

LOCKHEED MARTIN'S COMMITMENT TO INTEGRITY

THROUGHOUT OUR INDUSTRY AND BEYOND

Lockheed Martin's success depends on our commitment to integrity. Our core values – *Do What's Right*, *Respect Others* and *Perform with Excellence* – are fundamental to who we are and what we do. Ethics not only defines us, it distinguishes us. At Lockheed Martin we believe that doing what's right is more than just obeying laws and regulations. It's holding ourselves to a higher standard even when the law may not require us to do so. We can't allow our integrity to be compromised by our desire to succeed, regardless of the circumstances of our business.

CODE OF CONDUCT

Our Code of Ethics and Business Conduct, *Setting the Standard*, details our high expectations for employees and others who act on behalf of our company, from our commitment to good citizenship to our zero-tolerance policy on corruption. Our Code is available online in all the languages in which we do business, and can also be accessed on mobile devices for easy reference.



COMPLIANCE TRAINING

Our Business Conduct Compliance Training modules raise awareness about the standard of conduct and the consequences of violations. The courses cover a range of legal and regulatory risks, and employees are required to take courses that apply to their function, role and level. We continually strive to keep our training engaging and efficient at delivering the key concepts. We refresh our courses regularly and employ the latest learning techniques, such as "gamification."



ETHICS AWARENESS TRAINING

Our award-winning Ethics Awareness Training prepares all employees to recognize and respond to situations that require ethical decision making. During the annual training, employees view video scenarios depicting issues they may face in the course of their work. Leaders then guide their teams in discussions about the scenarios and applications of *Voicing Our Values* techniques – ask questions, obtain data, talk to others, reframe the issue and report violations.



REPORTS OF MISCONDUCT

Employees are regularly reminded of their responsibility to report observed misconduct. Lockheed Martin's Ethics Office provides multiple avenues for employees to report possible violations and commits to addressing all concerns in a timely and professional manner. At Lockheed Martin, there is never a penalty for reporting misconduct in good faith, and retaliation is not tolerated.



SPEAK-UP CULTURE

Lockheed Martin promotes a work environment that is positive, diverse, open and inclusive, where employees and others can ask questions, express concerns, make inquiries or report violations without retaliation. Quantitative data supports the assertion that since we began teaching the *Voicing Our Values* techniques in 2011, employees are more willing and able to resolve ethics issues themselves or ask for guidance from the Ethics Office. Contacts to the Ethics Office have increased, with fewer issues requiring investigation but a higher percentage of substantiated allegations.



LEARN MORE AT [LOCKHEEDMARTIN.COM/ETHICS](https://www.lockheedmartin.com/ethics)

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At Lockheed Martin, we are committed to setting the standard for ethical behavior throughout the aerospace and defense industry and beyond. When we demonstrate integrity in all of our dealings, we build bonds of trust, which lead to stronger, more enduring relationships. These relationships create the opportunity for new and repeat business. We see our culture of integrity as a cornerstone of our business, and we recognize that we have a responsibility to use our experience, resources and influence to help other stakeholders solidify their commitment to ethics.

CUSTOMERS

Lockheed Martin supports the most complex and sensitive missions undertaken by governments around the world. We recognize that in our line of work there is no room to cut corners. We enforce zero tolerance anti-corruption policies and adhere to strict business development and procurement rules, protecting the integrity of the products and services we provide to our customers.



SUPPLIERS

We expect our suppliers and partners worldwide to uphold our core values. Our Supplier Code of Conduct, referenced in the ethics clause of all new purchase orders, expresses key expectations for suppliers. We help suppliers create or enhance their own ethics programs by offering self-serve resources, live webinars and one-on-one mentoring through our Ethics Supplier Mentoring Program.



ACADEMIA

Lockheed Martin relies on academic institutions to build a robust talent pipeline for our company and supply chain. We support programs that encourage young students to pursue STEM careers. Because of the importance we place on ethics, we also partner with colleges and universities to help them incorporate ethics in standard curricula. We offer our award-winning training videos for use in classrooms, speak with student groups and share other resources.



CIVIL SOCIETY

We recognize that our commitment to transparency can help ensure a level playing field and prevent the devastating consequences of corruption. Transparency International-UK (TI-UK) has acknowledged our efforts to ensure transparency around our ethics and anti-corruption programs, recognizing Lockheed Martin as one of only four companies to earn their highest rating on the 2015 Defence Companies Anti-Corruption Index. We have also offered to assist other companies in improving their transparency.



INVESTORS

Our access to capital is facilitated by our rapport with investors, who expect us to effectively apply resources and operate with the highest ethical standards. Our investors recognize that conducting business with integrity helps attract customers, retain the best talent and improve our profitability and competitive standing. We are proud of recognition from NYSE Governance Services and *Corporate Secretary* magazine regarding our governance, risk and compliance efforts.



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