

Advancing Ethics and Compliance in a Highly Regulated Industry

Jeff Rhodes, Director of Ethics at Elbit Systems of America



Elbit Systems of America

Elbit Systems of America is a leading provider of high-performance products, system solutions, and support services focusing on the defense, homeland security, law enforcement, commercial aviation, and medical instrumentation markets. With facilities throughout the United States, Elbit Systems of America is dedicated to supporting those who contribute daily to the safety and security of the country.

It's easy to say a company is committed to ethical excellence, but how does that translate into actual business practices? In this Spotlight, we hear from **Jeff Rhodes, Director of Ethics at Elbit Systems of America** and learn how he and his team embed the company's values across the organization.

Ethisphere recently awarded Elbit Systems of America for Ethics Inside Certification, a recognition for organizations with outstanding ethics and compliance programs.

Tell us about your program – overriding principles, the structure, and how it has evolved over the past several years.

“One of Elbit America's fundamental values is “Do the Right Thing.” Our workplace culture is defined by this concept, and it serves as a foundational pillar for the company's Ethics Program.

Our Ethics Program is aligned within our legal function, and we have a reporting responsibility to the Board of Directors. Ethics Liaisons have been appointed at each of our locations and they serve as a local site-level resource to augment our corporate program's capabilities. The liaisons are an important part of our effort to engage all of our employees in ethics considerations and make ethics central to our overall company culture and values.

Over the past few years, we have been focusing on grassroots initiatives to provide more options across the organization. This includes an emphasis on the aforementioned Ethics Liaison Program and the roll-out of management training toolkits to better engage people managers at all levels of the organization.

Are there any initiatives that you have launched or a key piece of your program that you have enhanced that you are particularly proud of and would like to share?

“Our focus on developing our Ethics Liaison Program has been particularly important to our success. We've been diligent about our candidate selection process, working to ensure a diverse mix of roles, backgrounds, and years of experience within the company.

Another initiative we've been pursuing is the weekly audio message from our President and CEO, Raanan Horowitz. The messages provide our employees with insight into what's going on at the company from the highest level and highlight real examples of our values at work.

Elbit Systems of America focuses on implementing leading practices to ensure effective governance and foster a values-based culture. Can you share more about the systems you have in place to foster integrity, accountability, and collaboration?

“ Training on Elbit America’s Code of Conduct, as well as other policies and procedures, is mandatory for all employees in order to ensure a consistent understanding of our expectations from an ethics perspective.

We engage in third party reviews and benchmark with other companies as we work continuously to improve. Elbit America established the IDEA Lab (Inclusion, Diversity, Equity and Awareness Leadership Advisory Board) to focus on fostering a more inclusive environment. We also recently issued a new Human Rights Policy to state our position affirmatively to our personnel.

Additionally, as a U.S. Government contractor, we’re held to a particularly high regulatory standard, as are our customers and suppliers. We work with very sensitive products and technologies and are regularly audited by the government, which helps to further develop a culture of compliance.

In general, we place a focus on how we are contributing to a safer and healthier world and how each and every member of our workforce is helping to deliver innovative solutions that protect and save lives. Ensuring that all of our employees understand the value and impact of their work also goes a long way in informing our values-based culture.

Elbit Systems of America puts a strong emphasis on corporate citizenship. Tell us more.

“ Elbit America believes in actively contributing to the communities in which we live and work. We not only encourage our employees to get involved, we enable them to do so by supporting and participating in such programs as the Leukemia and Lymphoma Society, FIRST Robotics, The American Rocketry Challenge, Good Deeds Day and others. To quote **Elbit America’s President and CEO Raanan Horowitz**, “Our One Elbit Family is committed to our mission of providing innovative solutions that protect and save lives. This mindset extends to how our workforce relates and contributes to its home communities.”

Ethisphere recently recognized Elbit Systems of America’s program with Ethics Inside Certification. What is the significance of this recognition for Elbit Systems of America?

“ We’re really proud to have earned the Ethics Inside Certification. It serves as recognition of the efforts and commitment of our employees to our “Do the Right Thing” culture. It’s an assessment that speaks to the maturity of our program and it serves as evidence of our commitment to an ethical culture.



The Ethics Inside Certification process involves a rigorous review of your ethics and compliance program and culture. It also involves benchmarking your program against the World's Most Ethical Companies dataset. How has this data and engagement with Ethisphere been helpful for your efforts?

“Ethisphere’s thorough look into our activities provides us with much-needed, useful information that will enable us to find and address gaps in our program. Knowing how we compare to other companies helps us challenge ourselves to continually improve as a leader in ethical business practices.

What did you learn through the process? Any advice you would share with others about it?

“Simply going through the review process clues you in on opportunities for continuous improvement. There are many facets to building and managing a world-class ethics program and there isn’t a company out there who has implemented everything. For instance, we have a Human Rights Policy now because we realized during the review that we didn’t have one, but that we ought to.

Given the risk profile of your business, why was this assessment particularly helpful?

“Our solutions protect and save lives, so trust is critical for us. Trust helps us get our products into the hands of the people who benefit from them and makes us the partner of choice for critical missions and needs. Being recognized as Ethics Inside Certified helps further develop trust in the Elbit America name with our customers, suppliers, the government, the public and even our own employee base.

How do you plan to utilize the recognition?

“Being a “trusted provider of choice for critical missions and needs” is the Vision of the company, and the Ethics Inside logo will feature prominently in both our internal and external marketing. Internally, we gave the Ethics Inside recognition heightened visibility with articles published on the employee intranet and in our employee newsletter.

Additionally, our government customers prefer to work with companies who can demonstrate a proven track record of ethical behavior. We include the Ethics Inside Certification in our proposals to help foster trust.

Any major initiatives in the coming year?

“Elbit America is focusing on Environmental and Social Governance efforts.

“**We’re really proud of our employees. This recognition is the result of the culture they work to grow and develop every single day.**”

Ethics Inside Certification

The Ethics Inside Certification involves a comprehensive review and evaluation of existing corporate governance systems and practices; ethics and compliance program and practices; corporate citizenship and responsibility initiatives; and leadership, reputation, and legal history.

As part of the process, the company pursuing certification is benchmarked against best practices, established standards and Ethisphere's data set highlighting the programs and practices of the World's Most Ethical Companies, including industry peer companies. Ethisphere analysts also review supporting documentation and conduct interviews with key leaders across the organization.

At the conclusion of the review, the team determines if the aggregate maturity of the company's practices meets or exceeds a level at which ethical behavior becomes the core expectation, fundamental compliance systems are in place, tone from the top is clear and the company's actions bear unmistakable signs of good corporate citizenship.

Learn more at www.ethisphere.com



Ethisphere is the global leader in defining and advancing the standards of ethical business practices that fuel corporate character, marketplace trust, and business success.



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