

Policy LP-LG-1: Standards of Business Ethics and Conduct

Policy Details	
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Point of Contact: Angela Kelso	

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1. Purpose and Compliance

The purpose of this policy is to describe Leidos' principles of business ethics and conduct, as well as those practices intended to promote an organizational culture that requires, encourages, and rewards ethical conduct and compliance with applicable laws. Violations of this policy and/or any applicable laws may be grounds for disciplinary action up to, and including, termination.

2. Scope and Applicability

This policy provides guidance on how to comply with the requirements set forth in the Leidos Code of Conduct. It is not intended to be an all-encompassing resource for compliance. Leidos has several policies that set standards and provide in-depth information to mitigate compliance risks, educate employees and provide direction to enable employees to conduct business in a fair and appropriate manner. For a more comprehensive discussion of these policies, see the [Leidos Code of Conduct](#). The Code of Conduct is reviewed and updated on an annual basis.

The following topics are included in this policy: Conflicts of Interest (COI); Use of Leidos and Customer Property, Equipment, and Facilities; Intellectual Property; Financial Integrity: Accurate Disclosure, Record Keeping, and Record Retention; Antitrust Laws; Transactions and Prohibited Payments to Unions and Union Representatives; Political Contributions and Lobbying Consultants; Political Contacts and Procurement Lobbying; Charitable Contributions; Business Development Activities; Misconduct in Science; Combating Trafficking in Persons; Required Disclosures; Retaliation; Investigations; Ethics and Compliance Program Requirements; Recoupment of Incentive Awards; Kickbacks, Fraud and Corruption; and Off-Work Conduct.

This policy applies to all employees of Leidos and its wholly-owned subsidiaries. All Leidos Command Media related to this policy's purpose, as defined in Section 1, are governed by this policy. This policy does not apply to members of the Leidos Board of Directors, who are subject to a separate Leidos Code of Conduct for Board Members.

3. Policy

Leidos is committed to conducting its business in accordance with all applicable federal, state, and local laws and regulations, and with the highest standards of ethical conduct. Leidos employees are expected to comply with, and to assist the company in complying with, each of these obligations. Any suspected violation or

question of wrongdoing shall be reported to one of the ethics reporting channels identified in the Leidos Code of Conduct.

3.1 Conflicts of Interest

Employees must make impartial and fair business decisions in performing their duties, and must place the interests of the company over their personal interests. A conflict of interest arises when an employee's personal or family interests, relationships, or participation in an activity interfere or appear to interfere, with their judgment in performing their job, leads to the improper use of company assets or resources, or competes against the company.

Judgment or decision-making is inappropriately influenced when a conflict of interest:

- Impacts an employee's ability to make decisions based on what is best for Leidos
- Affects an employee's impartiality (for example, in choosing between two suppliers or potential employees)
- Introduces personal interest or non-business factors into what should be an unbiased business decision.

To ensure that employees' business dealings with suppliers, customers, business partners and other third parties avoid even the appearance of a conflict of interest, Leidos employees shall refrain from any personal or business activity, and from any direct or indirect financial interest that might conflict, or appear to conflict, with their responsibilities to the company.

Conflicts of interest that may arise at Leidos can generally be categorized into the following types: business, financial, and/or personal and family conflicts. Conflicts can present varying degrees of risk to the company, and must be disclosed, managed and mitigated according to that risk. A discussion of the types of conflicts, the distinctions between them, and their associated disclosure requirements are included in the following sections:

Business Conflicts:

- Company-related Opportunities (Section 3.1.1.1)
- Use of Position (Section 3.1.1.2)
- Marketing Activities and other Business with the Company (Section 3.1.1.3)
- Outside Activities (Section 3.1.2.1)
- Public Service and Charitable Activities (Section 3.1.2.4)
- Exchanging Business Courtesies (Section 3.1.3.1)
- Organizational Conflicts of Interest (Section 3.1.3.3)
- Post-Government Employment and Unfair Competitive Advantage (Section 3.1.3.4)

Financial Conflicts:

- Financial Interests (Section 3.1.2.2)

Personal and Family Conflicts:

- Working with Non-employee Spouses or Relatives (Section 3.1.2.3)
- Family and Personal Relationships with others at the Company (Section 3.1.3.2)



3.1.1 Prohibited Activities

Employees must avoid financial, business or other transactions or situations in which their personal interests, obligations, or relationships, including those of an employee's immediate family or other closely-related individuals, conflict or could reasonably appear to conflict with the interests of Leidos. These activities are described in Section 3.1.1.1 to 3.1.1.3.

3.1.1.1 Company-related Opportunities. Employees shall not use or disclose any technical, financial, personnel, or other proprietary or non-public information that has been obtained through their Leidos employment for personal gain or for any other purpose that is unrelated to Leidos' interests. This includes:

- Engaging in any activity in competition with the company or in any activity that could advance, or that reasonably could be expected to advance, the interests of a competitor; and
- Taking personal advantage of an opportunity that properly belongs to the company.

Employees who learn of a business or investment opportunity through their employment at Leidos, or from a customer, supplier, or current or prospective business partner, may not participate in the opportunity or make the investment.

3.1.1.2 Use of Position. Employees shall not use their positions within the company in any way to coerce or induce any person or entity to provide them, or any of their family members or closely-related individuals any financial or other benefit.

3.1.1.3 Marketing Activities and Other Business with the Company. Employees shall not market, promote, or otherwise advertise products or services to Leidos or its employees that are offered for sale, produced or developed by a company that they own, have a significant financial investment in, or with whom they are otherwise affiliated with.

Employees, their immediate family members, or other closely-related individuals shall not participate in a contract, subcontract, joint venture, partnership, or any other type of business arrangement or transaction with the company.

3.1.2 Situations Requiring Disclosure

In accordance with the requirements set forth in Sections 3.1.2.1 to 3.1.2.5, employees shall disclose to their managers and the [Ethics and Compliance Office](#) situations relating to participation in certain outside activities; significant financial interests in a customer, competitor, supplier or business partner; working with non-employee spouses or relatives; and any other arrangement or circumstance which might adversely impact an employee's ability to act in the best interest of the company.

Employees who are unsure about whether a situation creates a conflict, or the appearance of a conflict, should always err on the side of full disclosure. The Ethics and Compliance Office will assist in evaluating the situation and implementing an appropriate solution to eliminate or mitigate the conflict.



3.1.2.1 Outside Activities. Certain outside business or work opportunities, or activities with outside organizations, can create conflicts of interest or the appearance of a conflict. Employees must be transparent about any such activities by promptly disclosing them to their manager and the Ethics and Compliance Office. Employees must obtain written approval prior to engaging in or participating in these activities. To do so, employees must complete a Conflict of Interest Agreement (COIA) for the following:

- Working in a position that is paid or unpaid, as an employee, director, officer, advisor, or consultant for a customer, competitor, supplier; current or prospective business partner; or as an employee of any agency of the U.S. federal, state or local government
- Conducting research or advising on defense or military matters
- Serving as a Special Government Employee (SGE) or member of a U.S. federal advisory board, council or committee
- Serving as a non-U.S. government official, including, but not limited to, employment as an officer, employee, agent or representative of any non-U.S. local, regional or national government
- Running for or accepting an appointment to public office (see the [Leidos Government Affairs Compliance Handbook](#))
- Other external employment using the same or similar professional skills or training that are used or expected to be used in Leidos employment
- Serving on the board of directors for an outside for-profit entity*

*Employees serving on the board of directors of a civic, charitable, or similar not-for-profit organization are not required to seek approval via this process. But if such an organization does or seeks to do business with Leidos, the situation must be disclosed to the Ethics and Compliance Office in accordance with Section 3.1.2 of this policy.

Information regarding the process for completing a COIA and seeking approval can be reviewed on the [Outside Activity Request](#) page on the Ethics and Compliance site on Prism. Employees must obtain approval from their manager before initiating the process.

The employee's manager shall contact the Ethics and Compliance Office if the manager is concerned that an actual conflict or the appearance of a conflict of interest could arise as a result of an outside activity that is not included above. For example, while memberships in industry associations would generally not require completion of a COIA, serving on a standards-setting committee with an association on a topic related to Leidos business must be disclosed and reviewed. The Ethics and Compliance Office shall review the proposed activity and determine whether additional review is appropriate under the circumstances.

3.1.2.2 Financial Interests. Employees are required to disclose a significant financial interest in any entity which does or seeks to do business with the company, or which enters into a transaction with the company. Examples include, but are not limited to, financial interests in a Leidos customer, competitor, supplier or subcontractor (such as a vendor that provides goods or services to the company) or other business partner.

A significant financial interest exists when an employee, employee's spouse, or member of the employee's household's ownership of a customer, competitor, supplier or other business partner of Leidos exceeds one of the following thresholds:

- \$250,000,



- five percent of the entity's outstanding equity interests, or
- ten percent of the employee's net worth.

Even if the financial interest falls below this threshold, any interest that may affect an employee's judgment or decision-making on behalf of the company creates a conflict of interest that must be disclosed to the Ethics and Compliance Office.

3.1.2.3 Working with Non-employee Spouses or Relatives. Employees shall inform their manager(s) and the Ethics and Compliance Office if they are assigned to work on a contract, proposal effort, program, or other project with a customer, competitor, or supplier or other outside entity that involves working with their spouse, significant other, or other closely-related individual.

If the non-employee spouse or relative is a U.S. executive branch employee, or is employed by a non-U.S. state government or agency, the manager shall request that the Leidos employee confirm with the government employee's spouse or relative that there is no conflict of interest under government rules, and provide verification in the form of an email or letter from the relevant agency.

The employee's manager, in conjunction with the Ethics and Compliance Office, shall determine whether there is a conflict of interest or the appearance of a conflict of interest and take appropriate action, such as requiring a written recusal or reassigning the employee, as needed.

3.1.2.4 Public Service and Charitable Activities. If an employee is involved in a charitable or community organization that seeks to do business with Leidos--such as a charity that is contemplating retaining Leidos' services--the employee must disclose the relationship to their manager and the Ethics and Compliance Office. The employee will likely be required to recuse themselves from making or participating in any decision on behalf of Leidos that concerns or impacts the charity.

3.1.2.5 New Developments Giving Rise to Conflicts. Given the evolving nature of Leidos' business, including the expansion into or acquisition of new lines of business, conflicts of interest and the appearance of a conflict can change over time. Full disclosure is required as soon as an employee learns of the existence of a conflict or the appearance of a conflict of interest.

Employees joining Leidos as a result of a merger or acquisition must disclose any situations which may create a conflict or the appearance of a conflict in accordance with the requirements set forth in this policy.

3.1.3 Other Conflicts of Interest

Leidos has multiple policies which provide guidance on conflicts of interest. The types of conflicts covered in Section 3.1.3.1 to 3.1.3.4 are distinct, and specific requirements have been developed to address them.

3.1.3.1 Exchanging Business Courtesies. While the exchange of business courtesies can help build business relationships, offering or accepting gifts or entertainment can potentially be problematic because business courtesies can be viewed as attempts to influence the performance of duties and, in some cases, could create a conflict of interest.



For detailed information on Leidos policy governing gifts and entertainment, see [Policy LP-LG-12: Gifts, Gratuities and Entertainment](#) for more information on Leidos requirements and compliance in this area.

3.1.3.2 Family and Personal Relationships with Others at the Company. Employees must be objective in all employment-related decision including hiring, promotion, compensation, disciplinary action, and termination. These decisions must be made without regard to personal interests, including the interests of family members. See [Procedure PR-HR-5.4: Recruiting](#) for more information on Leidos requirements and compliance in this area.

3.1.3.3 Organizational Conflicts of Interest. A person who works or worked on a program with Organizational Conflict of Interest (OCI) restrictions must not perform duties that are prohibited by those restrictions. See [Policy LP-LG-10: Organizational Conflicts of Interest and Personal Conflicts of Interest](#) for more information on Leidos requirements and compliance in this area.

3.1.3.4 Post-Government Employment and Unfair Competitive Advantage. Employees who are subject to post-government employment restrictions must not perform and shall not be tasked to perform duties or engage in activities that are prohibited by those restrictions. See [Policy LP-HR-5: Staffing](#) for more information on Leidos requirements and compliance in this area.

Leidos can be disqualified from a procurement if it gained or appears to have gained an unfair competitive advantage by hiring a former government employee who had access to competitively useful, non-public information. To avoid such an outcome, all former government employees are strictly prohibited from disclosing or using any non-public competitively sensitive information they had access to while a government employee. Similarly, all employees involved in proposal development activities shall neither request nor use such information in support of those activities.

Responsibility for avoiding violations of post-government employment restrictions and unfair competitive advantage determinations rests with the former government employee and their management chain. The employee and manager are required to contact the Legal Department if any new requirements arise that may involve activities that could result in violations of applicable post-employment restrictions or a determination that Leidos gained an unfair competitive advantage as a result of that employee.

3.1.4 Annual Conflict of Interest Disclosure Form

Most employees based in the U.S. shall be required to complete an annual COI disclosure certification. Employees who are required to complete the certification will receive an email from Compliance 360 with an individualized URL link to the disclosure form.

3.2 Use of Leidos and Customer Property, Equipment, and Facilities

Leidos employees shall not use company property, software, equipment, or facilities for non-company business unless the employee's manager authorizes the use in advance or it is approved in the circumstances set forth in the detailed requirements.



3.2.1 Prohibited Use of Equipment

Unauthorized use of equipment includes using company equipment to upload/download software or to transmit or contain material that is considered offensive, disruptive, defamatory, or disparaging toward any employee. Offensive content includes sexual comments or images, racial slurs, gender-specific comments, or any comments that might offend someone on the basis of his/her age, sex, sexual orientation, religion, race, color, political beliefs, national origin, disability, or veteran or marital status. Leidos maintains the right to access any company system without notice and inspect and review all data. Employees shall abide by the terms of [Policy LP-IT-1: Information Systems Security Protection](#).

3.2.2 Permissible Use of Equipment

Leidos permits incidental and insignificant use of Leidos property in the following situations:

- Brief e-mail communications between employees and family members, and limited internet usage (such as checking news headlines, traffic or weather)
- Scans, copies or facsimiles of no more than a few pages in length that would otherwise require that the employee leave the company's facilities during business hours
- Occasional use of computers to support further education and training (such as preparation of professional papers intended for publication, occasional word processing, scheduling, or financial planning of a personal nature) that is conducted outside of normal business hours
- Necessary local telephone calls (with doctors, schools and the like) that are reasonable in duration

3.2.3 Customer Equipment

Leidos employees who are located at a customer facility and who are using customer-furnished equipment may use that equipment only to perform tasks under the contract for which it was provided. Any other use of customer equipment requires the specific written consent of the Contracting Officer.

3.3 Intellectual Property

It is both illegal and unethical to engage in practices that violate the intellectual property rights of others. Accordingly, all employees are required to respect the Intellectual Property rights of others and of the company. The willful infringement or misappropriation of these intellectual property rights is strictly prohibited. [Policy LP-LG-5: Intellectual Property](#) provides more details on this subject.

The content of all materials recorded in any tangible form are copyrighted, including all material accessible through the Internet and all forms of software. All employees are required to refrain from using or distributing unauthorized copies of any copyrighted materials.

No employee shall use or disclose any proprietary information of third parties, or of the company, except in the course of his/her employment, and always in strict accordance with the terms upon which the proprietary information was received, including the terms of any applicable nondisclosure or other agreements executed by the company. Any proprietary information embodied in writings, graphics, computer code, or any other form shall be safeguarded from disclosure to unauthorized persons and shall be removed from company premises only as needed for company business.

3.4 Financial Integrity: Accurate Disclosure, Record Keeping, and Record Retention

Leidos is committed to providing full, fair, accurate, timely, and understandable financial information and disclosure in all quarterly and annual reports and other documents filed with the Securities and Exchange Commission (SEC), regulators, and/or provided through other public communications made by the company.

3.4.1 Financial Disclosure Requirements

All Leidos employees, where applicable, shall maintain sufficient financial internal controls and procedures to provide a reasonable assurance of complete and accurate financial disclosure, including the creation and retention of business records in accordance with our policies and procedures, U.S. Generally Accepted Accounting Principles (GAAP), Cost Accounting Standards (CAS) and laws and regulations.

Engaging in fraudulent financial activities and reporting of false information is strictly prohibited and may lead to severe civil or criminal liability. False information may result from omissions or inaccuracies, whether intentional or accidental, or from the organization or presentation of information in a way that is intended to mislead or misinform.

Business records shall be available to meet the business needs of the company, including the legal, tax, and other regulatory requirements, wherever Leidos conducts its business.

Failure to comply with the requirement to properly retain, safeguard and destroy records as required by [Policy LP-LG-9: Records Retention](#), can result in serious adverse consequences to Leidos and its employees. The retention periods for any records which are subject to a litigation hold as a result of actual or anticipated litigation or investigation shall be suspended and such records shall be sequestered physically or electronically to secure against manipulation, destruction or unauthorized viewing.

3.5 Antitrust Laws

Leidos believes in fair and open competition and requires its employees to comply with all antitrust laws. Leidos prohibits any communication or discussion with competitors or potential competitors to fix or control pricing, boycott suppliers or customers, divide markets through the allocation of customers or territories, limit the production or sale of products or product lines for anticompetitive purposes, or other anticompetitive conduct.

3.5.1 Antitrust Requirements

Among other requirements under the law, employees shall not:

- Agree with competitors or potential competitors to restrict competition among customers through price fixing, allocating customers in the market, or boycotting or limiting products or sales.
- Place competitors at an unfair disadvantage in their offerings of similar products or services to our customers by falsely disparaging or misrepresenting such offerings of our competitors, or improperly obtaining or using their proprietary information, or other similar means.
- Employees shall not engage in anticompetitive discussions with competitors, suppliers or customers and must immediately excuse themselves from any meeting and end any conversation or communication in which such a discussion arises. Employees shall immediately report any such situations to the Corporate Legal Department.



3.6 Transactions and Prohibited Payments to Unions and Union Representatives

No Leidos employee, representative, or agent will pay, lend, deliver or agree to pay, lend, or deliver any money or other thing of value to a union or a union representative, officer, or employee.

Exceptions:

- Payments to union representatives, officers, or employees as compensation for, or by reason of, their service as current or former Leidos employees;
- Payments in satisfaction of a court judgment;
- Payments in satisfaction of an arbitrator's decision or award;
- Payments in compromise, adjustment, settlement, or release of any claim, complaint, grievance, or dispute;
- Payments to a union of union membership dues or equivalent fees that were deducted from the wages of employees represented by that union; or
- Payments to union benefits trust funds established in accordance with Leidos collective bargaining agreements.

Additional Restrictions

No Leidos employee, representative, or agent without the written approval of Corporate Labor Relations will, on behalf of Leidos:

- Propose or discuss any business arrangement with a union
- Solicit or endorse any union activity to influence legislation or endorse a candidate for public office
- Solicit or endorse any union activity to secure support for Leidos programs or products
- Authorize the use of Leidos identifiers in union literature

3.7 Political Contributions and Lobbying Consultants

Except as described in the details to this section, nothing contained in this policy shall be deemed to prohibit officers or employees from engaging in political activities in an individual capacity on their own time and at their own expense, or from making political contributions or expenditures of their personal funds, or from expressing views and taking action as private individuals. Leidos shall not reimburse any expenses incurred or contributions made for such political purposes.

3.7.1 Corporate Political Contributions

Federal law prohibits a corporation from making a direct contribution or expenditure of money, products, services, or any other resource in connection with a federal election, including any primary election or political convention or caucus held to select candidates for such elections. Many U.S. states and some foreign countries also have laws prohibiting corporate political contributions or impose strict disclosure requirements on anyone making permitted contributions. Failure to disclose political contributions made directly or indirectly on behalf of the company can result in severe penalties for Leidos, including fines and termination of contracts.

No Leidos employee shall contribute corporate funds, make an expenditure of corporate money, products, services or other resource, or seek corporate reimbursement for a personal contribution to a political campaign, party, political committee, or organization. This prohibition applies to all federal, state, local and



foreign political activities. Nothing in this policy prohibits the support of corporate administered political committees such as the Leidos Voluntary Political Action Committee.

3.7.2 Personal Political Contributions

Many states and some local jurisdictions have enacted "pay-to-play" laws that (1) place restrictions on the making or soliciting of political contributions by companies (and their employees) that are doing business with, or propose to do business with, a government agency, or (2) require that companies doing business with the government file reports listing state and local political contributions by directors, senior management officials, and employees. To ensure compliance with these laws, and to avoid damage to Leidos' business interests and reputation, Leidos requires that senior management officials and covered employees obtain prior written approval from the Leidos Government Affairs Committee for personal political contributions in those jurisdictions set forth in the [State Pay to Play Rules Chart](#). Further explanation of this policy is set forth in the [Government Affairs Compliance Handbook](#).

3.7.3 Lobbying Consultants

The federal government and many states require accurate reporting of any fees paid to third parties for lobbying or government relations services. No Leidos employee or organization may hire, retain or renew federal, state, local or foreign lobbying or government relations services without the prior written approval from the Government Affairs Committee. In addition, all lobbying services and expenses must be properly charged and accounted for as required by law.

3.8 Political Contacts and Procurement Lobbying

Employees shall notify the Government Affairs Office of all Leidos-related political contacts, initiatives and interactions, including those with local and state public officials, to ensure compliance with applicable laws and regulations and consistency in Leidos positions on specific issues (see [Policy LP-CO-1: Communications](#)). Employees shall comply with state and local laws regulating "procurement lobbying," which includes meeting with government officials in order to influence a procurement decision, and shall seek approval from the Government Affairs Committee prior to engaging in state and local lobbying activity.

3.9 Charitable Contributions

Leidos is committed to improving the communities where our employees and customers live and work, and supports charitable organizations and initiatives aligned with its mission and core values.

3.9.1 Charitable Contribution Requirements

- The organization must be tax-exempt under Section 501(c)(3) of the Internal Revenue Service (IRS) Code.
- Donations will not be made to sectarian or denominational religious organizations (except for programs which are broadly promoted, available to anyone, and free from religious orientation), political parties, political candidates, or partisan political organizations, or organizations that discriminate based on age, gender, sexual orientation, marital status, physical or mental disabilities, race, color, religion, national origin or ancestry..
- For auditing purposes no charitable contributions in excess of \$100 shall be made on a corporate purchasing card (P-Card).

3.10 Business Development Activities

All Leidos employees shall comply with all relevant federal and commercial procurement laws, regulations, and policies.

Further, all employees shall respect the confidential, proprietary, or trade secret information (collectively, "proprietary information") of others, and of the company. No employee shall use or disclose, directly or indirectly, any proprietary information of the company or another, except in the course of his/her employment, and always in strict accordance with applicable copyright laws and with the terms upon which the proprietary information was disclosed, including the terms of any confidentiality or teaming agreement executed by the company. Any representation of proprietary information in writing, graphics, computer code, or other embodiment shall be safeguarded from disclosure to unauthorized persons and shall be removed from company premises only as needed for company business.

3.11 Misconduct in Science

Leidos employees shall conduct research with the highest standards of integrity and report any observed, suspected or apparent misconduct in the performance of research. Misconduct means fabrication, falsification, plagiarism, or other practices that seriously deviate from those that are commonly accepted within the technical community for proposing, conducting, or reporting research. It does not include honest differences in interpretations or judgment of data. Employees shall report any allegations of "misconduct in science" to their manager, who shall report the matter to the Legal Department.

3.11.1 Misconduct in Science Investigations

Inquiries and investigations of research misconduct under 42 CFR Part 93 (Public Health Service Policies on Research Misconduct) involving Public Health Service (Department of Health and Human Services) support shall be handled under the investigating and reporting requirements set forth under those regulations. The Legal Department shall be responsible for conducting inquiries and investigations concerning allegations or suspicions of misconduct in science in accordance with the Misconduct in Science Procedures set forth in 42 CFR Part 93. Employees shall cooperate with any such inquiry or investigation and Leidos shall cooperate with the Office of Research Integrity in its oversight review of this process.

Appropriate action shall be taken against persons who do not act in good faith when making allegations of research misconduct.

3.12 Combating Trafficking in Persons

Consistent with the United Nations Guiding Principles on Business and Human Rights requirements of the Federal Acquisition Regulation Subpart 22.17 and Defense Federal Acquisition Regulation Supplement, employees, consultants, contractors, subcontractors, and agents performing any work under a federal contract shall not:

- Engage in or support trafficking in persons;
- Procure commercial sex acts;
- Use forced labor in the performance of the contract;
- Destroy, conceal, confiscate, or otherwise deny access by an employee to the employee's identity or immigration documents, such as passports or driver's licenses;

- Use misleading or fraudulent recruitment practices during the recruitment of employees, or misrepresent or fail to disclose information about the key terms and conditions of employment, including wages and fringe benefits, the location of work, living conditions and housing (if housing is provided or arranged), any significant costs to be charged to the employee, and, if applicable, the hazardous nature of the work;
- Use recruiters that do not comply with local labor laws;
- Charge recruitment fees to employees;
- Fail to provide or reimburse return transportation costs upon the end of employment for non-national employees brought into a country for the purpose of working on a U.S. government contract or subcontract;
- Provide or arrange housing that fails to meet the host country housing and safety standards; and
- Fail to provide a written agreement, if required by law or contract, in the employee's native language at least five days before the employee departs from his or her country of origin.

Employees, agents, vendors and subcontractors who violate this policy may be subject to disciplinary actions, including but not limited to, removal from the contract, reduction in benefits, or termination of employment or subcontract/agency agreement. Employees, consultants, contractors, subcontractors, and agents working overseas shall also become aware of and comply with that host nation's laws on this subject.

Any suspected violations of this policy must be reported immediately to the Leidos Hotline at 855-753- 4367. Incidents of suspected human trafficking may also be reported to the Global Human Trafficking Hotline at 1-844-888-FREE and help@befree.org. Individuals may freely make such reports without fear of reprisal. Retaliation against individuals for reporting suspected violations is a serious breach of the Leidos Code of Conduct and can result in disciplinary action.

3.13 Required Disclosures

Leidos employees shall report any violations or suspected violations of this policy, the [Leidos Code of Conduct](#), or of any laws or regulations or any ethics or conduct concerns. Concerns may be reported anonymously. Except as discussed in the Mandatory Disclosures paragraph in this section, employees shall report any violations or concerns to:

- Their supervisor or other individuals in their management chain;
- Their [Group Ethics Director](#), the [Director of Investigations](#) or the [Chief Ethics and Compliance Officer](#);
- The local Human Resources representative, Workforce Solutions Director or the Chief Human Resources Officer;
- The [Employee Ethics Council](#);
- The Leidos Hotline at 855-7-LEIDOS (855-753-4367), which connects you to an independent third-party provider, or by online submission of your concern at <https://leidos.com/hotline>; International Hotline numbers are available on the Ethics and Compliance Hub on Prism;
- The General Counselor Chief Security Officer;
- The Chairman and CEO;
- The Board of Directors via the [Lead Director of the Leidos Board of Directors](#), the [Corporate Governance and Ethics Committee Chair](#) or the [Audit and Finance Committee Chair](#).

Managers shall report any violation or suspected violation involving the Code of Conduct or Policy LP-LG-1, to the Ethics and Compliance Office as soon as possible to confirm that it is handled properly and documented.

Business managers (Group Presidents, Group Controllers, and certain functional area leads) must certify quarterly that they are not aware of any violation or suspected violation involving the Code of Conduct or Policy LP-LG-1, including fraud that has not been reported to the Ethics and Compliance Office.

3.13.1 Mandatory Disclosures

Leidos employees shall report any information regarding potential violations involving fraud, conflicts of interest, bribery or gratuities, civil false claims or overpayments on government contracts to one of the following disclosure channels: the Leidos Hotline 855-7-LEIDOS (855- 753-4367); an Employee Ethics Council member or chair; the General Counsel; the Legal Department; or the Senior Vice President for Ethics and Compliance. The Company shall review and, if necessary, investigate all reported allegations and determine whether there is credible evidence that a violation was committed. If credible evidence of a relevant violation exists, the Company shall make a timely disclosure, in writing, to the appropriate government officials. Mandatory disclosures do not supplant voluntary or other required disclosures of matters not covered in this paragraph.

3.14 Retaliation

Retaliation of any kind against employees reporting legal or ethical misconduct is strictly prohibited and will not be tolerated. Employees shall report concerns about retaliation immediately to the senior vice president of Ethics and Compliance, general counsel, or CEO.

3.15 Investigations

Leidos employees shall cooperate fully with the company in responding to all audits, investigations and corrective actions. In the case of government audits and investigations, Leidos will cooperate with authorized representatives of the government (e.g., investigators, agents, or attorneys) when such representatives request information or documents in the possession of the company to which the government has a legitimate right. All inquiries or requests that an employee receives from the government shall be coordinated with the Legal Department before any response is provided.

3.16 Ethics and Compliance Program Requirements

Leidos employees shall complete ethics training annually, as measured on a calendar year basis. In addition, all Leidos employees shall certify online annually, as measured on a calendar year basis, that they have read, understand and agree to comply with the Code of Conduct. The E&C Office shall report completion rates to executive management, as appropriate. In addition, all employees assigned to compliance training based on their role within the organization shall complete their courses by the designated due date. New employees must complete assigned training within 30 days of their hire date. Employees may be subject to corrective and/or disciplinary action for failing to meet these requirements.

3.16.1 Training and Certification Requirements

It is the responsibility of management to ensure that employees complete ethics training, compliance training, and the Code of Conduct Certification within the timeframes specified above. These requirements do not apply in extenuating circumstances where, for example, the employee is on full time leave status, or working



at remote locations without widely available computer access, etc. In these situations a longer period for the completion of training may be permitted. Exceptions may also apply to inactive consulting employees. Records of employee training shall be maintained. For administrative convenience, ethics training will generally be permitted to be completed within 45 days following the annual due date, and within 60 days following the hire date for new employees, to be considered compliant with policy requirements.

3.17 Recoupment of Incentive Awards

The Human Resources and Compensation Committee of the company's Board of Directors has adopted a recoupment policy that may require members of senior management to return incentive compensation if there is a material restatement of the financial results upon which the compensation was originally based. The recoupment policy also provides for recovery of incentive compensation from any employee involved in fraud or intentional misconduct, whether or not it results in a restatement of the company's financial results. The Human Resources and Compensation Committee of the company's Board of Directors is responsible for enforcement and interpretation of the recoupment policy, subject to the applicable plan and award agreements and to applicable laws and regulations.

3.18 Kickbacks, Fraud and Corruption

Leidos employees shall comply with the Anti-Kickback Act of 1986 and related implementing regulations. This Act prohibits subcontractors from making payments (any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind) to improperly obtain, and prime contractors or higher tier subcontractors from accepting payments to improperly reward, favorable treatment in connection with a prime contract or subcontract relating to a prime contract with the U.S. government. Furthermore, employees are prohibited from offering or attempting to offer, soliciting or accepting a kickback, or from committing any acts of fraud or corruption, in conducting any Leidos business, whether or not the business is with the U.S. government.

3.19 Off-Work Conduct

The company's reputation and brand are among its most valuable assets. Leidos employees are expected to conduct themselves in a manner that reflects positively on the company's image and identity. Leidos employees who engage in off-duty criminal behavior or other misconduct that impairs work performance, diminishes or undermines the company's reputation or business interests, or exposes the company to adverse publicity may be subject to disciplinary action, up to and including termination of employment.

4. References (list of related Procedures, external references, etc.)

- [Leidos Code of Conduct](#)
- [Leidos Government Affairs Compliance Handbook](#)

5. Responsibilities

5.1 Board of Directors, Officers, Senior Management

Leidos' board of directors, officers, and senior management are responsible for supporting an organizational ethics and compliance program consistent with the company's commitment to public accountability standards, principles and best practices of the Defense Industry Initiative on Business Ethics and Conduct.



5.2 Ethics Review Board

The CEO shall establish an Ethics Review Board, an executive management committee that meets regularly to review significant ethics and compliance matters. The scope of the ethics review shall include ethics and other significant cases, trends, disciplinary actions, remedial measures, compliance risks, policy issues, training, communications, and new developments and initiatives.

5.3 Chief Ethics and Compliance Officer

The company's senior vice president of Ethics and Compliance shall, in conjunction with the general counsel, be responsible for rendering advice regarding activities that may be proscribed or regulated by this policy.

5.4 Employees

Employees are responsible for complying with the requirements of this policy and for consulting with their immediate supervisors regarding ethics and compliance issues or any of the other disclosure channels identified in the Leidos Code of Conduct.

5.5 Managers

Managers at all levels are responsible for taking disclosure communications seriously, listening carefully to all ethics and compliance matters brought to their attention, investigating matters when necessary, elevating the concern to appropriate levels and functions within the company, and taking appropriate corrective action when warranted.

5.6 Corporate Governance and Ethics Committee

Leidos [Corporate Governance Guidelines](#) include the responsibilities related to the Corporate Governance and Ethics Committee of the Board of Directors.

6. Definitions

Board of Directors: Includes boards of trustees of charitable organizations, any group or body that performs the functions of a board of directors, such as a management board, supervisory board, scientific or investment advisory board, board committees, advisory boards or any similar body.

Closely-Related Individual: A spouse, domestic partner (whether registered or not), person involved in a dating relationship, children (including legally adopted or placed children), stepchildren, parents, siblings, grandparents, uncles, aunts, cousins, in-laws, or in-laws of any of the categories listed, or any two individuals who live together, share living expenses, have at least a five percent interest in the same business operation (whether a partnership, corporation or other business organization), or list the other person as a beneficiary or dependent.

Conflict of Interest: A situation in which an employee's personal interests interfere, or appear to interfere with the interests of Leidos.

A conflict of interest exists (or is perceived to exist) when an employee's personal interests, relationships, or participation in an activity interferes, appears to interfere, or may interfere with their judgment in performing their job, leads to the improper use of company assets or resources, or competes against the company.



Non-U.S. Government Official: A non-U.S. government official includes (i) an officer, employee, agent or representative of any local, regional or national government, including any department, agency, or instrumentality, or subdivision thereof); (ii) an officer, employee, agent or representative of any public international organization (such as the United Nations); (iii) an officer, director, employee, agent or representative of a company owned or controlled, in whole or in part, by any government; (iv) a political party, a candidate for political office, or a political party official (but excluding “rank and file” members with no special duties or positions); or (v) a person acting in an official capacity on behalf of any of the persons or entities listed in (i) through (iv).

Personal Interest: A direct or indirect financial interest in another company or in a transaction, a personal relationship with someone, or any interest or relationship that could inappropriately affect your judgment and decision-making when you are performing your Leidos responsibilities.

Change Record			
Revision #	Date	Author	Description of Change
4.1	2020-11-13	Angela Kelso	Fixed typo in Section 3.1.3.
4.0	2020-11-04	Angela Kelso	Updated to expand language in Section 3.1, Conflicts of Interest.
3.1	2020-09-01	Angela Kelso	Removed reference to EthicsPoint and updated hotline url in Section 3.13.
3.0	2020-06-03	Angela Kelso	Updates were made to standardize the purpose and scope statements in Sections 1 and 2; a new section was added to address off-work conduct in Section 3.19; and minor edits were made to the disclosure reporting channels in Section 3.13 and board/committee names in Section 5.
2.0	2019-11-01	Angela Kelso	Removed all language around gifts from the policy as it is now incorporated into new Policy LP-LG-12: Gifts, Gratuities, and Entertainment ; removed reference to IS&GS procedure CPS-008: Gifts, Hospitality, Other Business Courtesies and Sponsorships, as it is now retired; added Section 3.6, “Transactions and Prohibited Payments to Unions and Union Representatives.”
1.3	2019-04-08	Angela Kelso	Revision in Section 3.13 to reflect that any violation or suspected violation shall be reported to the Ethics and Compliance Office as soon as possible.
1.2	2018-06-25	Jennifer Buchan	Updated hyperlinks due to new Prism deployment.
1.1	2017-10-30	Angela Kelso	Minor revisions made to (1) add that the Code of Conduct is reviewed and updated annually; (2) clarify the requirements in Section 3.12 are consistent with the “United Nations Guiding Principles on Business and Human Rights”; and, (3) note that the Leidos Hotline numbers for international locations are found on the Ethics and Compliance Prism hub.
1.0	2016-08-16	Leidos Policies Working Group	This revision reflects updates in support of the Leidos, Inc. merger with the Lockheed Martin IS&GS business unit.