

This Report is being filed on behalf of Lockheed Martin Canada (“LM Canada”) in accordance with our company’s obligations under the Fighting Against Forced Labour and Child Labour in Supply Chains Act (also known as the “Modern Slavery Act” or the “Act”) - effective January 1, 2024 - for the calendar year ending December 31, 2023. The purpose of this report is to provide stakeholders and the public within Canada with transparent information on the policies, principles and programs that demonstrate our commitment to human rights, and to report on our progress around these efforts.

### **Structure of the Reporting Entity and its’ Supply Chain**

LM Canada, which is headquartered in Ottawa, Ontario, is a wholly-owned subsidiary of Lockheed Martin Corporation (“Lockheed Martin”), a Maryland corporation, that is headquartered in Bethesda, Maryland. LM Canada has facilities located throughout Canada – specifically, in Montreal, Halifax, Calgary, and Victoria with another corporate office in Ottawa. LM Canada is responsible to report in accordance with the Act because it has multiple places of business in Canada, does business in Canada, has assets in Canada and meets all of the following three criteria for at least one of our two most recent financial years:

- \$20 million or more in assets
- \$40 million or more in revenue
- An average of 250 or more employees

Among all our locations in Canada, we presently have about 1400 employees.

LM Canada provides research, design, manufacture, and integration of advanced technology products. LM Canada offers systems integration, software development, and large-scale program management services, as well as the development of electronic warfare, high frequency sonar, and information systems. LM Canada has been one of Canada’s trusted defence partner for over 80 years specializing in the development, integration and sustainment of advanced technology systems, products and services. Our products and services include: Command & Control Systems; Contract Design & Manufacturing; Education, Simulation & Training; Engine Repair & Overhaul; Engine Test Cells; Helicopters; Integrated Logistics Services & Transportation Support; Software Design & Development; Support Services; Systems Integration; and Weapons Systems. One significant example of LM Canada’s enduring economic benefit is Canada’s industrial participation on the global F-35 program, with over 110 Canadian companies having received more than \$2B in contracts.

The majority of our suppliers (individuals and entities who supply both products and services to LM Canada) are located in Canada, the United States, the United Kingdom and countries within the European Union.

## **Introduction**

Lockheed Martin is a multi-national company with multiple global locations, and is subject to laws and regulations around the world including without limitation those related to human trafficking and forced labour; accordingly, this report addresses both what LM Canada employees and suppliers are required to do as a part of Lockheed Martin's global compliance framework as well as specific compliance requirements for LM Canada employees and suppliers. Lockheed Martin's activities are conducted in compliance with the laws and regulations of the countries in which it operates, except where such laws conflict with U.S. law, and our compliance with them is reinforced by our robust integrated assurance program and Board of Directors oversight of our enterprise risk management process. Any references in this report to Lockheed Martin refer to the whole organization and also include LM Canada.

At LM Canada, as with all of Lockheed Martin's global companies, our commitment to respect human rights and being a good corporate citizen underpins our Code of Ethics and Business Conduct, Setting the Standard, and our stated values—Do What's Right, Respect Others and Perform with Excellence. This commitment applies to all employees, the Board of Directors for Lockheed Martin and others who represent or act for us.

Good citizenship includes the protection and advancement of human rights. Lockheed Martin maintains comprehensive policies and procedures relating to human rights and offers formal grievance mechanisms, such as an Ethics Helpline. This helpline can be used by internal and external individuals to notify Lockheed Martin of potential misconduct, including human rights issues.

Respect for human rights in our operations and supply chain is ingrained through strong policies and training to educate employees and third parties on human rights issues and risks. Our due diligence processes are embedded within our operating and decision-making practices and procedures and are supported by formal grievance mechanisms that can be utilized by internal and/or external parties to notify and inform us of potential misconduct.

2021 was the first year of Lockheed Martin's reporting under our 2025 Sustainability Management Plan, which includes progress toward human rights related goals; in our 2023 Sustainability Performance Report we reported on the third year of our progress under the SMP. Our reporting on conflict minerals, human trafficking and global diversity and inclusion programs further demonstrates our continued commitment to advancing our human rights approach and transparency.

## **Enterprise Risk Management**

Lockheed Martin evaluates risks, including risks related to human rights, within the framework of our overall enterprise risk management framework. Our integrated enterprise risk and sustainability management structure includes the following risk processes:

- **Risk Identification:** We monitor a dynamic risk universe that includes, aside from strategic, financial and operational topics, enterprise sustainability and governance topics prevalent in voluntary frameworks, mandatory regulations and internally identified sources.

- **Risk Assessment:** We prioritize and evaluate assumptions from a diverse set of risk topics that are relevant to strategic and operational objectives. Additionally, we separately assess compliance with laws and regulations as well as risk topics related to sustainability and governance. This includes examining environmental and social factors applicable to risk topics in our business.

- **Risk Controls and Mitigation:** Through the Risk and Compliance Committee (including a periodic, rigorous examination of the intersection between our enterprise risk matrix, our Sustainability core issues and our internal audit plan), we strive to mitigate risk related to several sustainability factors, and we track, measure and report our performance for greater transparency. This process also informs how we evaluate the effectiveness of controls for risk elements identified through our enterprise risk assessments, corporate policies and internal audits.

We complete a biennial Compliance Risk Assessment (our last was conducted in 2022 prior to calendar year 2023, with our most recent having been performed earlier this year) to capture an enterprise view of a wide spectrum of compliance risk topics. In addition to giving consideration to external benchmarks, the assessment engaged over 800 domain experts on compliance topics from across Lockheed Martin. The following three stakeholder inputs informed the results of the assessment:

- A survey of corporate policy owners and practitioners mapped to a compliance risk universe of 50 topics, including human trafficking. The survey prompted respondents to score risks according to several factors including the probability/likelihood of occurrence, effectiveness of current mitigation and controls including management oversight, policy, training; and areas of emerging risk.

- An internal audit risk evaluation of the same topics based on the results over the past five years.

- A review of current coverage of the same risk topics within the Lockheed Martin Business Conduct Compliance training course suite, the Lockheed Martin Code of Conduct; as well as ethics awareness and other employee training modules.

### **Current Policies, Principles and Due Diligence Processes**

At Lockheed Martin, we maintain the highest standards of ethical business conduct across our company. Our global policies, procedures and practices reflect our strong commitment to good corporate citizenship and articulate how we endeavor to meet this responsibility. Our policies are informed by relevant internal and external expertise, stipulate expectations for employees and others with whom we do business and are embedded throughout the enterprise.

The following policies and procedures codify the human rights and sustainability expectations that apply across the company:

- **CPS-001, Ethics and Business Conduct Policy**: We will conduct our business with honesty and integrity, we will communicate our standards of ethical conduct, we will promote a work environment that is positive, diverse, open and inclusive. The policies, all of which are approved by an executive officer of Lockheed Martin, and resources discussed in this report outline our

high expectations for employees and others who act on behalf of our company, and a description of our due diligence around implementing and enforcing our employee ethics program.

- **Setting the Standard, the Code of Ethics and Business Conduct**: Establishes the principles by which we maintain our commitment to ethical business practices, and how employees and others must conduct ourselves when representing or acting on behalf of Lockheed Martin. We require all employees, consultants, contract laborers and Board of Directors members to agree to abide by our Code of Ethics and Business Conduct. The code is underpinned by our CPS-001 policy.
- **CPS-021, Good Corporate Citizenship and Respect for Human Rights**: Communicates the principles that reflect our strong commitment to good corporate citizenship and human rights, which guide all relevant global policies, procedures and practices and as part of our business strategy, shapes our missions and informs our choices. This has been Lockheed Martin policy since 2011.
- **CPS-803, Sustainability Policy**: Provides an overview of the principles, programs and governance that demonstrate that sustainability is an integral part of our business strategy, which enhances value and provides for the long-term preservation and stewardship of environmental, social and financial capital.

Monitoring for new issues is on-going, and new policies and procedures are developed when a need is identified. Our company's respect for human rights is at the heart of what we do and lays the foundation for our core values and ethical standards. Our enterprise approach to human rights aligns with our mission to provide 21st Century Security through our innovative technology, products and services that deliver the most advanced deterrence capability to our customers around the world. We solve complex challenges, advance scientific discovery and deliver groundbreaking solutions that help our customers keep people safe.

The global environment in which we operate is dynamic, meaning that human rights risks and challenges are constantly evolving. While our commitment to respecting human rights remains steadfast, our approach to human rights is also evolving to ensure that we continue supporting the human rights of our employees, our customers, and all whom they serve.

Accordingly, in November 2023, we completed the second phase of a comprehensive benchmarking of human rights policies, international human rights standards and regulation as part of our multi-year review of our company's human rights framework. In December 2023, we formed a cross-functional Human Rights Focus Group, which is jointly led by our Legal and Sustainability teams. This group will examine strategies for evolution of our human rights program and policies. It will collaborate with internal and external stakeholders to stay informed on human rights initiatives, best practices, and issues, and it will report progress regularly to members of the executive management team.

More about our efforts and progress reflective of the 2023 reporting period can be found here: <https://sustainability.lockheedmartin.com/sustainability/other-sustainability-topics/human-rights/>.

- **CRX-021, Internal Investigations Reporting of Potential Misconduct**: We encourage our employees, suppliers and the general public to report ethics violations, including potential human

rights violations, through our Ethics Helpline, which accepts anonymous calls. Lockheed Martin does not tolerate retaliation in any form against individuals who have reported an ethics concern. We have a policy-based process for promptly and thoroughly investigating all alleged violations of laws, regulations, policies, procedures or our Code of Ethics and Business Conduct that occur, whether in the workplace, in off-premises situations with a relationship to the workplace or that affect the workplace. Potential violations may be identified through normal compliance channels or raised by whistleblowers and other concerned employees. This includes any potential violation of the U.S. Foreign Corrupt Practices Act, the Canadian Corruption of Foreign Public Officials Act, the Canada Modern Slavery Act or other international anti-trafficking laws, whether the allegations involve individuals employed directly by Lockheed Martin or those with whom we partner, such as agents and suppliers.

Any observations or concerns about violations of our policies combating human trafficking are reportable to our Ethics helpline. Lockheed Martin promptly investigates all reported matters and acts as needed, including disclosure to governmental authorities as appropriate. We continue to review, reassess, consider best practices and further develop anti-trafficking plans, to ensure compliance with the law and that we fulfill our Core Values. Further information on our ethics policies, process, training, investigations and reporting practices is available to all employees and the general public on our [Ethics Website](#), which contains Corporate Ethics contact information, training requirements, policies and additional resources for the Ethics program to support employees.

### **Relevant Employee Training**

In addition to what is noted above, mandatory employee training across a wide range of human rights topics is an integral component of our commitments and due diligence process. All employees receive job specific training, compliance training and Ethics Awareness Training as required by our Ethics and Business Conduct Policy, including our CEO and Board of Directors. Training includes periodic review and certification to the Code of Ethics and Business Conduct, annual Ethics Awareness Training, Conflict of Interest and Business Conduct Training compliance modules (including Combating Trafficking in Persons, International Business Practices and Gifts/Business Courtesies). All employees certify to the Code of Conduct and complete annual Ethics Awareness Training; other compliance training is assigned to target audiences based on their roles.

Voicing our Values, Lockheed Martin's annual Ethics Awareness Training, is conducted through live, leader-led sessions. This format provides a forum for employees to see the roadblocks they may face in addressing ethics issues, and to explore with their teams how they might handle similar circumstances. Lockheed Martin achieves 100% participation each year in our Ethics Awareness program. Additional training modules may be developed and implemented as new circumstances and issues are identified.

### **Supply Chain and Human Trafficking/Child Labour Risk Mitigation**

*Our commitment to upholding business integrity extends to our supplier relationships. Lockheed Martin builds sustainable supplier capacity by partnering with our supply chain to reduce adverse environmental impacts, to promote human rights, health, safety and ethical behavior to enable responsible supplier growth and to raise standards.*

- **Lockheed Martin Supplier Code of Conduct**: Expresses the expectations we hold for our suppliers and mirrors the standards we set for our own employees, Board of Directors and other business associates. Commensurate with the size and nature of their business, we expect our suppliers to have management systems in place to support compliance with laws, regulations and expectations related to or addressed expressly within the Supplier Code of Conduct. We encourage our suppliers to implement their own written code of conduct, and to flow down the principles to the entities that furnish goods and services to the supplier. Elements of the Supplier Code of Conduct include environmental standards, child labour, fundamental human rights, health and safety, supplier diversity and more. Our suppliers must, at a minimum, perform all duties and expectations in compliance with all laws and regulations applicable to their business. Suppliers must comply with all flow down terms, conditions and other provisions specified in their contract with Lockheed Martin.

Core principles included in our Supplier Code of Conduct that we expect our suppliers to adhere to, specifically addressing matters related to child labour and forced labour, are:

#### Human Rights

We expect our suppliers to treat people with respect and dignity, encourage diversity and diverse opinions, promote equal opportunity for all, and help create an inclusive and ethical culture.

#### Human Trafficking

We expect our suppliers not to 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.

#### Child Labor

We expect our suppliers to ensure that child labor is not used in the performance of work. The term “child” refers to any person under the minimum legal age for employment where the work is performed.

Lockheed Martin requires as a condition of contract that all suppliers commit to comply with applicable laws and regulations; additionally, because the Supplier Code of Conduct is incorporated onto our Lockheed Martin purchase orders, we have the ability to exercise our rights to terminate any contracts we have with suppliers who fail to comply the principles included therein.

- **Supplier Ethics Website**: Provides supplier mentoring, training and other free resources, along with a variety of media to assist suppliers in meeting our expectations and complying with legal requirements.

- **Defense Industry Initiative Model Supplier Code of Conduct**: Provides a standardized framework for setting ethical expectations with suppliers across the defense industry. In 2017, our purchase orders were revised to state that both Lockheed Martin and our suppliers “are expected to conduct themselves in a manner consistent with the principles expressed in either the Lockheed Martin Supplier Code of Conduct, or the Defense Industry Initiative (DII) Model Supplier Code of Conduct.”



*Lockheed Martin recruits qualified talent globally to support our business mission, goals and services. Employees, agents, subcontractors and recruiters play a key role in preventing human trafficking and related activities that include harboring, transporting, provision or obtaining of a person for labor or services, through force, fraud or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage or slavery. Lockheed Martin employs a multifaceted approach to minimize the risk of human trafficking and to comply with contractual requirements regarding human trafficking and related activities. These resources and policies outline our commitment, requirements and due diligence process.*

- **[Human Anti-Trafficking Website](#)**: Offers resources to employees and suppliers on our policies and due diligence processes. Lockheed Martin is committed to ensuring that our employees and suppliers take appropriate steps to mitigate the risk of human trafficking and slavery from occurring in any aspect of its business and supply chain.
- **[CPS-734, Combating Trafficking in Persons](#)**: Establishes requirements for compliance with the United States Government’s policy prohibiting trafficking in persons and trafficking-related activities and includes processes for reporting and investigating violations and for establishment and maintenance of a compliance plan to address the risk of trafficking.
- **[CPS-734A, Combating Trafficking in Persons Compliance Plan](#)**: Reflects the obligation to maintain a compliance plan to combat human trafficking in our supply chain.

*We incorporate regular assessments of our programs, enhancements and employee training into our efforts to eradicate human trafficking from our supply chain. Efforts include:*

- Recurring mandatory training for all employees to heighten the awareness and prevention of human trafficking.
- Updating corporate policies related to training, evaluating and working with business consultants. This enhanced due diligence requires business- and region-specific risk assessments for all consultants, which may be subject to audits, as we have publicly reported.
- Updating our policies to stay in compliance with government regulations. To comply with FAR 52.222-50, Combating Trafficking in Persons, the Lockheed Martin Acquisition Procedures require that a Combating Trafficking in Persons Supplier Certification be obtained from subcontractors, as applicable. Additionally, if the contract period of performance is greater than 12 months, we require a Combating Trafficking in Persons Supplier Annual Recertification.
- In 2023 we began an evaluation of LM Canada’s supplier due diligence and risk assessment procedures to better understand the potential risks associated with forced labour, slavery, human trafficking, and child labour in our supply chain. Most of our first-tier suppliers are from regions deemed to present a low risk for modern slavery and human trafficking and, due to the nature of our business requiring a highly skilled workforce for production, we consider our risk of the occurrence of child labour and forced labour to be low. Despite the outcome of this evaluation, in 2024, LM Canada has nonetheless decided to implement a new process for our LM Canada employees working in the Supply Chain function to conduct enhanced human rights risk assessment of suppliers who are located in regions presenting a moderate or high level of risk of forced labour, slavery, human trafficking, and child labour in their supply chains and/or who are engaged in a business that presents a moderate or high level of risk of forced labour, slavery, human trafficking, and child labour.

## **Supplier Audits and Evaluation**

Our human rights due diligence processes are embedded within our comprehensive operating and decision-making practices and procedures; they do not exist as a stand-alone procedure. Lockheed Martin has pre-contractual procedures to ensure that new contracts meet our standards and values. Each business segment has implemented proposal review and approval procedures that evaluate risks, which can result in a decision not to award. In addition, Lockheed Martin maintains an ethics helpline, accessible domestically and internationally, at (US) 1-800-LM-ETHIC. Anyone who observes conduct contrary to the principles set forth in Lockheed Martin's Code of Conduct may call the Ethics helpline number that is included in all subcontracts. Lockheed Martin promptly investigates all reported matters and takes action as needed, including disclosure to governmental authorities as appropriate.

In the area of heightened risk related to forced labour in supply chains, i.e. with regard to conflict minerals, we do engage in additional enhanced diligence where we contract to manufacture products containing conflict minerals that are necessary to the functionality or production of those products; the term "Conflict Minerals" is defined in the conflict minerals rules and refers to tin, tantalum, tungsten and gold (the Conflict Minerals or 3TG). Substantially all of our products contain 3TG. We are committed to responsible sourcing of materials for our products, including the sourcing of Conflict Minerals, and we expect that our suppliers are likewise committed to responsible sourcing. We recognize that the mining of the Conflict Minerals are an important economic driver in the Democratic Republic of the Congo (DRC) and the adjoining countries of Angola, Burundi, the Central African Republic, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia (the Covered Countries) and are committed to supporting legitimate mining operations. We have established a due diligence program which follows the framework established by the Organisation for Economic Cooperation and Development (OECD). Our Supplier Code of Conduct includes our expectations that suppliers take steps to determine if their products contain Conflict Minerals and if so, implement supply chain due diligence processes to identify sources of these minerals and support efforts to eradicate the use of Conflict Minerals which directly or indirectly finance or benefit armed groups in the Covered Countries. We support with financial and human capital industry-wide initiatives, including the Responsible Minerals Initiative (RMI) which assists with our benchmarking and smelter analysis efforts.

*Ensuring risk management, transparency, accountability and mitigation for our supply chain is a component of our Human Rights Policy and enterprise risk management program. Our risk metrics address suppliers of concern, which includes poor performing and at-risk suppliers.*

- **Sustainability Management Plan**: In 2021, Lockheed Martin released our 2025 Sustainability Management Plan reflecting stakeholder feedback, internal and external trends and the continued evolution of our business. Looking forward, we are focused on strengthening supplier management and disclosure on ethical, labor, human rights and environmental issues. Supply chain risk indicators and mitigation activities are reported quarterly to our CFO, who is also our Chief Risk Officer, as a component of our enterprise risk management process and Lockheed Martin's Sustainability Management Plan is reviewed annually by the Nominating and Corporate Governance Committee of the Board of Directors. The governance model of Lockheed Martin's sustainability program and its global Sustainability Management Plan commitments are all summarized here (updated in 2023):



<https://sustainability.lockheedmartin.com/sustainability/governance/#enterprise-risk-management>.

- Our Supply Chain Risk Council, which was formed in 2020, supports all of our sustainability risk management efforts. This council is comprised of members from each of the four Lockheed Martin business areas (including those representing LM Canada) and meets on a bi-weekly basis.

### **Supplier Training, Resources and Outreach**

In addition to the Supplier Ethics Website mentioned above, the Ethics Supplier Mentoring Program helps suppliers of all sizes create or enhance an effective ethics program. The program provides educational resources on ethics, a twelve-part interactive webinar series, and individualized support. Our [Supplier Self-Assessment Tool](#), accessible from the website, allows suppliers to compare their existing ethics program to some of the key global standards for ethics, compliance and anti-corruption programs to help them determine where to focus efforts to improve their ethics program.

We continue to enhance [Supplier Wire](#), a site offering a wide range of educational resources including free webinars, video tips and supplier testimonials designed to help small businesses learn how to build, sustain and expand their business within Lockheed Martin. Supplier Wire hosts interactive webinars featuring Lockheed Martin personnel speaking on a wide array of valuable subjects that includes ethics and sustainability topics. We release a quarterly Supplier Wire publication to all active suppliers.

### **Remediation & Monetary Contributions to Affected Populations**

Lockheed Martin has assessed our activities and supply chains in Canada and globally. As of the date of this report, we have concluded that the nature of our business and the supply chain that supports it carries a low risk of the occurrence of child labor generally as well as a low risk of the occurrence of forced labor except in one particular area, relating to electronics (and, more specifically, conflict minerals). To date, LM Canada has not had reason to undertake any measures to remediate the loss of income or specific activities for vulnerable families to remediate slavery and human trafficking in our supply chain.

### **Attestation**

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest on behalf of LM Canada - in my capacity as a part of the management team in Supply Chain for LM Canada - that the information contained in the report for the entity listed above has been reviewed and approved by the management of LM Canada. Based on this knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Gregory Dumont  
Senior Manager, Subcontracts  
**LOCKHEED MARTIN CANADA**  
May 30, 2024