



Corporate Headquarters
Corporate Policy Statement CPS-734
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Combating Trafficking in Persons

Compliance Plans
General Applicability Statement

1.0 Purpose

To establish requirements for compliance with the United States Government's policy prohibiting trafficking in persons and trafficking-related activities.

2.0 Applicability

Lockheed Martin employees, the Board of Directors, others who represent or act for us, and elements, as defined in CRX-003, Policies and Procedures, must comply with this policy and FAR 52.222-50 as applicable by contract. Lockheed Martin's general policy on human rights, including trafficking in persons, is set forth in CPS-021, Good Corporate Citizenship and Respect for Human Rights.

3.0 Definitions

The terms *agent*, *debt bondage*, *employee*, *forced labor*, *involuntary servitude*, *recruitment fees*, *sex trafficking*, *subcontract*, *subcontractor*, and *United States* are as defined in FAR 52.222-50, Combating Trafficking in Persons.

Commercial Sex Act - Any sex act on account of which anything of value is given to or received by any person.

Severe Forms of Trafficking in Persons - Sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or the recruitment, 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.

4.0 Implementation

4.1 The United States Government has published FAR 52.222-50, Combating Trafficking in Persons, which states in part:

The United States Government has adopted a policy prohibiting trafficking in persons, including the trafficking-related activities of this clause. Contractors, contractor employees, and their agents shall not—

- (1) Engage in severe forms of trafficking in persons during the period of performance of the contract;
- (2) Procure commercial sex acts during the period of performance of the contract;
- (3) Use forced labor in the performance of the contract;
- (4) Destroy, conceal, confiscate, or otherwise deny access by an employee to the employee's identity or immigration documents, such as passports or drivers' licenses, regardless of issuing authority;
- (5) Use misleading or fraudulent practices during the recruitment of employees or offering of employment, such as failing to disclose, in a format and language accessible to the worker, basic information or making material misrepresentations during the recruitment of employees regarding the key terms and conditions of employment, including wages and fringe benefits, the location of work, the living conditions, housing and associated costs (if employer or agent provided or arranged), any significant cost to be charged to the employee, and, if applicable, the hazardous nature of the work, or;
- (6) Charge employees recruitment fees;
- (7) Fail to provide return transportation or pay for the cost of return transportation upon the end of employment in specified circumstances;
- (8) Provide or arrange housing that fails to meet the host country housing and safety standards; or
- (9) If required by law or contract, fail to provide an employment contract, recruitment agreement, or other required work document in writing. Such written work document shall be in a language the employee understands. If the employee must relocate to perform the work, the work document shall be provided to the employee at least five days prior to the employee relocating. The employee's work document shall include, but is not limited to, details about work description, wages, prohibition on charging recruitment fees, work location(s), living accommodations and associated costs, time off, roundtrip transportation arrangements, grievance process, and the content of applicable laws and regulations that prohibit trafficking in persons.

4.2 FAR 52.222-50 has the full force and effect of law.

4.3 Employees must comply with FAR 52.222-50 as required by contract. Violations may result in disciplinary action, up to and including termination of employment.

4.4 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).

4.5 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 in accordance with 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 and agents 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.

Compliance Plans

4.6 Lockheed Martin will maintain a compliance plan for combating trafficking in persons for any portion of a contract that is subject to FAR 52.222-50 (March 2015 or later) that:

- Is for supplies, other than commercially available off-the-shelf items, acquired outside the United States, or services to be performed outside the United States; and
- Has an estimated value that exceeds \$500,000.

Note: See CPS-734A, Combating Trafficking in Persons Compliance Plan, for the Corporation's primary compliance plan.

5.0 Responsibilities

5.1 Corporate Human Resources will maintain Lockheed Martin's primary compliance plan CPS-734A, except for the portion pertaining to subcontractors and agents, which will be maintained by Global Supply Chain Operations.

5.2 Element Contracts will conduct a preliminary assessment of business opportunities that require a compliance plan to determine whether CPS-734A is sufficient for the particular business opportunity or whether to request further assessment by Human Resources and, for the portion pertaining to subcontractors, Global Supply Chain Operations to determine whether the plan requires supplementation based on the following criteria:

- The size and complexity of the contract or subcontract; and
- The nature and scope of the activities to be performed for the Government, including the number of non-United States citizens expected to be employed and the risk that the contract or subcontract will involve services or supplies susceptible to trafficking in persons.

5.3 When element Human Resources or element Global Supply Chain Operations determines CPS-734A requires additional measures to address the risk of trafficking for a particular business opportunity, each shall prepare and provide to element Contracts a supplement to describe any additional measures that will be undertaken to enhance the primary compliance plan.

6.0 Deviations

Any deviation from this policy requires the prior approval of the Owner listed in Lockheed Martin Command Media Central or designee.

//s// Greg A. Karol
Senior Vice President Human Resources