Dear Training Leader:


Our annual training session encourages us to focus on the application of our values – do what’s right, respect others, and perform with excellence – in our work environment.

Voicing our values through daily actions reflects Lockheed Martin’s unwavering and long-standing commitment to ethical conduct. Key to this is the ability for all employees to talk about and take action to resolve conflicts that may arise in our work environment.

Awareness training provides an opportunity for all of us to strengthen the skills we need to effectively address values conflicts and ethical dilemmas in the workplace. As a training leader this year, your role is critical to ensuring a lively, healthy dialogue on the questions presented and to helping others practice these skills, including taking action.

The case scenarios are based on real-life issues facing employees and reflect the complexities and realities in the workplace. This year’s case topics include leadership skills, mischarging, inclusion, and peer-to-peer retaliation. There are issues with enhancing customer relationships, both commercial and government, while performing with excellence in an increasingly competitive global market. Each case focuses on how we can address these issues more successfully when they arise.

It is important that you review this guide before facilitating a training session. The guide provides important discussion points for each case scenario presented and highlights the various techniques with which we want everyone to become comfortable. Please use the information to steer your group’s discussion.

Your role in upholding Lockheed Martin’s commitment to the highest standards of ethical business conduct is vital. The example that you provide to employees crosses the boundaries of department, business unit and business area. Inspiring our employees to recognize their obligation to act is a key component in building the “take action” culture.

Thank you for your support of Ethics Awareness Training and for your efforts in leading our workforce in “Voicing Our Values.”

Leo S. Mackay Jr.
Vice President, Ethics & Sustainability

NextGenLM
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PREPARING TO LEAD THE SESSION

It’s important to go over this section before your session.

• Each case scenario is intended to demonstrate how various techniques may be used to more effectively address ethical dilemmas or values conflicts that we may encounter in the workplace.

• You are responsible for understanding these techniques before leading the awareness training session. In particular, we are asking everyone to consider how they might use any or all of the following techniques to more effectively voice their values:
  – Ask Questions – Talk to Others
  – Obtain Data – Reframe the Issue.
Definitions of these techniques are provided on page 4 and 5 of this guide with a link to a printable reference page for use by attendees when discussing the cases.

• For some of the scenarios, there may be a reportable violation. You will have the opportunity to discuss what may be reportable and when it should be reported. However, a big part of voicing our values means raising issues and using the techniques outlined above to prevent a violation from occurring.

The case summaries, pages 8 to 19, provide some discussion points for your use.

You should have time for three to four cases in your one-hour session.

Virtual Groups

Prior planning is essential to ensure virtual sessions are meaningful for all participants. Be sure in advance that all locations either have the training DVD or access to the web-based version of the training.

If you are facilitating a session that includes participants both physically with you as well as on the phone or other conferencing system, ask all the participants to mute their phones when playing the video. Virtual participants may use the existing phone connection or Lync to go through the discussion questions.

When virtual participants are at multiple locations, a single larger group discussion may be needed instead of using multiple small groups. Ask the participants to share their responses. Be sure to put the audio systems in your rooms on mute as needed.

The discussion is a key element of this training, so as a leader, please arrange as many sessions as you need to allow all of your team members to participate fully.

The online version of the training is found at http://ethics.corp.lmco.com/ethics/awareness_training.cfm; or http://www.lockheedmartin.com/us/who-we-are/ethics/training.html.
Voicing Our Values Techniques

The key to voicing our values effectively to resolve ethical dilemmas or values conflicts is to recognize that such conflicts are not uncommon in the workplace. You can, and should, strategize how you might respond if faced with different types of ethical dilemmas or conflicts. By approaching conflicts in this manner, they become business problems that can be resolved by using an appropriate strategy, rather than emotional situations that you feel paralyzed to resolve. Should you be unable to resolve the conflict using these techniques, or in the event of a compliance breach, you should report the violation to your manager, Human Resources, the Legal Department, Security, Internal Audit, the EESH Office, or the Ethics Office.

The following are some of the techniques or actions you should consider using to address ethical dilemmas or values conflicts:

**Ask Questions**

- Gather information in a non-threatenning way
- Don’t assume you’re right
- Probe for information rather than arguing.

Ask questions that demonstrate that you don’t assume you are right or know everything about the issue in question. Ask questions designed to gather information and help everyone involved in the discussion to have a clearer and more complete picture of the issue at hand. Asking questions in this manner can help you understand the situation in a way that resolves your values conflict. Alternatively, it may cause the other person involved in the conflict to reconsider his or her course of action as the discussion could lead them to rethink their initial course of action. For example, you could ask: “What factors did you consider in deciding XYZ?”; “Could you help me...”

NOTE: This information is available online in printable format.

For participants inside the firewall, go to http://ethics.corp.lmco.com/ethics/awareness_training.cfm and click on “Voicing Our Values Techniques.”

For participants outside the firewall, go to http://www.lockheedmartin.com/us/who-we-are/ethics/training.html and click on “Voicing Our Values Techniques.”
understand the basis for your decision?”; “Did you consider that your approach could be viewed by some as high risk?” or “What mitigation plan do we have to address the risk?”

**Obtain Data**

- Use fact-based data to support your position. Don’t assume that the other person already knows and is disregarding this data
- Explain how your data leads to a different outcome or conclusion.

Use fact-based logic and data to support your position. Ensure that those who are proposing actions that are causing you a conflict understand the data that should lead to a different outcome or conclusion. By voicing your values using data, you will avoid unnecessarily emotional arguments that likely will place the other person on the defensive.

**Talk to Others**

- Identify a network of people with whom you are comfortable
- Look for those who have related experience
- Be honest about your dilemma.

Identify people – your colleagues or leaders – with whom you feel comfortable discussing ideas and issues. Talk to them about the conflict that you face. Sometimes just talking over an issue helps you figure out how to handle it. Also, they may have experienced a similar situation. Find out how they handled it.

**Reframe the Issue**

- Use neutral language
- Highlight a different perspective
- Present risks of the current course and suggest alternatives.

Speak with the person on the other side of your dilemma. Rephrase the situation and options in more neutral language or in ways that highlight a different perspective that suggests an alternate course of action that is more consistent with your values. Reframe the issue in a manner that shows the other person that you are not questioning his or her integrity, rather you have a real concern that needs to be resolved for you to feel comfortable with the action you are being asked to take or the situation in which you find yourself. For example, a potentially unethical action can be reframed to show how the action creates a risk that the other person would want to avoid.
BEFORE THE SESSION

Here are some basic steps to take before the training session.

Locate the contact information for your Ethics Officer. You will need this for the concluding message on page 20. You can locate this information on Enhanced White Pages, and it may differ for employees at different locations. Identify how many people in your organization are to be trained and schedule enough sessions for training groups of 12–24 people, although the training can be used for smaller or larger groups. Send participants a meeting notice with the time and place for the session. Send the notice sufficiently in advance to allow participants time to plan their schedules. A session is required to last at least one hour. Include directions on how to charge labor for the session. Most sessions can be conducted using online resources. The online version of the training is found at http://ethics.corp.lmco.com/ethics/awareness_training.cfm; or http://www.lockheedmartin.com/us/who-we-are/ethics/training.html. Reserve a room with enough tables and chairs for comfortable seating, and a DVD player if online resources are not available. Test the equipment to make sure it is working. Test the DVD in the machine that you will use during the session. NOTE: DVDs will not run automatically in most Lockheed Martin computers. Be sure you know how to activate the DVD for viewing. Refer to “Facilitation Do’s and Don’ts” on page 21.

Select four cases that are appropriate for your group, choosing the cases that will be the most relevant and challenging. Familiarize yourself with the cases by reading the summaries in this Leader’s Guide and, if possible, by previewing the video. If your session includes virtual participants, be sure to start the review of the video scenarios at the same time and ask participants to mute phone lines while watching the cases.

Note: For virtual session, see page 3.

LEADING THE SESSION

Arrange your session into groups of six to eight people each.

Distribute to the attendees in your training session copies of pages 4 and 5 in the Leader’s Guide and “Our Values” both found online at http://ethics.corp.lmco.com/ethics/awareness_training.cfm; or http://www.lockheedmartin.com/us/who-we-are/ethics/training.html.

Provide directions on how to charge labor for the training session.

Provide directions on how to acknowledge participation.

Select the language appropriate to your group.

Click on “CC” or “Subtitles” before playing the introductory video, if any participants are hearing-impaired.

Click “Introduction” to play the video segment which includes a message from Chairman, President and CEO Marillyn Hewson, as well as an overview of how the activity works.

Play a case.

Discuss the case in small groups and answer the questions on the screen. The discussion should last for several minutes. Following the small group discussions, ask the small groups to share with the larger group.

Select “Continue” to view the second part of the video. At the conclusion of the video, ask for any additional comments.

Repeat the process to complete at least three cases (or as many cases as can be covered in the available time, which should be no less than one hour).

Deliver a concluding message. See page 20.
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CASE 1: WE CAN DO WHAT WE WANT, RIGHT?

MAIN CHARACTERS

• Shelli – Team lead
• Al – Team member
• Tim – Commercial customer

SUMMARY

On site with a commercial energy customer, Shelli, a Lockheed Martin employee, discusses a program need with Tim, the customer representative. Shelli is concerned about actions Tim is requesting beyond the scope of the contract. Tim says, “I’m telling you it’s authorized. Do the work, record the hours. We’re a commercial company. We’ll pay for it.” In addition to the contract concerns, there are other risks associated with Tim’s request. He also mentions that his VP will be visiting and would like to attend a local golf tournament. After a disturbed night’s sleep, Shelli must decide what to do.

DISCUSSION QUESTIONS

• Which Lockheed Martin values (Do What’s Right, Respect Others, Perform With Excellence) are most significant in this scenario… and why?

All of our values may come into play in this scenario, depending on which aspect of the case you are considering.

Thought starters about our Values are on page i.

Shelli wants to respect her customer, but if she complies with his request she may not be doing what’s right…and ultimately her actions may hurt, not help, our performance.

• What Voicing Our Values techniques were used or should be used? How and by whom? Which do you think would be most effective and why?

Al, hearing Tim’s request to provide shore-based monitoring in his conversation with Shelli, sought to Reframe the Issue for her by suggesting what could go wrong if she agrees to Tim’s request. He encouraged her to Talk to Others (“run it up the chain”). Al let Shelli know that he did not agree with taking the technical/safety risks and also that he was willing to discuss the issue with their leadership.

To resolve this, either Shelli or Al could Talk to Others on the team and/or Ask Questions that might help identify alternatives or better define and quantify the risk involved. They could also talk with Contracts and Obtain Data regarding the contract provisions, which might help determine if they can accommodate the customer’s request.

Finally, Al could choose to escalate it, Reporting a Violation, if Shelli continues down the path of independently agreeing to Tim’s request.

As regards the golf tickets, Al or Shelli could Obtain Data about the gifts and business courtesies policy. If they are still unsure, they could Talk to Others (for example, leadership or the Ethics Office) about whether they can provide the tickets.
Isn’t the customer always right?

While we should always seek to accommodate our customers, we must recognize that sometimes there will be legitimate differences of opinion. Requests cannot always be met exactly as they are framed, and our interpretation of contract language or other agreements may differ from the customer’s. The specific contract type, terms and conditions are significant considerations; sometimes we have more flexibility and can act very quickly, and sometimes we have very narrowly defined scope and change provisions that will require a contract modification before we can take any action. While we cannot always simply agree to a request, we also should not just say “No” – we should seek alternatives and try to work collaboratively to find a mutually acceptable and beneficial path forward, within our policy framework.

Note that these principles also apply to internal customer relationships, and we should exert similar care and respect when working with our internal Lockheed Martin customers.

Following the discussion, the group watches the second half of the video.

Closing remarks on this case:

Our customer relationships should always reflect the highest levels of respect, and Shelli demonstrated that in trying to find a solution and openly discussing the situation with Tim. In this case, Shelli’s past experience hadn’t prepared her for dealing with the practicalities of working with a commercial customer, which can be different from working with a government customer. Even so, there are policies and procedures that apply. By working together, Shelli, Al and the team came up with alternate solutions that complied with company policies while at the same time providing the customer with a solution beyond his expectations.

Our gifts and business courtesies policy is being updated this year and you will see a variety of communications about it, including new resources to help with interpretation. The rules regarding gifts and courtesies for customers are complex, and they vary significantly depending on the specific customer (government vs commercial), countries, and sometimes even the specific role of the individuals involved. There are also provisions for requesting exceptions to policy limits in certain circumstances, especially for commercial business relationships. Consult the policy and, if you are still not sure, contact your Ethics Office for clarification.

RELEVANT POLICIES:

- CPS-001 Ethics and Business Conduct
- CPS-002 Quality, Mission Success and Safety
- CPS-008 Gifts, Gratuities and Other Business Courtesies
- CPS-730 Compliance with Anti-Corruption Laws
CASE 2: I DIDN’T THINK YOU WANTED HER HERE

MAIN CHARACTERS

• Sarah – Team member
• Wendy – Team member
• Rachel – Team member
• Jason – Team member
• Sharon – Program manager
• Rafael and Liana – Team members in another country

SUMMARY

Several co-workers are retaliating against Sarah, a fellow team member. They exclude her from both after-hours and business activities because she recently reported the group’s inappropriate requests of local businesses to support their annual charity drive. The group is dismissive of their international team members. Wendy has some creative uses for her company credit card.

DISCUSSION QUESTIONS

• Which Lockheed Martin values (Do What’s Right, Respect Others, Perform With Excellence) are most significant in this scenario…and why?

All of our values may come into play in this scenario, depending on which aspect of the case you are considering. Thought starters about our Values are on page i.

This scenario demonstrates the impact of a lack of respect for others. First, the group excludes Sarah from their activities. Second, team members who are not in the room during the business meeting are marginalized when they voice a different opinion.

Wendy is not doing what’s right in her proposed use of the company credit card for personal purchases and the small group’s after-hours activities. (A company card can be used for legitimate team-building events, but that’s not what Wendy is proposing.)

• What Voicing Our Values techniques were used or should be used? How and by whom? Which do you think would be most effective and why?

Jason did Talk to Others when he voiced his concern to Rachel and Wendy regarding the group’s treatment of Sarah. He attempts to Reframe the Issue by reminding the others that Sarah’s motivation to Report the Violation was to do the right thing. Also, he encourages Wendy to Obtain Data regarding the use of the company credit card for personal purchases. However, he is swayed by peer pressure when he attempts to exclude Liana and Rafael from fully discussing their thoughts on a business decision.

Sharon realizes that Sarah is not in the meeting when she should be. Leaders, and all employees, should Take Action when they face a concern. Sharon might Ask Questions of her team or of Sarah to understand why Sarah is missing. If she suspects an issue with the team’s behavior regarding Sarah, she might also Talk to Others who might have observed team interactions and have a perspective on what is happening.

• What is the impact if an employee is excluded from team activities both inside and outside of work?

Inclusion of all team members benefits the individual, the group and the company. For example, involvement of all team members in a discussion about a current challenge may bring forth ideas that might otherwise go unheard. In this case, the peer-to-peer retaliation against Sarah by Rachel and Wendy may result in disruption of the company’s work if Sarah is not aware of program status or changes that affect her work—and similarly, others will not know the status of her progress. She may also have valuable insights that others do not.

It is natural for co-workers to develop friendships that may lead to after-hours activities. However, we should all strive to be sensitive to how those personal relationships may be perceived as exclusionary and have unintended consequences in the work group. Flaunting a situation in which many team members are doing something together as friends outside the workplace is unnecessary and, in this example, was done intentionally to hurt Sarah’s feelings. Further, since it is being done because Sarah had reported an ethical concern, the behavior is not just
Following the discussion, the group watches the second half of the video.

Closing remarks on this case:

Retaliation is unfair or inappropriate treatment against an employee for reporting misconduct, filing a complaint, assisting another in making a complaint, participating in a Company internal investigation, or making an ethics-related inquiry. Lockheed Martin will not tolerate retaliation against anyone who makes an inquiry, participates in an investigation or reports misconduct in good faith.

Wendy’s online shopping using the company computer may involve both a misuse of company assets and improper labor charging. Reasonable personal use of company assets is permitted, but employees should be mindful of the amount of use they place on company assets. Personal use of company equipment is not allowed during worktime, and cannot be charged to a customer program. Mischarging time could result in employment termination.

Wendy’s attempt to use the company charge account to make personal purchases is a direct violation of policy CRX-327 Commercial Cards. Company cards are to be used only for business-related expenses. An employee who misuses a commercial card may be subject to disciplinary action, up to and including revocation of the commercial card and employment termination. The employee will be asked to make full reimbursement.

Purchase of alcohol at company expense requires a vice president’s approval.

RELEVANT POLICIES:

CPS-001 Ethics and Business Conduct
CPS-007 Personal Use of Lockheed Martin Assets
CPS-564 Harassment-Free Workplace
CMS-505 Recording and Verification of Direct Labor Costs
CRX-327 Commercial Cards

mean spirited, it is retaliatory. An excluded employee could react in a manner that proves detrimental to others and the company. Sarah is trying to handle it herself when she speaks up about her concern regarding the exclusion by her co-workers. Another employee faced with a similar situation may not speak up; rather, he or she might leave the company or take retaliatory actions.

Regarding the international team members, they may have important information that the rest of the group is not considering, or they may be able to offer alternatives that could reduce the risk they perceive. Additionally, if their perspective is heard and seriously considered, it is more likely that they will be fully committed to whatever path is ultimately taken. A “majority rules” decision model does not promote an inclusive work environment.

Use this question for groups composed mostly of leaders.

• What are the leadership issues and how would you handle this workgroup issue if you were Sharon?

Sharon should have recognized that something is going on regarding Sarah. She should speak with Sarah, as well as others on her team or those who interact with her team, to figure out what is happening so that she can address it. She could also have spoken with the team immediately after the matter when the solicitation of local businesses was resolved, making it clear that she appreciated Sarah having spoken up. This action might have prevented the retaliatory behavior that is now occurring.

The local group also has exhibited clearly divisive behavior (“They just don’t understand how we do things here” and “majority rules”) that indicates a lack of understanding of cultural differences and how to build an effective team across international boundaries. Sharon needs to address this immediately, ensuring that Liana and Rafael are given due respect and that their concerns and opinions are heard. She might request assistance from others on the program team, or perhaps from Business Development experts, who have experience working with the countries involved.

Assuming Sharon properly reviews and approves all of the group’s expense reports, she should be able to catch and question any attempt by Wendy to use her card inappropriately.
CASE 3: WHAT AM I TO DO?

**MAIN CHARACTERS**

Liana – Employee  
Ariel – Government minister  
Virginia – Liana’s mother  
Rafael – Liana’s manager

**SUMMARY**

Liana, an employee in a non-U.S. facility, is faced with a difficult dilemma. Ariel, a government minister, implies to Liana that the company must hire his son in order to close the deal on a pending contract.

**DISCUSSION QUESTIONS**

- Which Lockheed Martin values (Do What’s Right, Respect Others, Perform With Excellence) are most significant in this scenario... and why?

All of our values may come into play in this scenario, depending on which aspect of the case you are considering.

*Thought starters about our Values are on page i.*

Liana is clearly struggling to decide how to do what’s right, balancing her family’s relationship with Ariel, his implied threat about the program award, and her knowledge of company policies.

*What Voicing Our Values techniques were used or should be used? How and by whom? Which do you think would be most effective and why?*

Liana *Talks to Others* (her mother) after meeting with Ariel. Even though her mother is not an employee, sometimes it helps to have a sounding board, and a family member may be able to help. (Of course, one must always be careful not to share proprietary, classified or other sensitive information during such a conversation.) Liana might act on her mother’s suggestion that she “talk to someone you trust.” This could be her manager, or perhaps someone in Legal, Ethics or Human Resources. It is possible that Ariel is in violation of his country’s anti-corruption laws; Liana may want to *Obtain Data* regarding the rules and laws associated with his demands, and *Report a Violation* depending on what she learns.

- How might this situation present a personal conflict of interest? How should a personal conflict of interest be handled?

Liana tells Ariel, the government minister, that the company posts all job openings, yet he insists that she try to use her influence to secure a job for his son. He also implies that her failure to arrange a job for his son might affect not only a contract award, but also her uncle’s employment.

A personal conflict of interest exists when you have divided loyalties – when you have a direct or indirect personal interest in a transaction or matter such that it might reasonably appear to affect the judgment that you exercise on behalf of Lockheed Martin, influence your actions, or lead you to neglect Lockheed Martin business interests. Liana has been put in a situation that places her personal interests in conflict with the company’s.
Conflict of interest has many facets and may involve individual or organizational relationships both within and external to the company. If an employee has potential for conflict of interest, they should submit a disclosure form to the Legal Department for a review. Most often, conflicts of interest arise due to second jobs or outside business interests, including those of family members and close relations. As a result of the legal review, the employee may discover there is no concern at the time, or adjustments may be specified to avoid a real or apparent conflict.

Clarification of what might constitute a conflict of interest is found in CRX-014 Individual Conflict of Interest.

Following the discussion, the group watches the second half of the video.

Closing remarks on this case:

We may encounter situations similar to this case in which persons of power or influence may condone, or even expect, “favors” or preferential treatment that violate laws and our policy. Lockheed Martin will not participate in business practices that are improper and may be illegal, even corrupt. Should you experience a request for favors, payments, gifts or other actions that may violate company policy, immediately contact your manager, the Legal Department or the Ethics Office.

The placement of the minister’s hand on Liana’s shoulder while seeking preferential treatment for his son is done in an attempt to intimidate her as an authority figure. Note: This physical contact and intimidation may be perceived as possible sexual harassment in some cultures.

Even where other cultures may have different cultural norms with regard to “personal space,” and in this scenario Liana may not have felt sexually threatened, the intimidation and implied quid pro quo of the job placement for the contract are inappropriate everywhere. If you ever feel uncomfortable or threatened by the actions or words of a customer, seek help from your manager, HR Business Partner, Security Officer, or Ethics Officer.

It is Lockheed Martin’s goal to maintain a professional work environment that is free from threats and acts of violence, bullying, abusive or intimidating conduct, or other similar behavior. CRX-053 Workplace Security governs conduct in the workplace as well as off-premises situations with a relationship to the workplace or that affect the workplace.

RELEVANT POLICIES:

- CPS-001 Ethics and Business Conduct
- CPS-564 Harassment-Free Workplace
- CPS-730 Compliance with Anti-Corruption Laws
- CRX-014 Individual Conflict of Interest
- CRX-053 Workplace Security
favoritism toward Tom. Her own personal issues may have affected her ability to perform with excellence. Rhomeyn and Dionne are concerned about performance. They demonstrate respect for both Tom and Ren while discussing how to do what’s right. Tom is trying to do right by his father, but he does not appear to be considering the impact of his actions on the team and its performance. This is creating conflicts with all of the values.

• What Voicing Our Values techniques were used or should be used? How and by whom? Which do you think would be most effective and why?

Dionne and Rhomeyn Talk to Others as they discuss together their concern that the assembly may not be completed on time. Dionne Reframes the Issue for Rhomeyn when she points out that Ren may not be able to properly address the situation with Tom due to her own experience. Rhomeyn and Dionne could Take Action by Talking to Others (perhaps someone higher up in Ren’s management chain, or in HR or Ethics.) They might also simply Report a Violation to Ethics or HR, since the personal use of the company vehicle and the apparent mischarging must be addressed.

• How would you report a concern if it involves someone in your leadership?

It is difficult but important to address a concern that involves your leadership.

Sometimes you may be able to Talk to Others - speak with a peer of the leader’s for advice on how to have a conversation directly with your leader, or even ask that peer to intercede. You may be able to Ask Questions of your leader or Reframe the Issue for them to give them a different perspective that may cause them to change their behavior or approach to
the matter. Understandably, you may not be comfortable addressing the issue directly with the leader involved; depending on the issue, consider discussing the concern with the person for whom they work, or with someone in Ethics, Human Resources, or the Legal Department.

Most importantly, Take Action. Most problems don’t magically resolve themselves. You may learn that there’s a legitimate explanation for the issue you perceive, or you may end up reporting a serious matter that requires intervention and closure with a customer.

Following the discussion, the group watches the second half of the video.

Closing remarks on this case:

Ren’s empathy for Tom’s situation was well-intentioned, but as a leader she should have researched the applicable policy. She was apparently unaware of the options available to her and Tom; she could have consulted with her HR Business Partner for more information. Had she investigated the policy and what assistance might be available, she might have better handled the situation with Tom as well as discovering resources for her own situation. (Chris could have also done research in support of Ren.)

Laws may vary regarding time off and compensation for employees who are acting as caregivers. In the United States, the Family and Medical Leave Act may apply. In other countries, local laws and regulations may apply. Employees should seek assistance from their leaders or HR Business Partners for help navigating the applicable policies, laws and regulations.

When a team member is absent, the leader should make sure that all of that employee’s tasks are covered by current team members, members of other organizations, a temporary staff member, or other means. The leader should ensure that others on the team, and other stakeholders, are aware of how these tasks will be accomplished, or if they are being postponed.

The discussion among co-workers regarding personal issues of other employees would not have been appropriate if Ren and Tom had not been the ones to bring up the subject in a forum with their co-workers.

Chris should have chosen a more private location for his discussion with Ren. That said, considering the nature of the mischarging, Chris properly Reported Violations. Intentional mischarging of time may lead to disciplinary action, including employment termination. But he did not leave it at that – he also Talked to Others and Obtained Data that might benefit both Ren and Tom in coping with a stressful work-life balance due to caregiving.

RELEVANT POLICIES:

- CPS-001 Ethics and Business Conduct
- CPS-003 Nondiscrimination and Equal Employment Opportunity
- CPS-007 Personal Use of Lockheed Martin Assets
- CPS-564 Harassment-Free Workplace
- CPS-575 Providing Reasonable Accommodations in the Workplace and for Applicants
- CPS-718 Disclosures to the United States Government
- CRX-535 Family and Medical Leave
- CMS-505 Recording and Verification of Direct Labor Costs
CASE 5: THIS IS BIG, REALLY BIG

MAIN CHARACTERS

• Jeff – Employee
• Evan – Customer
• JJ – Jeff’s co-worker
• Natalie – Jeff’s manager

SUMMARY

Jeff, a new Lockheed Martin employee, is working with Evan, his customer, with whom Jeff served in the armed services. Jeff is socializing with Evan to a degree that may suggest a conflict of interest. Evan confides to Jeff what might be competitively sensitive information and JJ overhears the conversation.

DISCUSSION QUESTIONS

• Which Lockheed Martin values (Do What’s Right, Respect Others, Perform With Excellence) are most significant in this scenario… and why?

All of our values may come into play in this scenario, depending on which aspect of the case you are considering.

Thought starters about our Values are on page i.

JJ does what’s right by recognizing that the information Evan shared with Jeff could be harmful to the company. However, she needs to follow through and make sure that action is taken. Jeff may be going too far in his attempt to respect the customer and perform with excellence, influenced by their pre-existing relationship.

• What Voicing Our Values techniques were used or should be used? How and by whom? Which do you think would be most effective and why?

JJ Asks Questions of Jeff after she overhears Evan giving Jeff information that might be inappropriate and potentially harmful to the company. She Reframes the Issue for Jeff and suggests he Talk to Others. However, since JJ recognizes that Evan may have crossed a line, she needs to guarantee that it is reported, not just suggest to Jeff that he “talk to someone.” She could offer to go with Jeff, and/or connect him with the right person in the Legal Department. She should certainly follow up to make sure he has addressed the matter.

• When might an employee’s relationship with a customer become a problem?

An employee’s relationship with the customer could constitute a conflict of interest when, as in the case of Jeff and Evan, it is affected by prior years of joint service.

Lockheed Martin regularly hires former government employees, including many who have served in the military. These individuals provide us with a unique and important level of customer and product experience and knowledge. It is not uncommon for these employees to encounter situations like the one shown in this case. There are specific procedures for the hiring of former government employees that can help identify and prevent conflicts of interest at the outset of employment. If at any time a change in assignment creates a possible conflict, it should be immediately disclosed to the Legal Department so that the situation can be properly assessed and guidance given regarding how to handle the situation.

A personal conflict of interest exists when you have divided loyalties that create a possible conflict, or lead you to neglect Lockheed Martin
business interests. Disclosure of a potential conflict to the Legal Department is the best method to assure that there are no real or apparent improper relationships.

Personal relationships may have the appearance of impropriety to others. Evan’s picking up the tab for Jeff may be perceived not as the act of a friend, but rather as evidence of bias in the selection process. (Even worse would have been Jeff picking up the tab for Evan.) The rules about gifts and business courtesies are not intended to interfere with personal friendships, but there are times that you must exercise special care. Employees in such situations can consult CPS-008 or ask their Ethics Officer for clarification.

• What should you do if you receive third-party proprietary or competitive information outside of authorized channels?

Believe it or not, this happens several times each year – most often it’s an accidental transmission of information that we should not have received. Receipt of such information should be immediately reported to the Legal Department, and the information should be quarantined (but not destroyed.) If obtained via e-mail, do not forward the message to others; if by hard copy, do not make additional copies; and if by word of mouth, do not tell anyone else the specific details.

Use of such information, even when it’s given to us by a customer or we receive it accidentally, can disqualify us from competitions and damage our reputation if not handled promptly and correctly.

Following the discussion, the group watches the second half of the video.

Closing remarks on this case:

Jeff did the right thing by taking the doubt raised by JJ to his manager, Natalie, who immediately recognized the need to take action. She Asks Questions, Reframes the Issue for Jeff and quickly moves to Report the Violation. Her reaction may seem a little strong as she is trying to quickly think through all of the implications and actions that may need to be taken, but she is right that failure to handle this matter properly could result in significant scrutiny and serious implications.

Relationships are essential to our business but there may be hidden issues when a friendship overlaps a business relationship. Our policies are created to help mitigate that danger while ensuring that our employees can interact naturally with family and friends who may also be partners, suppliers or customers. Leaders should remember to ask open-ended, non-leading questions to help solicit all applicable information. If Natalie had asked, “Who else is aware of this information?” Jeff would have been prompted to tell her about JJ.

RELEVANT POLICIES:

CPS-001 Ethics and Business Conduct
CPS-008 Gifts, Gratuities and Business Courtesies
CRX-014 Individual Conflict of Interest
CRX-014A Conflict of Interest — Government Employment
CRX-014-1 Conflict of Interest Disclosure
CRX-014-5 Agreement Not to Disclose Non-Public Information
CRX-015 Protection of Sensitive Information
CRX-015D Third Party Proprietary Information
CASE 6: IS THERE A PROBLEM?

MAIN CHARACTERS

- Burt – Employee
- Rebecca – Supplier
- Chris – Burt’s manager
- Tony – Another manager
- Shaifali – Ethics Officer

SUMMARY

Rebecca, a supplier, offers Burt, a Lockheed Martin employee, an all-expense paid trip to a major tennis tournament sponsored by the supplier. Burt speaks with his manager, Chris, and both consider it a smart business decision to take advantage of an opportunity that provides work-related knowledge at little cost. Tony, another manager, isn’t so sure it’s a good idea.

DISCUSSION QUESTIONS

- Which Lockheed Martin values (Do What’s Right, Respect Others, Perform With Excellence) are most significant in this scenario… and why?

All of our values may come into play in this scenario, depending on which aspect of the case you are considering.

Thought starters about our Values are on page i.

Burt and Chris see an opportunity to gain valuable knowledge that may allow us to perform with excellence at reduced cost. Tony sees it differently and is trying to make sure they do the right thing. Rebecca shows a lack of respect for Burt when he expresses concern and she tries to talk him into accepting the tickets anyway.

- What Voicing Our Values techniques were used or should be used? How and by whom? Which do you think would be most effective and why?

Tony Reframes the Issue for Chris and Burt and suggests that they Obtain Data by checking the policy and/or Talking to Others who may have a better understanding of the rules.

- When in your job might you be offered a gift, prize, meal, or other business courtesy? How would you know if you can accept it? How would you say “No” if it’s not acceptable? When is it appropriate to contact the Ethics Office?

Every year, many of our employees are offered meals, baseball caps, gift cards, electronic devices, watches, event tickets, pens, conference registrations…all sorts of things. An item may be offered in the context of a drawing at a conference, or as a “thank you” for making meeting arrangements, or because you are part of a program team that uses a supplier’s products. In deciding whether it may be accepted, we consider factors such as the fair market value of the item, your relationship with the organization offering it, and whether it is being offered to others on the same basis. Our gifts and business courtesies policy ensures not just that we comply with the law, but even more than that – there must not be even the hint of impropriety or undue influence attached. Sometimes, as with offers of free conference or special event attendance, we may decide that there is a compelling business reason for attending (usually the opportunity to strengthen a specific relationship) in which case we choose to participate but pay all of our own costs.
Employees who are in any way involved in procurement are subject to significant restrictions on what they can accept. This includes not just those who are in formal procurement roles, but also those who recommend suppliers, participate in selections, write statements of work, and assess supplier performance.

The rules on accepting gifts, hospitality and business courtesies are presented in CPS-008, and your Ethics Officer can help answer any questions you may have.

If you are offered something you cannot accept, it’s important to try to refuse the item graciously without causing the presenter to lose face. You can thank the giver but explain our policy. In some situations driven by cultural considerations, we may accept an item on behalf of the company and retain it for display or donate it to a charity. Consult your Ethics Officer in these situations.

Following the discussion, the group watches the second half of the video.

Closing remarks on this case:

The saying “if it seems too good to be true, it probably is” holds true in this case. Burt and Chris are motivated by what they initially believe to be actions that will benefit the company. Note that Chris’ direction to Burt to charge vacation time while attending the tennis tournament seems to be contradictory if he truly believes there is a work-related value to Burt’s participation. Thankfully, by Voicing his Values, Tony provides clear-headed advice that convinces Chris to do the right thing and contact the Ethics Office. Acting as a full spectrum leader, Chris explains to Burt the distinction between this situation and others that on the surface may seem similar. Most importantly, Chris acknowledges that he made a mistake by initially telling Burt to accept the tickets.

It is very rare that a supplier offers a business courtesy with unethical intent, and they are usually understanding when we must decline an overly generous offer.

Our gifts and business courtesies policy is being updated this year, and you will see a variety of communications about it, including new resources to help with interpretation. The rules regarding acceptance of gifts and business courtesies are complex and can vary depending on the countries and the specific roles of the individuals involved. Consult the policy and, if you are still not sure, contact your Ethics Office for clarification.

RELEVANT POLICIES:

CPS-001 Ethics and Business Conduct
CPS-008 Gifts, Gratuities and Business Courtesies
CRX-014 Individual Conflict of Interest
Lockheed Martin Supplier Code of Conduct available at www.lockheedmartin.com >Who We Are >Ethics >Supplier Resources
WRAPPING UP - YOUR CONCLUDING MESSAGE

• Thank participants.
• Remind employees to go online to acknowledge completion of the training. (Or make sure all participants have signed the participation and acknowledgement sheet if online form is not available.)
• Inform employees that their feedback is important and ask that they complete the training evaluation that is available online.
  – Go to the Ethics Awareness Training Resources page and click on “Participant Survey.”
  – Some participants and session leaders will receive an e-mail with a survey request. Please participate if asked.
• Provide your concluding message.

SAMPLE CONCLUDING MESSAGE

Thank you for your participation. I want to encourage you all to continue to talk and think about the importance of taking action and voicing our values. This should not be a once-a-year dialogue. Also, I want to emphasize that as Lockheed Martin employees, we are all encouraged to seek advice, express concerns, or report violations to the person with whom we are most comfortable: your manager, the local Ethics Officer, Human Resources, Audit, the Legal Department, EESH, or the Corporate Ethics Office.

  Our local Ethics Officer is

  Name: 
  Phone: 

You must register participation in this session using the online acknowledgement of completion of the training (or signing the participation and acknowledgement form).

One last note – your feedback on this training program is extremely important. The training evaluation form is online and is part of the online training acknowledgement process at the Corporate Ethics & Business Conduct website; go to the Ethics Awareness Training Resources page and click on “Participant Survey.”

Please participate if you receive an e-mail with a survey request. Thank you for participating in today’s program.
## FACILITATION DO’S AND DON’TS

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<th>Facilitation Do’s</th>
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<tr>
<td><strong>Do</strong> send out a meeting notice to all participants well in advance of the scheduled session. Include labor charging direction.</td>
<td><strong>Don’t</strong> wait until the last minute to schedule your session.</td>
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<td><strong>Do</strong> take the time to review the training materials, understand the Voicing Our Values Techniques, and select cases that are most relevant for your group. Your Ethics Officer can help you with this.</td>
<td><strong>Don’t</strong> wait until you’re in the room to figure out how to facilitate the training or use the audio visual equipment.</td>
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<td><strong>Do</strong> know the name and phone number of your Ethics Officer.</td>
<td><strong>Don’t</strong> forget to encourage employees to contact their Ethics Officer at any time, even for advice.</td>
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<td><strong>Do</strong> use online resources if available. <strong>Do</strong> test the DVD in the player/computer you will use in the session before the meeting date. 1) Insert the DVD, 2) Press Windows key and E key, 3) <strong>Right click</strong> on DVD, 4) Click on Play.</td>
<td><strong>Don’t</strong> overlook the use of online training in lieu of the DVD. <strong>Don’t</strong> wait until the day of your session to test the DVD in the machine that you will use in the session.</td>
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<td><strong>Do</strong> consider virtual training if your team is widely distributed (if needed, seek help from your IT Services).</td>
<td><strong>Don’t</strong> forget to involve employees participating via phone.</td>
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<td><strong>Do</strong> select a variety of cases, including those that may be the most challenging or uncomfortable to discuss.</td>
<td><strong>Don’t</strong> select only cases with which you’re comfortable – you might miss out on some of the most valuable learning opportunities.</td>
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<td><strong>Do</strong> arrange the teams so that participants can easily discuss the cases among themselves and between teams.</td>
<td><strong>Don’t</strong> forget to arrange people in teams before you review the cases.</td>
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<td><strong>Do</strong> take the initiative to get everyone involved in the activity and keep the conversation flowing around the room.</td>
<td><strong>Don’t</strong> let people “sit out” the session without participating, or allow one or two people to dominate the entire discussion.</td>
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**NOTE:** This page is available online in printable format.

**Internal:** [http://ethics.corp.lmco.com/ethics/awareness_training.cfm](http://ethics.corp.lmco.com/ethics/awareness_training.cfm)

**External:** [http://www.lockheedmartin.com/us/who-we-are/ethics/training.html](http://www.lockheedmartin.com/us/who-we-are/ethics/training.html)
PARTICIPATION AND ACKNOWLEDGEMENT

All employees are required to record his or her participation in a training session.

**Online:** Most business units use the Online Participation and Acknowledgement feature. Visit either the internal or external LMPeople website and click on “MyLearning” and then on the “Learning Plan” link. Click on “2015 Ethics Awareness Training” and scroll to the “Self Completion” section and click on “Take Credit for this Course.” Enter the date you completed your training and click “Take Credit.”

**Manual:** For sites not using this online feature, a hard copy of the participation and acknowledgement form is included in this year’s materials. When the hard copy form is to be used, the leader of the session should make a sufficient number of copies for all participants (one form can be used for up to 20 participants). Signed forms are to be returned to the Ethics Office.

TRAINING EVALUATION

Your feedback is important and we encourage all participants and facilitators to complete a training evaluation survey. Inside the firewall, visit [http://ethics.corp.lmco.com/ethics/awareness_training.cfm](http://ethics.corp.lmco.com/ethics/awareness_training.cfm) and click on the “Participant Survey” or “Facilitator Survey” link. Outside the firewall, visit [http://www.lockheedmartin.com/us/who-we-are/ethics/training.html](http://www.lockheedmartin.com/us/who-we-are/ethics/training.html) and click on the appropriate “Survey” link. We make changes every year based on the feedback we receive; thank you for helping us improve this important training.
PARTICIPATION AND ACKNOWLEDGEMENT FORM

*Note: Use of a hard-copy version of this form may not be required if your business unit tracks training online.*

2015 Ethics Awareness Training

LM Company: ________________________  Training Leader: ____________________________  Facility: ____________________________

Employee Group: ____________________  Session Location: __________________________  Date: ____________________________

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*Return signed forms to your Ethics Office.*
Before the Session

- Make sure room is ready and all equipment works.
- Using Online Resources;
- Using DVD;
  - Load Disk.
  - Press Windows key + E key; or click on Start, click on Computer.
  - When Computer screen appears, right click on DVD.
  - Click on Play.
  - Call IT Service Desk at 800-435-7063 if assistance is needed.
- Select 3-4 appropriate cases. Get familiar with cases by watching video or reading summaries in Leader’s Guide.
- Determine if your business unit has Online Acknowledgement option. (If online is not used, photocopy the participation form on page 23.)

Getting Started

- Explain using online acknowledgement or have participants sign the printed participation form.
- Give leader’s introduction and explain how activity works. (Instructions are also in the introductory video.) Click on “Introduction” to begin the video.
- Play Introduction video. Use “subtitles” for hearing-impaired participants.

Case Discussion

- Select case and play video until it stops at Discussion screen.
- Teams discuss case and answer Discussion Questions on screen.
- Continue video to end.
- Conclude case by reading from Leader’s Guide any perspectives not previously covered.
- Repeat process for each case. (Do as many cases as can be covered in one hour).

Wrapping Up

- Thank participants.
- Remind employees to go online to acknowledge training.
- Remind employees to provide feedback using the online evaluation form at “Participant Survey.”
- Read concluding message.