

How the Ethics Process Works.



*Updated
2020*



LOCKHEED MARTIN



INTRODUCTION

Lockheed Martin employees share a commitment to the highest standards of ethical conduct, a vital responsibility for upholding the values of the Corporation.

The Senior Vice President Ethics and Enterprise Assurance, is an elected officer of the Corporation, reporting directly to the Chief Executive Office and to the Nominating and Corporate Governance Committee of the Board of Directors.

The Senior Vice President Ethics and Enterprise Assurance is responsible for overseeing corporate-wide efforts to promote a work environment that is positive, diverse, open and inclusive, where employees and others can ask questions, express work-related concerns about ethics issues, make inquiries or report violations without fear of retaliation.

The Vice President Ethics and Business Conduct manages the ethics and business conduct program and reports to the Senior Vice President Ethics and Enterprise Assurance.

The following questions and answers explain our ethics process and provide resources to help employees address concerns.



How does Ethical Business Conduct impact Lockheed Martin?

Lockheed Martin's business success depends on our commitment to integrity. We do more than just comply with laws and regulations. We expect ethical behavior and aim to do what is right every day.

It begins with our Corporate Vision:

Be the global leader in supporting our customers' missions, strengthening security and advancing scientific discovery.

We will accomplish our vision by aligning our business practices to our values:

- *Do What's Right*
- *Respect Others*
- *Perform With Excellence*



Who should I contact if I have a problem, question or concern?

In general, start by discussing the situation with your supervisor or manager. If that is not practical or if your manager is not able to help you resolve the matter, it is your responsibility to continue to speak up and seek resolution.

There are many resources you can talk to for help, including:

- Your supervisor
- Your manager
- Your Ethics Officer
- Your Human Resources Business Partner
- Equal Employment Opportunity investigator
- Legal
- Security
- Internal Audit
- Environment, Safety and Health
- Corporate Ethics Office

Lockheed Martin is required to report certain types of misconduct to the government. This underscores the obligation for all employees to take action to correct or report any potential ethical concerns.

For help locating your Ethics Officer or to report a concern:

- View your employee profile in Lockheed Martin's Enhanced White Pages (ewp.global.lmco.com). Click on the Properties tab.
- Look for the Ethics Officer posters on display in your facility.
- Call the Lockheed Martin HelpLine: 1-800-563-8442
- Send an email to corporate.ethics@lmco.com
- Post a question to Ask Us https://ethics.corp.lmco.com/New_Request

If you have a concern with the actions or decisions of an Ethics Officer, please contact the Business Area Ethics Director.

If you have a concern with the actions or decisions of a Business Area Ethics Director, please contact the Vice President Ethics and Business Conduct.

If you have a concern with the actions or decisions of the Vice President Ethics and Business Conduct, please contact the Senior Vice President Ethics and Enterprise Assurance.

If you have a concern with the actions or decisions of the Senior Vice President Ethics and Enterprise Assurance, please contact the General Counsel and Corporate Secretary.

Reporting Specific Concerns to the Audit Committee of the Lockheed Martin Board of Directors

Employees may transmit concerns about accounting, internal controls or auditing matters and confidential or anonymous submission of questionable accounting or auditing matters to the Audit Committee of the Lockheed Martin Board of Directors.

If you wish to raise a concern to the Audit Committee, you may do so by contacting the Corporate Ethics Office and your concern will be communicated to the Chair of the Audit Committee of the Board.

What can you expect when you contact the Ethics Office?

Your Ethics Officer is a resource for you. If you have a question or need advice you will be provided with confidential guidance, often in the same phone call. Sometimes your Ethics Officer will help connect you with a subject matter expert to provide additional information. Other times, it may take a few days to get the information needed to provide guidance to you.

If you have a concern, or observe misconduct or a violation that requires an investigation, your Ethics Officer will work with you and explain the ethics process.

When you contact the Ethics Office, here is what you can expect:

- Your concern is taken seriously.
- You are treated with dignity and respect.
- You are not required to identify yourself.
- Your communication with the Ethics Office is kept confidential to the greatest extent possible.
- You are kept informed during the investigation.
- You are contacted when the investigation is complete and informed as to whether the investigative finding is substantiated or unsubstantiated.

NOTE: You will not be advised of specific discipline for the subject of the investigation as their privacy will also be protected.

There is never a penalty for contacting the Ethics Office to report a concern in good faith. People in a position of authority cannot stop you. If they try, they are subject to disciplinary action up to and including termination of employment.

Lockheed Martin does not tolerate retaliation against employees who raise concerns to any source in good faith. That means you do not have to be right, but it does mean that you believe the information provided is truthful.

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.

Please note that generally the Ethics Office does not investigate concerns about the content of performance reviews, performance ratings, or the content of a performance improvement plan. Those issues are best discussed with and addressed by Human Resources and your leadership. However, if you believe these actions are potentially connected to retaliation or discrimination you should discuss your concerns with your Ethics Officer.

How does the Ethics Office support high ethical standards at Lockheed Martin?

The Ethics Office is a resource for information, advice and resolution of problems and issues for all employees. The ethics program is based on company values and compliance with laws, regulations and policies.

Our Ethics Officers educate leaders and employees on how to promote a positive, inclusive and ethical work environment. They provide resources, communications, training and tools to support and enhance the high ethical standards and behaviors at Lockheed Martin.

A key tool to help employees understand and resolve ethical issues in the workplace is our annual Ethics Awareness Training. In addition, comprehensive Business Conduct Compliance Training, required of all employees, with additional requirements for certain target audiences, provides guidance and information on critical compliance topics.

How do I contact someone on the Lockheed Martin HelpLine?

A member of the Corporate Ethics Office answers the Lockheed Martin Helpline Monday through Thursday from 8 am to 6 pm Eastern time on days the corporate headquarters office is open. At other times, you may leave a voicemail and an Ethics Officer will contact you during the next business day. You may also contact us via email at corporate.ethics@lmco.com.

Is there caller ID on the HelpLine?

No. Caller ID is removed from the HelpLine so we do not see the phone number of the caller. You may report your concern anonymously if you choose; however, it is more likely that we will be able to resolve your concern if we are able to follow up with you for additional information.

Are HelpLine calls recorded?

No. Live calls to the Lockheed Martin HelpLine are not recorded. If you leave a confidential voicemail, it is permanently deleted after an Ethics Officer gets in contact with you.

When I call the HelpLine to report misconduct, what information will I be asked to provide?

The more information you provide, the easier it will be to understand your concern and conduct a thorough investigation. Details such as the name of your program or business unit, the location where the alleged misconduct occurred, the sequence of events, the name of the person

you have concerns about, and any witnesses all help us understand and address your situation.

Although it is not a requirement, we encourage you to provide us with your contact information so we can keep you informed, ask follow-up questions, and provide you with the outcome of the investigation.

Can I remain anonymous and keep track of the status of my ethics investigation?

Yes. We will provide you with a record number you can use to request a status on an ethics investigation that you initiate. You may also provide a personal e-mail account or phone number for the Ethics Officer to use to contact you with updates and questions.

How long does it take for an ethics investigation to be completed?

It depends on the nature and complexity of the allegations. An investigation may take anywhere from a few days to several months. The average time to complete an ethics investigation is around 35 days.

How often are ethics cases substantiated?

About 45 to 50 percent of all ethics investigations are substantiated. The remaining 50 to 55 percent are unsubstantiated. That means that either: (1) the facts obtained during the investigation did not support the allegation or, (2) there was insufficient information to determine if the allegation was true.

What typically happens when an ethics investigation is substantiated?

If an allegation is substantiated, ethics provides investigative findings to Human Resources to determine appropriate discipline.

Discipline varies depending on the type of allegation and severity of the misconduct. Even though disciplinary or corrective actions may not be evident to you, termination of employment, resign/retire in lieu of termination, suspension, written or verbal warnings, or coaching/counseling are some of the actions typically taken. Occasionally, an employee against whom an allegation is substantiated may be removed from their leadership role.

What can I do if I disagree with an unsubstantiated outcome for an ethics investigation I reported?

If you believe an unsubstantiated ethics investigation into your concern was not thorough or fair, or you have new information that should be considered in the investigation, you can request a review via email to the Corporate Ethics Office at corporate.ethics@lmco.com.

Please include "Review Request" in the subject line. In your message, include your contact information and the specific reason for your request. You will receive a response to your request within 10 business days.

If your request is approved, an Ethics Director from outside your business area will review the investigation record and consider the information you provided. They may also contact you directly for clarification of additional information. This is not a re-investigation of your allegation, but an examination of the existing investigation documentation to determine if additional actions are needed. You will receive the results of the review within approximately 10 business days.

If you remain dissatisfied with the results of the review, you may request a second and final review by the Vice President Ethics and Business Conduct by following the same steps as above. Please include "VP Review Request" in the subject line of your email to the Corporate Ethics Office.

How does Lockheed Martin measure the effectiveness of its ethics process?

The Ethics Office conducts regular data analysis to identify trends and examine information about the types of contacts received, allegations reported, substantiation rate, and response time. This data is provided to executive leadership, Ethics Steering Committees, and the Nominating and Corporate Governance Committee of the Lockheed Martin Board of Directors for discussion and analysis.

Results of our periodic employee census survey also provide a measure of the effectiveness of the ethics program through employee ratings and comments regarding ethics and integrity.

Reporting Parties who bring concerns forward, as well as Subjects of investigations, are encouraged to complete a voluntary and confidential Feedback Survey about their experience during the ethics investigation process. This information helps improve the Ethics Program.

The Ethics Office also conducts internal ethics program assessments to assess program implementation and effectiveness, covering the businesses on a three year cycle.

When in doubt, speak up!

You are encouraged to seek advice from or express concerns about ethical misconduct to whomever you are most comfortable:

- Your supervisor
- Your manager
- Your Ethics Officer
- Your Human Resources Business Partner
- Equal Employment Opportunity investigator
- Legal
- Security
- Internal Audit
- Environment, Safety and Health
- Corporate Ethics Office

Remember, if you believe a violation of law, regulations, policies, procedures, or the Code of Conduct has occurred, or you are asked to violate the same, you should not remain silent.

You are responsible for taking action to report your concern directly to your supervisor, manager, Human Resources, Ethics, Legal, or other appropriate functional organization. Go to the person you are most comfortable consulting when you are uncertain about a situation and take action when you observe a potential violation. *Depending on the circumstances, failure to report a violation or a suspected violation may itself be a violation.*



CONTACT INFORMATION

If you have a question or concern regarding an ethics matter, please discuss it with your leader, Ethics Officer, or Corporate Ethics Office

Call: 800-LM ETHIC (800-563-8442)

International: Dial the United States access code 01
and 800-563-8442

For the Hearing or Speech Impaired: 800-441-7457

Write: Office of Ethics and Business Conduct
Lockheed Martin Corporation
6801 Rockledge Drive
Bethesda, MD 20817

Fax: U.S. Access Code 01 (if required) + 301-897-6442

E-Mail: corporate.ethics@lmco.com

Ask Us: https://ethics.corp.lmco.com/Ask_Us_Main





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www.lockheedmartin.com/us/who-we-are/ethics.html

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