Dear Training Leader:

Welcome to Voicing Our Values Ethics Awareness Training, and thank you. You will be leading a critical dialogue that helps strengthen the skills we need to address values conflicts and ethical dilemmas in our workplace, reinforcing a “take action” culture.

Our values, ethics and integrity are fundamental elements of our NextGen strategy. Annual ethics awareness training is a process that is ingrained in our business rhythm and reinforces our shared responsibility to model Lockheed Martin’s core values: Do What’s Right, Respect Others, and Perform With Excellence. While use of the Voicing Our Values techniques emphasized in the training – Ask Questions, Obtain Data, Reframe the Issue, Talk to Others and Report Violations – should be encouraged all year, this training gives you a focused opportunity for a thought provoking discussion with your team about ethics in our workplace.

During your session, encourage discussion and provide guidance as you and your team view scenarios depicting the complexities and realities of our workplace for our increasingly global workforce and business base. The issues depicted include conflicts of interest, business pressures, corruption, intellectual property, procurement, international trade controls, inclusion, and retaliation.

It’s extremely important that you review this guide before facilitating a training session. The guide explains the structure of the session, provides important discussion points for each case scenario, and highlights the various techniques we want everyone to be able to use comfortably. This should help you lead your group’s discussion most effectively.

I welcome your thoughts on this training. Every year, we carefully review the feedback from the post-training surveys for participants and session leaders, using that information to improve and shape future training. Please encourage everyone to complete these surveys.

Enjoy the dialogue!

Leo S. Mackay Jr.
Senior Vice President, Internal Audit,
Ethics and Sustainability
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PREPARING TO LEAD THE SESSION

It’s important to review this section before your session.

• Each case scenario presents a situation that involves ethics, inclusion, and Full Spectrum Leadership issues, and shows the outcome of a values conflict or ethical dilemma in the workplace. The case scenarios are 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 of this guide with a link to a printable reference page for use by attendees when discussing the cases. Also, short videos of each technique are available during the discussion.

• 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 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 have access to the web-based version of the training or the training DVD. 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 virtual participants to mute their phones when playing the video. Ask all 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
VOICING OUR VALUES TECHNIQUES

Resolving ethical dilemmas or values conflicts effectively by voicing our values requires us 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-threatening 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 achieve 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. For example, you could ask: “What factors did you consider in deciding XYZ?” or “Could you help me 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.

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.”

Short videos of each technique are available during the discussion.
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 closing 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.

Reserve a room with enough tables and chairs for comfortable seating, and connectivity, or a DVD player if necessary. Test the equipment to make sure it is working. Test the DVD disk in the machine if you use this option. 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.

Familiarize yourself with the cases by reading the summaries in this Leader’s Guide and by previewing the video.

Select three cases that are relevant and challenging for your group.

LEADING THE SESSION
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.

If any participants are hearing-impaired, click on the “Settings” icon in the video window before playing the introductory video.

Choose “Subtitles” if using a DVD. If your session includes virtual participants, be sure to start the video at the same time and ask participants to mute phone lines while the video plays.

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 as a group and answer the questions on the screen.

Click “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). A suggested timeline for the session is located on the inside back cover. Each case video runs 5 to 8 minutes in total. You should have time for approximately 8 minutes of discussion on each case.

Deliver a concluding message. See page 20. Note: For virtual session, see page 3.

CASE LIST, KEY TOPICS AND ELT SUMMARY

Case 1 – It’s All My Stuff: Coming and Going
- Intellectual property, Third-Party Proprietary Information, Sensitive Information Protection
  Bridget Lauderdale, Senior Vice President, Corporate Strategy and Business Development

Case 2 – Divided Loyalties
- Conflict of interest, Supplier relations, Interpersonal skills
  Jennifer M. Whitlow, Senior Vice President, Communications

Case 3 – Complicit or Clueless
- Retaliation, Labor charging, Customer property, Intentional policy violations, Leadership skills
  Rod Maksoske, Senior Vice President, Corporate Engineering, Technology and Operations

Case 4 – Who’s Got a Visa?
- Export Control, Corruption, Leadership skills
  John Rood, Senior Vice President, Lockheed Martin International

Case 5 – Flight Check
- Export control, Interpersonal skills, Business Courtesies
  Robert Rangel, Senior Vice President, Government Affairs

Case 6 – Working the Floor
- Retaliation, Falsifying records, Interpersonal skills
  Patricia L. Lewis, Senior Vice President, Human Resources
CASE 1: IT’S ALL MY STUFF: COMING AND GOING

SUMMARY
Marie, an engineer on a new technology team, is heading back home to Quebec to work for a start-up company. The team — innovative, passionate, collaborative, and ambitious — hosts a going away dinner for Marie. Six months later, Marie is back; the start-up failed. Marie has learned a great deal and can’t wait to get back on track with the team. The team has moved along and the software is shaping up well, but there’s an issue with one part of the code. Marie has a potential solution. She calls David, with whom she worked at the start-up, and asks if he can share some of the code they developed. Marie shares this solution with her team. Some recognize a part of it as a concept they had been working on previously while Marie was still on the team.

LEADER’S NOTE: Following are some notes to help guide the group’s discussion. This should be an open discussion, the group may have observations in addition to those captured below.

DISCUSSION QUESTIONS

Which individual(s) had or have the best opportunity to address the issues presented? How might they apply the Voicing our Values techniques to do so?

Thought starters about our Values are on page i. The Voicing our Values techniques are described on pages 4-5.

Certainly Marie has the primary action to have prevented the incident from occurring by recognizing that indiscriminate use of intellectual property - both that of the Corporation’s, as well as third-party proprietary information - is a violation. Marie uses code from her prior employer without regard for ownership of the information. Additionally, the information Marie took with her upon leaving Lockheed Martin is considered a company asset. That information belongs to Lockheed Martin and is not to be taken by a departing employee or given to a third party.

Mark is very happy to have a solution, but Rachanee senses there is an issue and even vocalizes it by Asking Questions. However, she doesn’t take her concern any further. Rachanee could have Asked Questions that were more probing about the sources of Marie’s solution. Had she Talked to Others outside her team circle, she might have engaged in a discussion that would have led her to Reframe the Issue for Marie -- before her activity went too far. It also may have led Rachanee to Report a Violation to her manager, Security, Legal or the Ethics Office.

Marie was focused on being the problem-solver. She disregarded any thought it was wrong to use third-party proprietary information. No one on the team Reframed the Issue as to what might happen if there was an ownership issue with the code. Nor did any of the team recognize that Marie had stolen proprietary information from both Lockheed Martin and the short-lived start-up because she did not have authorization to use the proprietary information from either company. No one gives consideration to how the disclosure of information in an unauthorized manner might hurt the Corporation, along with their careers.

Additionally, labor charging could be an issue if Marie is not assigned to the program on which Rachanee and Mark are working. Asking Questions could have promptly addressed that concern.

How might similar situations occur in our own work area and how can we avoid them?

While we all do not work on software solutions, each of us might face similar challenges. “Similar” in this case might include:

- Difficult technical challenge affecting a delivery schedule
- Someone coming up with a “too good to be true” solution
- Hiring from a supplier or competitor
- Access to third party proprietary information

Regardless of the challenges we face and our shared focus on achieving our commitments, it is important that we never lose sight of Lockheed Martin values. If faced with an obstacle, such as the potential violation of using intellectual property improperly, we should seek alternatives and try to work collaboratively to find a mutually acceptable and beneficial path forward, within our policy framework.

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

CLOSING REMARKS ON THIS CASE:
Our partner and supplier relationships should always reflect the highest levels of mutual respect, including the protection of each other’s intellectual property.

Lockheed Martin professionals regularly develop innovative solutions and are rightly proud of such work. However, those products are the intellectual property of the Corporation and create a competitive advantage for us when properly safeguarded. Use of the LOCKHEED MARTIN PROPRIETARY INFORMATION legend on our materials is not only important, it is required by our policy. Similarly, other companies with whom we work also own proprietary information and assets that we may not use without proper agreements and compensation, and we must recognize and honor their proprietary legends as well.

It is Lockheed Martin policy to properly identify, effectively manage, and diligently protect Sensitive Information in accordance with the requirements of the United States and other governments, except to the extent the requirements are inconsistent with U.S. law, in which case we comply with U.S. law. Knowing the definition of terms such as “Proprietary,” “Sensitive Information” and “Third Party Proprietary Information” is vital. Consult the policies listed below, and, if you have questions, contact Legal or Ethics for clarification.

RELEVANT POLICIES:

- Setting the Standard, Code of Conduct
- Section 10, We Protect Sensitive Information
- CPS-001 Ethics and Business Conduct
- CPS-014 Individual Conflict of Interest
- CRX-002 Intellectual Property
- CRX-013 Government and Competitor Information
- CRX -015 Protecti on of Sensiti  ve Informati  on
- CRX-015D Third-Party Proprietary Information
**CASE 2: DIVIDED LOYALTIES**

**MAIN CHARACTERS**
- JJ – LM procurement manager
- Jason – JJ’s colleague
- Natalie – Jason’s and JJ’s colleague
- Antonio – Jason’s and JJ’s colleague
- Freda – Supplier representative (and a former LM employee)

**SUMMARY**

JJ works in the LM Supply Chain and Freda is a supplier representative. JJ has known Freda for many years, and Freda once worked for Lockheed Martin. Jason works with JJ and sees a new social media posting that catches his interest. He is curious about a very recent image of an expensive watch that Freda gave to JJ. Jason is concerned this is a potential conflict of interest. Jason talks with his colleagues, Natalie and Antonio.

Leader’s Note: Following are some notes to help guide the group’s discussion. This should be an open discussion; the group may have observations in addition to those captured below.

**DISCUSSION QUESTIONS**

- Which individual(s) had or have the best opportunity to address the issues presented? How might they apply the Voicing our Values techniques to do so?

Thought starters about our Values are on page i. The Voicing our Values techniques are described on pages 4-5.

A personal conflict of interest exists when you have divided loyalties. JJ’s personal interests are in potential conflict with the Corporation’s interests. The primary responsibility for avoiding a conflict of interest lies with JJ. Freda, who as a supplier is also expected to mirror our standards as outlined in potential conflict with the Corporation’s interests. The primary responsibility for avoiding a conflict of interest lies with JJ. Jason is concerned this is a potential conflict of interest. Jason talks with his colleagues, Natalie and Antonio.

Jason takes the initiative to Ask Questions and Talk to Others when he discovers the information about JJ’s gift to Freda. Jason Talks to Others when he voices his concern to his colleagues, Antonio and Natalie. He tries to Ask Questions of JJ about her relationship with Freda. While Natalie suggests that Jason leave the issue alone, Antonio does a nice job of Reframing the Issue for both Jason and Natalie by noting the issue is not about Freda being JJ’s partner. Rather, the issue is that Freda represents a supplier in the procurement process with JJ as Lockheed Martin’s representative.

If Jason had not raised the issue, it may have gone undiscovered. While it may be possible that JJ always holds Lockheed Martin’s interest above personal interests, the mere perception of impropriety adversely affects every decision she has made regarding Freda’s company. JJ’s first action when Freda took the new job should have been to complete the LM Conflict of Interest disclosure form. At that time, if JJ was unaware of the need for her to remove herself from the process, the Legal review would have counseled her to do so.

- How might similar situations occur in our own work area and how can we avoid them?

“Similar” in this case might include:
- Relative working within your organization
- Family member or close personal friend working for a supplier or customer
- Outside business interest, especially if a co-worker is involved in that business
- Holding a financial interest in a supplier

Conflicts of interest can be complex, particularly when working with friends and family. You might discuss what types of process shortcuts someone might be tempted to take or how a personal conflict of interest could occur in your work group. The issues presented in this case are especially relevant if your group is involved in procurement.

Recognizing and disclosing a potential conflict of interest provides an opportunity for the situation to be addressed. Even when it’s just a perception, there are steps that can be taken to prevent even the appearance of an issue. Legal, Human Resources and managers often collaborate to identify alternative assignments and reporting relationships to resolve these concerns.

This case also demonstrates that coworkers can take direct action to discuss a concern. Using the Voicing Our Values techniques can help us maintain a civil working relationship with colleagues, Respecting Others, as we discuss difficult issues. Involvement of all team members in a discussion about a current challenge may elicit ideas that would otherwise not be shared.

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

**Closing remarks on this case:**

The fact that family and friends may be employees in businesses that supply materials and/or services to Lockheed Martin is not an issue in itself. However, it becomes a disclosable concern when an employee is in a position that could offer preferential treatment to a supplier. JJ’s failure to disclose the potential conflict of interest is a serious issue. She fails to Do What’s Right.

Further investigation determined that JJ had not been involved in the vendor selection process. Had she been, JJ’s employment might have been terminated and the supplier removed from the contract. Selecting and managing suppliers based on personal relationships undermines the process of conducting business in a thorough and impartial manner with fair competition. A U.S. Government contractor, as well as individual employees, may be debarred or suspended from contracting with the government for failing to promptly disclose credible evidence of a Reportable Violation in connection with the performance of a contract or subcontract. In other countries, including Australia, Canada and the United Kingdom, local laws and regulations apply.

Through our annual Conflict of Interest certification process (newly escalated to an all-employee requirement in 2017,) we allow the Legal Department to review the relationship(s) involved and provide direction to prevent even the appearance of a conflict of interest.

**RELEVANT POLICIES:**

- Setting the Standard, Code of Conduct Section 12,
  We Avoid Conflicts of Interest
- CPS-001 Ethics and Business Conduct
- CPS-008 Gifts, Hospitality, Other Business Courtesies, and Sponsorships
- CPS-113 Acquisition of Goods and Services
- CRX-014 Individual Conflict of Interest
- CRX-253 Social Media
- Lockheed Martin Supplier Code of Conduct;
  www.lockheedmartin.com
CASE 3: COMPLICIT OR CLUELESS

SUMMARY

Sabrina, a new employee, arrives at a small site and is concerned when she sees how business is conducted. She asks the manager, Rupert, for the HR Business Partner’s phone number. Rupert tells Sabrina that he can help and he begins a process of slowly getting her to violate policies. When she’s told by Rupert to bypass a safety device because the customer needs the work done, she refuses. When a complaint is filed, he suspects Sabrina has reported the concern.

Leader’s Note: Following are some notes to help guide the group’s discussion. This should be an open discussion; the group may have observations in addition to those captured below.

DISCUSSION QUESTIONS

- Which individual(s) had or have the best opportunity to address the issues presented? How might they apply the Voicing our Values techniques to do so?

Thought starters about our Values are on page i.  
The Voicing our Values techniques are described on pages 4-5

Sabrina is struggling to decide how to Do What’s Right and Perform With Excellence while establishing her relationship with Rupert. Though Rupert is the site leader, Sabrina recognizes an apparent disregard for company policies.

Sometimes it helps to have a sounding board. However, Sabrina’s colleagues, specifically Burt, are not much help. When Sabrina Talks to Others and Asks Questions about Rupert’s disregard for policy, Burt’s advice is to ‘stay off Rupert’s bad side.’ Burt appears more concerned with his own well-being than with Doing What’s Right.

Sabrina Obtained Data regarding the policies associated with Rupert’s suggestions, such as removing customer materials from the site. By the end of the scenario, it appears Sabrina has taken action by Reporting a Violation.

Any of the employees on the team could have contacted Human Resources, Security, Ethics, or even Rupert’s leader. Sometimes you may be able to Talk to Others - speak with the leader’s peer 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 provide 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 Human Resources, Ethics or Legal.

- How might similar situations occur in our own work area and how can we avoid them?

There are several blatant violations in this case that you should never experience, but “similar” in this case might include:

- Misuse of customer or company assets
- Team members isolating and retaliating against a peer
- Conflict of interest: using a family member’s connections for personal benefit
- Fear of retaliation preventing an employee from speaking up
- Taking shortcuts
- “Rewarding” employees by directing them to mischarge
- Isolation of a remote team -- causing it to develop its own culture

Unethical behavior is a concern in any environment, whether at a small or large site, or at a domestic or international location. Issues can occur in an office or lab environment, on a production floor, or at a customer site. Possible misconduct should be reported to Human Resources, Legal, Security, or Ethics.

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

Closing remarks on this case:

In this case, the implications of inaccurate labor charging and misappropriation of customer materials include a requirement for the Corporation to make a Federal Acquisition Regulation (FAR) disclosure report to the US Government customer. The Corporation is required to reimburse the Government the dollar amount associated with the mischarging.

While difficult, it is important to address a concern that involves your leadership.

In the event an employee experiences threatening behavior in the workplace, he/she should immediately contact Security. Employees who are complicit in actions such as those shown in this case may be disciplined up to and including termination of employment.

RELEVANT POLICIES:

Setting the Standard, Code of Conduct
Section 7, We Do Not Tolerate Retaliation
CPS-001 Ethics and Business Conduct
CPS-002 Quality, Mission Success, and System Safety
CPS-007 Personal Use of Lockheed Martin Assets
CPS-564 Harassment-Free Workplace
CPS-718 Disclosures to the United States Government
CRX-053 Workplace Security
CRX-651 Surplus Equipment
CMS-181 Customer-owned Equipment
CMS-505 Recording and Verification of Direct Labor Costs
CASE 4: WHO’S GOT A VISA?

MAIN CHARACTERS
- Rachel – LM manager
- Kim – Member of Rachel’s team
- Liana - Kim’s colleague
- Iyad – Local contractor

SUMMARY
Rachel, a manager in a country where leadership by women is not commonplace, leads an at-risk program. Kim is on Rachel’s team, but he is back home because his visa expired. He gets a call from Rachel asking him to return. He reminds her it takes a long time to have a visa reinstated. Rachel shares with Kim she has a “contact” who can get the visa once Kim returns. She instructs him to return on a tourist visa. Rachel also tells Kim they urgently need some test equipment in-country. She asks Kim to “just bring it in your luggage.” Kim arrives in-country on the tourist visa and he’s met by Iyad, a contractor with the local office. The test equipment is confiscated by Customs, so Iyad makes a call to a contact he has with someone in the government.

Leader’s Note: Following are some notes to help guide the group’s discussion. This should be an open discussion; the group may have observations in addition to those captured below.

DISCUSSION QUESTIONS
- Which individual(s) had or have the best opportunity to address the issues presented? How might they apply the Voicing our Values techniques to do so?

Thought starters about our Values are on page i. The Voicing our Values techniques are described on pages 4-5.

Rachel could have Talked to a trusted peer about alternative solutions to the program’s challenges. She could have consulted with International Trade Control for help with the test equipment. It’s unfortunate that she was feeling so much pressure from her own leadership that she was uncomfortable discussing the situation with them.

Kim makes an effort to Talk to Others when he speaks with Liana, who unfortunately doesn’t take the time to listen to Kim’s concerns. Kim could have Obtained Data to fully confirm his understanding of the visa process. Kim could have escalated his concern to higher-level leaders or consulted with Legal. Liana has implicit trust that Rachel knows what she is doing; however, had Liana listened to Kim, she might have recognized the risks. This would have allowed Liana to Ask Questions or Reframe the Issue for Kim. Had she done so, Kim may have reconsidered returning to the country without the proper visa or taking test equipment with him.

Iyad, whether he is a contractor or an employee, should be aware of Lockheed Martin’s values and the expectations of our Code of Conduct. His willingness to place Kim in a personally compromising position, and the Corporation in a position that could result in serious repercussions even beyond this program.

Kim continues to trust Rachel to Do What’s Right, long beyond the point that he should have. When Rachel is initially dismissive of Kim’s concerns about his visa and the test equipment, he again could have tried to Talk to Others by contacting Liana or someone higher than Rachel in his leadership chain. He should have ultimately escalated his concerns and Reported a Violation with another authority, such as higher level manager, Security, Legal or Ethics.

- How might similar situations occur in our own work area and how can we avoid them?

Travel to other countries introduces a unique set of concerns, but you don’t have to travel to other countries to encounter some of these situations. “Similar” in this case might include:
- Starting work before you have proper authorization such as contract coverage, work authorization, etc.
- Temptation to take a procedural shortcut because of schedule or cost pressures
- Listening to a colleague who asks for help, or who you see may be getting into a tough situation
- Acknowledging a process misstep and requesting assistance in correcting it

When we think that an action may be wrong, as Kim did with the visa, we should always step back and get assistance. Perform with Excellence includes following applicable law and policies, and ensuring our team members do the same. All of the Voicing our Values techniques can be used, depending on the situation. Each of us can Talk to Others and Obtain Data. If we observe a colleague making a questionable decision, we might Ask Questions of them or Reframe the Issue to help them rethink the situation. Consider how you would apply each of these techniques to the situations your team identifies in the discussion.

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

Closing remarks on this case:
Lockheed Martin has zero tolerance for corruption, which destabilizes economies and damages the fabric of society. Violation of our policy can result in termination of employment. This includes facilitating payments like the expediting fee Iyad made on Kim’s behalf in this case. Additionally, non-compliance with laws and regulations of the United States, as well as a host county, can result in personal debarment, incarceration and monetary penalties.

When faced with the dilemma of an authority figure directing an employee to take action that may violate policy or regulations, all employees should feel comfortable Reporting the Violation to another authority, such as Legal, Security or Ethics. Lockheed Martin will not tolerate retaliation against anyone who in good faith makes an inquiry, participates in an investigation or reports misconduct.

RELEVANT POLICIES:
Setting the Standard, Code of Conduct
Section 20, We Conduct International Business with Integrity
CPS-001 Ethics and Business Conduct
CPS-021 Good Corporate Citizenship and Respect for Human Rights
CPS-310 International Trade Controls and Compliance
CPS-716 Compliance with the Anti-Kickback Act of 1986
CPS-730 Compliance with Anti-Corruption Laws
CRX-015 Export Controlled Information
CRX-539 Transfer of Employees – International Assignment
EXP-100 International Trade Controls and Compliance
CASE 5: FLIGHT CHECK

MAIN CHARACTERS
- Agata – LM employee
- Josh – LM sales manager
- Sharon – Agata’s manager
- Lester – Josh’s colleague
- Dominic – Potential customer’s pilot

SUMMARY
The sales team, led by Josh, is planning a helicopter demonstration for a potential customer from Poland. Agata is a junior employee who speaks Polish. Agata is asked to assist with translation and serve as an interface with the customer. Josh also asks her to arrange gifts to the customers. On the day of the demonstration, Agata realizes the aircraft slated for the demonstration has a platform capability that is not approved to be shown to the potential customer. Agata voices her concern up the line but Josh adamantly wants to proceed with the demonstration.

Leader’s Note: Following are some notes to help guide the group’s discussion. This should be an open discussion; the group may have observations in addition to those captured below.

DISCUSSION QUESTIONS
» Which individual(s) had or have the best opportunity to address the issues presented? How might they apply the Voicing our Values techniques to do so?

Thought starters about our Values are on page i. The Voicing our Values techniques are described on pages 4-5.

Agata recognizes the potential issue and repeatedly tries to address it. She thinks that the aircraft should not be used in the demonstration and talks to others about it. First, she tells Lester, who notes that Josh is aware of the aircraft change and approves. Lester could have asked questions to try to better understand Agata’s concern instead of just saying “I don’t know what to tell you.” Agata talks with Josh, letting him know that she obtained data and confirmed the aircraft should not be viewed by the potential customer. When he tells her “to make it happen” despite her concerns, Josh displays a serious lack of respect, both for Agata and for policy.

Agata contacts Sharon, who voices her confidence in Josh’s expertise, yet offers to review the document for Agata. Importantly, Sharon empowers Agata to do what’s right, and tells Agata that she will back her up on her decision. This helps prevent any fear of retaliation that Agata might have in speaking up. However, Sharon could have done more by contacting Josh directly to ask questions and reframe the issue, or perhaps by reaching out to Lester or another on-site team member who could help determine a course of action and provide support to Agata.

When Josh tells Agata that the gifts are “stingy” she reframes the issue for him, pointing out that the items chosen align with the limits of our gifts policy.

» How might similar situations occur in our own work area and how can we avoid them?
We’re not all personally involved in business development, but “similar” in this case might include:
• Being asked to send information to a potential customer in another country
• Providing business courtesies for a meeting with multiple customers or suppliers
• Including and respecting opinions of newer and/or less experienced employees
• Attending an international conference where technical information will be discussed
• Raising issues that may be controversial, and doing so without fear of retaliation

It’s important to address questions and concerns raised by team members, even when they are new to the team or not as experienced. These team members may bring a unique perspective to a situation that has not previously been considered. Everyone should be encouraged to speak up; a timely query may save a project or a mission from failure or suggest an innovative approach that offers unexpected benefits.

We never want to disappoint our customers, but we also don’t want to jeopardize a relationship (or risk a policy or regulatory violation) by taking a short-term action with serious and damaging long-term consequences. In this case, Josh is caught up in the immediate commitment to the demonstration and a desire to avoid embarrassment and inconvenience to the customer, focusing on “making the sale.” It would have been easy for Agata to be swayed to just support the demonstration, and it takes conviction on her part to do what’s right.

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

Closing remarks on this case:
A review of Josh’s behavior resulted in a written reprimand and counseling.

Josh expected Agata to follow his direction and support the team’s efforts, disregarding her concerns. He also criticized Agata’s gift decisions, even though she was following the Gifts Policy. His behavior was inappropriate on both counts. Fortunately, Agata was driven by the value do what’s right, leading her to approach Dominic, the potential customer’s pilot. She explained the situation and avoided an export violation.

It’s important that we don’t let high value goals like closing a sale, submitting a proposal, or making a delivery cause us to lose sight of our values or policies.

If you have a question about giving or receiving a gift from a business relation, consult the Gifts Decision Tree found on the Ethics website and LMApp Store and/or consult CPS-008 to determine what is permitted. Exceptions are sometimes possible; the tool and policy provide guidance on how to make such a request. Your Ethics Officer is also available for assistance and guidance.

RELEVANT POLICIES:
- Setting the Standard, Code of Conduct, Section 11, We Provide and Accept Appropriate Business Courtesies
- CPS-001 Ethics and Business Conduct
- CPS-008 Gifts, Hospitality, Other Business Courtesies, and Sponsorships
- CPS-009 New Business Opportunity Management
- CRX-015 Export Controlled Information
CASE 6: WORKING THE FLOOR

SUMMARY

Bryce and Sean are talking about their former manager, Kevin. Kevin has been transferred, apparently because he allowed safety shortcuts. Bryce is angry that his friend Kevin was “ratted out” and Bryce blames Nick, a co-worker. Bryce is also angry that the new manager is a woman; he believes she got her position because of a hiring quota and not because of her performance. Bryce drops and breaks a sensitive part. Sean worries that Bryce will get into trouble for the damage, but Bryce laughs and says he’s going to change the paperwork to make it look like Nick dropped it, hoping that this will finally get rid of Nick for good.

Leader’s Note: Following are some notes to help guide the group’s discussion. This should be an open discussion; the group may have observations in addition to those captured below.

DISCUSSION QUESTIONS

Which individual(s) had or have the best opportunity to address the issues presented? How might they apply the Voicing our Values techniques to do so?

Thought starters about our Values are on page i. The Voicing our Values techniques are described on pages 4-5.

Sean tells us that Bryce is difficult to work with. It’s likely that other members of the team share his concerns and are aware of other issues involving Bryce. If they were to Talk to Others by discussing the situation among themselves, perhaps they could agree to address Bryce’s bad behavior and/or more fully include Nick on the team. Any one of them could Report a Violation, speaking with their next level leader, Human Resources or Ethics about Bryce.

We never learn who reported Kevin, but Bryce believes it was Nick and sets out to retaliate against him. Sean admits that he is under Bryce’s influence as he participates in harassing Nick. Sean has seen Nick’s active involvement in his community and could try to Reframe the Issue for Bryce, but Sean is not willing to challenge Bryce in any way, probably fearing retaliation similar to what Nick is facing. Sean could have Asked Questions of Bryce regarding his assumptions about who caused Kevin’s departure or made some other effort to defend Nick. Instead, he fully supports Bryce’s efforts to undermine Nick, including lying about how the part got damaged and suggesting to Christine that Nick might be “compromised.” It is even possible that Bryce deliberately damaged the part to threaten Nick’s employment, but Sean does not choose to Report a Violation.

Christine Asks Questions of Sean to gather more information about why production is down. She also Takes Action when she notices that Nick is being alienated from the team - offering an open door for Nick to speak with her. Christine Talks to Others by reaching out to Jason to discuss her concerns about the situation. Jason Reframes the Issue for Christine and encourages her to move quickly to speak with Nick.

Nick is trying to Perform with Excellence in spite of many challenges, including the peer-to-peer retaliation carried out by his colleagues: a lack of inclusion, derogatory comments and open name-calling. Nick believes nothing will happen if he speaks up to anyone. Christine shows Respect for Others when she gives Nick the opportunity to share his side of the story. Other employees may be inspired to come forward as a result.

How might similar situations occur in our own work area and how can we avoid them?

Use your imagination. “Similar” in this case might include:

- Team members critical of someone in another organization with which you work
- Leadership change in the organization
- New employee joins the team
- Circulation of rumors (of any kind)
- Lack of inclusion based on appearance or other factors

We can all help to create an open and inclusive environment, which in turn allows everyone to make their best contributions to the team’s efforts. Spreading rumors, isolating those who seem different, making assumptions about people – all of these sap energy and hurt our ability to Perform with Excellence. We do not tolerate retaliation, and we all have an obligation to recognize and address any hint of such behavior.

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

Closing remarks on this case:

Each of us is responsible to encourage our colleagues to Do What’s Right, Respect Others and Perform with Excellence. The Voicing our Values techniques can help us make that happen, giving us the tools to discuss and resolve situations that may create a conflict with our values. If those efforts do not succeed, we must Report Violations we believe may have occurred. Sean, and any of his co-workers who were aware of what was happening, had a clear obligation to report Bryce’s actions.

RELEVANT POLICIES:

Setting the Standard, Code of Conduct
Section 7, We Don’t Tolerate Retaliation and Section 16, We Have Zero Tolerance for Discrimination and Harassment
CPS-001 Ethics and Business Conduct
CPS-564 Harassment-Free Workplace
CRX-053 Workplace Security — Maintaining a Safe and Respectful Workplace Free from Threats and Violence
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 feedback survey for participants that is available online.
  - Inside the firewall, go to http://ethics.corp.lmco.com/ethics/awareness_training.cfm. Click on the “Participant Survey” link.
  - Outside the firewall, go to http://www.lockheedmartin.com/us/who-we-are/ethics/training.html Click on the “Participant Survey” link.
  - Explain that some participants and session leaders will receive an e-mail with a survey request and encourage employees to 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 Ethics Office.

Our local Ethics Officer is Name: ___________ Phone: ___________
[INFORMATION AVAILABLE IN WHITE PAGES OR LMPEOPLE]

Acknowledge your completion of this session online at MyLearning > Learning Plan > 2017 Ethics Awareness Training > Self Completion. Your feedback on this training program is extremely important. The feedback survey is online and is part of the online training acknowledgement process at the Corporate Ethics website; go to the Corporate Ethics Awareness Training Resources page at http://ethics.corp.lmco.com/ethics/awareness_training.cfm or http://www.lockheedmartin.com/us/who-we-are/ethics/training.html.

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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<td>Do send out a meeting notice to all participants well in advance of the scheduled session. Include labor charging direction.</td>
<td>Don’t wait until the last minute to schedule your session.</td>
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<td>Do 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>Don’t 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>Do know the name and phone number of your Ethics Officer.</td>
<td>Don’t forget to encourage employees to contact their Ethics Officer at any time, even for advice.</td>
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<td>Do use online resources if available.</td>
<td>Don’t overlook the use of online training in lieu of the DVD.</td>
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<td>Do 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) Right click on DVD, 4) Click on Play.</td>
<td>Don’t wait until the day of your session to test the DVD in the machine if you use this option.</td>
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<td>Do consider virtual training if your team is widely distributed (if needed, seek help from your IT Services).</td>
<td>Don’t forget to involve employees participating via phone.</td>
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<td>Do select a variety of cases, including those that may be the most challenging or uncomfortable to discuss.</td>
<td>Don’t 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>Do take the initiative to get everyone involved in the activity and keep the conversation flowing around the room.</td>
<td>Don’t 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 External: 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 “2017 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 FORM

Your feedback is important and we encourage all participants and facilitators to complete a feedback 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 appropriate “Survey” link. Outside the firewall, go to [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.

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*Return signed forms to your Ethics Office.*
QUICK-START GUIDE

Note: This guide is not meant to replace the more detailed instructions in Leader’s Guide.

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.
› Discuss case and answer Discussion Questions on screen.
› View short videos of each technique if needed.
› 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.
› Use the online “Facilitator Survey” to provide your feedback.

Timeline for One-Hour Session

Each case video runs 5 to 8 minutes in total. You should have time for approximately 8 minutes of discussion on each case.

Welcome (Video runs 4 Minutes)……..6 Minutes
Case View/Discuss ………………… 16 Minutes
Case View/Discuss ………………… 16 Minutes
Case View/Discuss ………………… 16 Minutes
Wrap Up …………………………6 Minutes
With permission of the author, the techniques suggested for dealing with values conflicts identified herein are based on the book *Giving Voice to Values: How to Speak Your Mind When You Know What’s Right*, by Mary C. Gentile, New Haven: Yale University Press, 2010.

As in past years, each case scenario is based on one or more real situations that happened at Lockheed Martin.

If you are interested in further exploring the ideas addressed in this year’s training and/or finding out where to purchase the book, please visit www.GivingVoiceToValuesTheBook.com.