Ethics line ("BE-line") operational
  - Education and communications ongoing

Ethics Philosophy Outline

- Honesty -- the first principle
    - Leave the correct impressions, above and beyond the "technical" meaning of honesty

- Gifts are a courtesy and of nominal value
    - Never to create undue influence
    - Never to create the IMPRESSION of undue influence

- Obey the law wherever Digital does business

- We take special care in our relations with governments and their agents
    - We do nothing to create undue influence
    - Information we provide is complete and accurate

- Protect and respect confidentiality of information
    - Never seek it
    - Never accept it from unauthorized sources

- Avoid conflicts of interest
    - Avoid even the APPEARANCE of conflicts of interest

- Protect the company's assets
    - Use assets for company business, not personal ends

- Information is to be recorded accurately and honestly

- Be fair and evenhanded

- Open and honest discussion in all directions in the company
    - Timely and accurate information is a requirement

DRAFT
ETHICS PHILOSOPHY STATEMENT

COVER MEMO FROM THE SLT

Many employees have asked why we need an Office of Ethics and Business Practices at Digital. They expressed the belief that the people who work for Digital are committed to doing what is right, and what is ethical. They wondered whether the creation of this office indicates a belief that Digital people are not ethical. To the contrary, our consistent experience across the Company confirms that this basic commitment to ethics, and ethical practices continues to be a strong part of Digital's tradition.

We also recognize that over the last few years nearly everything about our business has changed. We compete in increasingly global, complex and competitive markets. These markets are characterized by accelerated economic, social, political and technological change. We also find ourselves competing in markets and areas of technology that didn't even exist 10 years ago. And like many other large multinational companies, Digital faces increased scrutiny and complex regulation from governments around the world. These governments can impose substantial financial and criminal penalties on the corporation **and** on individual employees for violations of their laws.

These changes make it increasingly difficult to know what is ethical in every instance. The pressure to succeed can also cause individuals to question or ignore our ethical standards.

At the same time, maintaining a reputation for ethical excellence is essential to our long-term success. Our customers, suppliers, investors and the communities in which we operate must have a sense that we are trustworthy or they simply will not do business with us in the long term. The ethical decisions that each of us makes each day will help them to decide if Digital is a trustworthy partner.

We believe that maintaining a sense of what is ethical in the face of this kind of change requires a higher level of focus than has been the case in the past. The Office of Ethics and Business Practices wascreated to help bring that focus and to establish a resource to provide guidance and standards for all employees.

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ETHICS PHILOSOPHY STATEMENT

COVER MEMO FROM THE SLT

The attached Ethics Philosophy Statement is being shared with every employee in Digital as a first step in defining, communicating and reinforcing our commitment to Ethical business practices across the Company. We ask every employee to take the time to read and understand this important statement. When read along with our existing policies (such as Corporate Policy 2-2 "Digital Business Ethics", Personnel Policies 6.06 "Conflicts of Interest", 6.08 "Honoraria", 8.03 "Information Protection" and other similar policies) this statement provides guidance to employees about Digital's Ethical Standards and expectations. **Employees who fail to adhere to these standards should know that the Company will respond with swift and appropriate actions, including termination and suitable legal action.**

Over the next quarter, the Office of Ethics and Business Practice will publish a world-wide Code of Conduct that will provide further, detailed standards. The Office will also establish a Business Ethics line (BE-line), so that employees can communicate questions, issues and concerns directly.

In the interim, you should discuss any questions or concerns you have about this Philosophy Statement or Digital's Ethical standards with your manager or Personnel representative.

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ETHICS PHILOSOPHY STATEMENT

In conducting our business each of us should always remember Digital's basic principle: to be honest and fair in all that we say and do. The following principles are the cornerstones of our values and key elements in our success:

o   We are, first and foremost honest in all of our dealings - with one another, with customers, investors, vendors and the communities in which we operate. We are not only honest in the technical sense of the word, but also seek to ensure that the impressions we leave are accurate as well.

o   We never give or accept gifts of more than nominal value, and exercise care to ensure that we never give or accept gifts which are intended or can be perceived to be for purposes of improperly influencing business decisions. We never give or accept bribes of any kind.

o   We always comply with applicable law wherever we do business.

o   We take special care in our relationship with governments and their officials, agents, employees and contractors to ensure that the information we provide to them is accurate and that we do nothing to create even an appearance of undue influence.

o   We protect and respect the confidentiality of any information provided to us by others, and neither seek nor accept such confidential information from improper or unauthorized sources.

o   We avoid business or personal arrangements that create or appear to create any conflicts of interest or divided loyalty.

o   We do not use Company assets for private or personal gain. We protect the Company's assets and ensure that they are used responsibly, and in support of the Company's business.

o   We record and report all information accurately and honestly.

o   We encourage, expect and support open honest dialog as a critical part of the decision making process. Each of us works to ensure that the information we provide during these dialogs is as timely and as complete as possible.

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ETHICS PHILOSOPHY STATEMENT

As employees working in a multifaceted, Global Corporation, we are sometimes confronted with complex ethical issues in the daily conduct of our business. These complexities can arise from differences in customs or practices in the countries and cultures in which we do business, or from established standards in the industries and businesses in which we operate. We will strive to respect these customs and practices, *but will do so only to the extent that they are consistent with the principles contained in this Philosophy Statement.*

Determining the correct response in these situations is not always easy, but it is **always** worth the effort. Doing what is right by our customers, shareholders and employees is of foremost importance to us. The response that each of us makes to these issues helps to establish Digital's reputation with our shareholders, our customers, our fellow employees and with the communities in which we live and work. If we are to continue to succeed we must maintain a very high standard of ethical behavior.

While all of us are responsible for adhering to these principles, managers have a special responsibility to see to it that these principles are communicated to and followed by all employees in their organizations.