



Corporate Headquarters  
Corporate Policy Statement CPS-734A  
Revision: 2  
Effective: March 26, 2019  
Copyright 2019 Lockheed Martin Corporation  
Current policies and procedures are on the Lockheed Martin Intranet

## **Combating Trafficking in Persons Compliance Plan**

## Contents

<b>1. Combating Trafficking in Persons – Recruitment Activities and Employee Awareness</b> .....	3
<b>Introduction</b> .....	3
<b>Applicability</b> .....	3
<b>External Recruitment Agency Support</b> .....	4
<b>Recruitment</b> .....	4
<b>Wage Plan</b> .....	4
<b>Housing Plan</b> .....	4
<b>Employee Awareness Program</b> .....	5
<b>Training and other Assistance</b> .....	5
<b>Process for Reporting Violations (CPS-734)</b> .....	5
<b>Obtaining and Reviewing Supplemental Business Area Compliance Plans</b> .....	6
<b>Periodic Reassessment of the Plan</b> .....	6
<b>2. Trafficking in Persons Compliance Plan for Global Supply Chain Contracts</b> .....	6
<b>Introduction</b> .....	6
<b>Monitoring of Government Databases</b> .....	7
<b>Flowdowns</b> .....	7
<b>Contractual Requirements for Compliance with Applicable Laws</b> .....	7
<b>Certifications</b> .....	7
<b>Obtaining and Reviewing Supplier Compliance Plans</b> .....	8
<b>Registry as a Lockheed Martin Supplier</b> .....	8
<b>Supplier Code of Conduct</b> .....	8
<b>Monitoring of Contracts Performed Outside the United States</b> .....	8
<b>Monitoring Third Party Sources of Information</b> .....	8
<b>Investigations</b> .....	8
<b>Remedies</b> .....	9
<b>Eligibility for Future Contracts</b> .....	9
<b>Training and Other Assistance</b> .....	9
<b>Periodic Reassessment of the Plan</b> .....	9
<b>3. Appendix A – Electronic Worksite Posters</b> .....	10

## **Purpose**

As outlined in the Federal Acquisition Regulation (FAR 52.222-50) and Executive Order 13627 Strengthening Protections Against Trafficking in Persons in Federal Contracts, Lockheed Martin is required to develop and maintain a compliance plan during the performance of contract(s) or subcontract(s) that is appropriate for the size and complexity of the contract or subcontract and the nature and scope of the activities performed, including the risk that the contract or subcontract will involve services or supplies susceptible to trafficking. In accordance with CPS-734, Combating Trafficking in Persons, this document represents Lockheed Martin's compliance plan and must be provided to the contracting officer upon request. Additionally, relevant contents of the plan will be posted on our website.

## **1. Combating Trafficking in Persons – Recruitment Activities and Employee Awareness**

### **Introduction**

Our global policies, procedures, and practices reflect our strong commitment to good corporate citizenship. This commitment underlies *Setting the Standard*, the Lockheed Martin Code of Ethics and Business Conduct, and our stated values—Do What's Right, Respect Others, and Perform with Excellence. Respect for human rights is an important part of being a good corporate citizen, as outlined in the CPS-021, Good Corporate Citizenship and Respect for Human Rights. This commitment applies to all employees, the Lockheed Martin Corporation Board of Directors, and others who represent or act for us.

Lockheed Martin recruits globally the best qualified talent to support business mission, goals, and services. This includes U.S. Citizens, local country nationals, and third country nationals who perform work on contracts outside the United States and abroad. Employees, agents, subcontractors, and recruiters play a key role in preventing human trafficking and related activities. Human trafficking and related activities include harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

To minimize the risk of human trafficking and to comply with contractual requirements regarding human trafficking and related activities, Lockheed Martin employs a multifaceted approach to address the risk of human trafficking and related activities outlined below.

### **Applicability**

The Lockheed Martin compliance program applies to all Lockheed Martin elements (as defined in CRX-003, Policies and Procedures), employees, the Board of Directors, and others who represent or act for us.

With respect to subsidiaries that are wholly owned or controlled by Lockheed Martin, the Responsible Organization (as defined in CRX-007, Wholly Owned Subsidiaries) will ensure that such entities have adopted, in substantial part, the Lockheed Martin compliance program outlined below.

With respect to entities that Lockheed Martin neither wholly owns nor controls, but in which Lockheed Martin owns a substantial interest, Lockheed Martin will communicate an expectation that the entity will adopt this compliance program consistent with the Lockheed Martin Supplier Code of Conduct.

## **External Recruitment Agency Support**

In collaboration with the Global Supply Chain organization's program for monitoring components, see Section 2, Lockheed Martin Human Resources will ensure all contracts with external recruitment agencies or firms include the following contract clauses, as applicable, to facilitate compliance with prime contract requirements regarding human trafficking, in addition to requiring such agencies or firms to adhere to all applicable local, state, and national government laws:

FAR 52.222-50 *Combating Trafficking in Persons* (applies to all subcontracts and contracts with agents).

DFARS 252.203-7004 *Display of Hotline Posters*, as appropriate (applies to subcontracts under Department of Defense prime contracts that exceed \$5 million except when the subcontract is for the acquisition of a commercial item).

DFARS 252.225-7040 *Contractor Personnel Supporting U.S. Armed Forces Deployed Outside the United States* (applies to subcontracts under Department of Defense prime contracts that require subcontractor personnel to be available to deploy with or otherwise provide support in the theater of operations to U.S. military forces deployed outside the United States in (1) contingency operations; (2) humanitarian or peacekeeping operations; or (3) other military operations or exercises designated by the Combatant Commander).

## **Recruitment**

Lockheed Martin's Hiring Managers, Recruitment team, and contracted recruitment agencies that support recruitment activities must adhere to all internal policies (domestic and international) and host-country recruitment standards to combat trafficking in persons and trafficking related activities. Lockheed Martin prohibits charging of recruitment fees, as defined in FAR 52.222-50, to employees and prospective employees and prohibits the use of any recruiting firms unless the firm's employees have received training on combating trafficking related activities. Adherence to recruitment processes described in CPS-521, Recruitment and Hiring, Lockheed Martin international recruitment policies, as well as other host-country recruitment standards is required of individuals responsible for recruitment on behalf of Lockheed Martin.

## **Wage Plan**

Lockheed Martin ensures that employee wages meet host-country legal requirements or explains any variance. Lockheed Martin maintains a comprehensive total remuneration program providing compensation and benefits that comply with country-specific laws and regulations and are competitive with external, country-specific labor markets and levels of employee performance. The elements of this total remuneration program are described in the Corporate Functional Procedure, CRX-505, Total Remuneration.

## **Housing Plan**

Should an element decide that housing or reimbursement for housing is necessary for the assignment, adherence to Lockheed Martin internal policies (CRX-539B, Short Term Assignment and CRX-539C, Long Term Assignment), business area international policies, along with host-country housing and safety standards is mandatory.

## **Employee Awareness Program**

Lockheed Martin's Corporate Policy Statement CPS-734, Combating Trafficking in Persons is published on Lockheed Martin's corporate command media webpage and is one of the primary tools utilized for employee awareness. CPS-734 requires all employees to comply with FAR 52.222-50, Combating Trafficking in Persons, and specifies that violations may result in disciplinary action, up to and including termination of employment. Lockheed Martin's awareness program includes a communications plan to ensure ongoing awareness is provided (e.g., corporate policy statement, LMNews articles, and electronic worksite posters – see Appendix A).

## **Training and other Assistance**

Lockheed Martin has developed initial training for internal recruiters and hiring managers. Lockheed Martin will continue to develop and maintain training modules that support our commitment to human rights, including child or forced labor, trafficking of persons, adherence to labor laws, including adherence to truthful and trustworthy practices during the recruitment of employees or offering of employment, proper disclosure of information, and proper representations during the recruitment process to include key terms and conditions of employment, wages, fringe benefits, work location, housing, and nature of work.

As this program evolves, employees will be required to read CPS-734, and affirm their understanding of the policy.

Should an employee be unsure of what to do in a particular situation or for guidance on any aspect of the policy, they should consult their manager, Human Resources, or Legal Counsel for guidance on the policies, procedures, or the law.

## **Process for Reporting Violations (CPS-734)**

Any credible information received from any source (including host country law enforcement) that an employee, subcontractor, subcontractor employee, or agent has violated FAR 52.222-50 must be reported immediately to element Legal Counsel. If element Legal Counsel anticipates that the event may require reporting under FAR 52.222-50, he or she immediately shall notify: (1) the corporate Vice President & Associate General Counsel – Litigation & Compliance or designee, and (2) the element Contracts, Human Resources, and, if the matter involves subcontractors, Global Supply Chain Operations. Element Legal Counsel, in consultation with element Contracts and Global Supply Chain Operations, as applicable, will inform the cognizant Contracting Officer of the allegation, and the corporate Vice President & Associate General Counsel – Litigation & Compliance will inform the cognizant Inspector General of the allegation. Employees may also report, without fear of retaliation, activity inconsistent with the policy prohibiting trafficking in persons to Ethics, element Legal Counsel, and the Global Human Trafficking Hotline (1-844-888-FREE; help@befree.org). If a violation of FAR 52.222-50 is substantiated:

- Element Human Resources, in consultation with element Legal Counsel, will ensure that the appropriate disciplinary action is taken under CRX-508, Employee Discipline Process.

- Element Global Supply Chain Operations, in consultation with element Legal Counsel, will impose suitable remedies, up to and including termination, on subcontractors, agents, and external recruitment agencies who fail to comply with FAR 52.222-50.
- Element Legal Counsel, in consultation with element Contracts and Global Supply Chain Operations, as applicable, will inform the Contracting Officer of any actions taken against an employee, a subcontractor, or a subcontractor employee pursuant to FAR 52.222-50.
- Element Legal Counsel will prepare a written draft report of the violation and investigation and provide it to the corporate Vice President & Associate General Counsel – Litigation & Compliance or designee for review. The corporate Vice President & Associate General Counsel – Litigation & Compliance will notify the Senior Vice President, General Counsel & Corporate Secretary of the matter being disclosed, as appropriate.
- Finally, element Legal Counsel will submit the final report to the cognizant Contracting Officer, and the corporate Vice President & Associate General Counsel – Litigation & Compliance will submit the final report to the cognizant Inspector General. The final report will include any other related disclosures required under FAR 52.203-13.

Note: If there is a disagreement about whether the event in question constitutes a reportable violation or provides a reasonable basis for voluntary disclosure, the Senior Vice President, General Counsel & Corporate Secretary will make the final decision whether to submit the report to the government.

### **Obtaining and Reviewing Supplemental Business Area Compliance Plans**

In accordance with CPS-734, element Contracts, in consultation with element Human Resources and Supply Chain Operations, is responsible for identifying the need for supplementation of this primary compliance plan to address the risk of human trafficking for a particular business opportunity.

When a supplement is determined to be required, Element Human Resources and Supply Chain Operations each shall prepare and provide to element Contracts a supplement describing any additional measures that will be undertaken to enhance the compliance plan for a particular business opportunity.

For purposes of the supplemental plan, the primary compliance plan template can be used with the inclusion of the necessary additional information in the recruitment, wage, housing, and training plan areas.

### **Periodic Reassessment of the Plan**

Lockheed Martin will periodically review and assess the internal controls assuring compliance with this Plan. Modification of controls and measures will be implemented as required.

## **2. Trafficking in Persons Compliance Plan for Global Supply Chain Contracts**

### **Introduction**

Lockheed Martin uses subcontractors extensively in the performance of its contracts. This includes domestic U.S. suppliers, including recruitment agencies, that perform work under

contracts outside the United States and international subcontractors that perform work throughout the world. Subcontractors play a key role in preventing human trafficking and related activities. To minimize the risk of human trafficking in its supply chain, and to comply with contractual requirements to prevent human trafficking in connection with Lockheed Martin's contracts, Lockheed Martin employs a multifaceted approach to address the risk of human trafficking in its supply chain.

### **Monitoring of Government Databases**

Lockheed Martin monitors on a daily basis the U.S. Government's System for Award Management (SAM) Exclusions database and other restricted parties lists and complies with applicable limitations on award to debarred, suspended, proposed for debarment, or otherwise restricted subcontractors.

### **Flowdowns**

All subcontracts include mandatory flow down clauses necessary to ensure compliance with this Plan and the requirements of prime contracts. This includes the following:

FAR 52.222-50 *Combating Trafficking in Persons* (applies to all subcontracts and contracts with agents).

DFARS 252.203-7004 *Display of Hotline Posters* (applies to subcontracts under Department of Defense prime contracts that exceed \$5 million, except when the subcontract is for the acquisition of a commercial item).

252.225-7040 *Contractor Personnel Supporting U.S. Armed Forces Deployed Outside the United States* (applies to subcontracts under Department of Defense prime contracts that require subcontractor personnel to be available to deploy with or otherwise provide support in the theater of operations to U.S. military forces deployed outside the United States in (1) contingency operations; (2) humanitarian or peacekeeping operations; or (3) other military operations or exercises designated by the Combatant Commander)).

### **Contractual Requirements for Compliance with Applicable Laws**

Lockheed Martin's subcontract terms and conditions require subcontractors to comply with applicable laws and regulations. A typical provision reads as follows:

*SELLER, in the performance of this Contract, shall comply with all applicable local, state, and federal laws, orders, rules, regulations, and ordinances. SELLER shall procure all licenses/permits, pay all fees, and other required charges and shall comply with all applicable guidelines and directives of any local, state and/or federal governmental authority.*

### **Certifications**

Lockheed Martin will obtain trafficking in persons certifications from subcontractors required to certify under FAR 52.222-50. Certificates will be required before award of subcontracts and annually thereafter when performance extends beyond one year.

## **Obtaining and Reviewing Supplier Compliance Plans**

Lockheed Martin will require subcontractors to provide copies of their trafficking in persons compliance plan upon request of either the contracting officer or Lockheed Martin. Plans may also be required when needed in conducting due diligence of supplier compliance.

## **Registry as a Lockheed Martin Supplier**

Prospective international subcontractors are required to disclose certain contractor integrity and anticorruption information prior to being eligible for receipt of subcontracts. Among the disclosures required is whether the subcontractor has been convicted of, indicted or otherwise charged by any governmental entity for the commission of among other things, violation of human trafficking or child labor laws. Subcontractors are required to inform Lockheed Martin if their status changes. If a supplier discloses a violation, the matter will be investigated and appropriate action taken.

## **Supplier Code of Conduct**

Lockheed Martin maintains a Supplier Code of Conduct which is published on Lockheed Martin's public website and referenced on all purchase orders. It includes the following:

*We expect our suppliers to not engage in the use of forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery, or trafficking of persons. This includes transporting, harboring, recruiting, transferring, or receiving vulnerable persons by means of threat, force, coercion, abduction, or fraud for the purpose of exploitation.*

## **Monitoring of Contracts Performed Outside the United States**

When Lockheed Martin personnel are present in international areas where subcontractors are performing work, the activities of the subcontractors will be monitored for potential trafficking problem or issues. If issues are suspected or found, the matter will be investigated and appropriate action taken.

## **Monitoring Third Party Sources of Information**

Lockheed Martin monitors multiple sources of third party information including international news sources. If adverse information concerning a Lockheed Martin supplier is discovered, the matter will be investigated and appropriate action taken.

## **Investigations**

Lockheed Martin will investigate evidence or allegations that subcontractors have violated human trafficking prohibitions. Subcontractors are required by Lockheed Martin's terms and conditions of purchase to *"provide reasonable cooperation to Lockheed Martin in conducting any investigation regarding the nature and scope of any failure by [the subcontractor] or its personnel to comply with applicable local, state, and federal laws, orders, rules, regulations, and ordinances that may affect the performance of [the subcontractor's] obligations under this Contract."*

Lockheed Martin will make appropriate disclosures to the U.S. Government of violations by subcontractors and cooperate with any Government investigation.

**Remedies**

Lockheed Martin will take appropriate action when subcontractors are found to engage in prohibited conduct, including the remedies specified in FAR 52.222.50. Where appropriate or required, Lockheed Martin will coordinate with the U.S. Government prior to the implementation of remedies against subcontractors.

**Eligibility for Future Contracts**

The record of a subcontractor's compliance with human trafficking requirements will be considered in making future subcontractor source selections. Subcontractors that have engaged in prohibited conduct may be excluded from eligibility of future awards.

**Training and Other Assistance**

Lockheed Martin will make training materials available to subcontractors and provide other assistance to suppliers upon request. Suppliers needing assistance with developing compliance plans will be provided copies of Lockheed Martin's Compliance Plan, its Code of Conduct, and Supplier Code of Conduct as needed.

**Periodic Reassessment of the Plan**

Lockheed Martin will periodically review this Plan. Additional or different controls and measures will be implemented as required.

### 3. Appendix A – Electronic Worksite Posters

# HUMAN TRAFFICKING

## WHAT YOU CAN DO ABOUT IT



## LOOK

FOR SIGNS THAT SOMEONE  
MAY BE TRAFFICKED

- Unable to leave their job
- Does not control their earnings
- Unable to move freely or is being watched or followed
- Is afraid to speak in the presence of others
- Shows signs of being assaulted or otherwise harmed (denial of food, water, sleep, medical care)
- Passports and other documents have been taken away
- Has been cheated into paying debt



## REPORT

WHAT YOU SEE

- National Trafficking Hotline  
1-888-373-7888
- Immigration and Customs Enforcement Hotline  
1-866-347-2423
- [www.dhs.gov/humantrafficking](http://www.dhs.gov/humantrafficking)



## BUY

PRODUCTS WITHOUT  
TRAFFICKING IN THEIR  
SUPPLY CHAINS



Cocoa



Electronics  
(Conflict Minerals)



Coffee



Agriculture