

### LOCKHEED MARTIN

# DIVERSITY INCLUDES YOU. WE ARE STRONGER AS A WHOLE.





### **DIVERSITY INCLUDES YOU**

At Lockheed Martin, our diversity mission is to be "one company, one team, all-inclusive, where diversity contributes to mission success." We know our success depends on effectively bringing together a wide range of perspectives, skills and experiences to find the most innovative solutions for our customers.



Robert J. Stevens Chairman, President & CEO

We welcome everyone with the talent, desire and determination to take on the toughest challenges and dream the biggest dreams. It's about bringing out the best in each of us, so that we can achieve great things together. It's about finding a way to support the characteristics that make each of us unique individuals.

We are actively furthering our diversity mission through a wide range of initiatives such as Diversity Dialogues, which open the lines of communication by encouraging employee groups to discuss practical ways to make our environment the most inclusive for everyone. The Diversity Maturity Model (DMM) is another major area of emphasis. We are seeing continued progress in our DMM assessment and eLife Employee Survey results in the areas of diversity and inclusion. The Corporation is also strengthening our approach to career development, mentoring, recruiting and retention and community outreach. And we have introduced Full Spectrum Leadership to assure that our leaders deliver both on business results and the kind of behaviors that respect and inspire employees to do their best.

As we continue to make progress on our diversity journey, we are focused on bringing the best people together for the success of the individual and the whole enterprise. Please take the time to read this booklet, which I see as an expression of our commitment to inclusion for all stakeholders of Lockheed Martin. As always, thanks for your support.

**Bob Stevens** 

Chairman, President & CEO

## **OUR MISSION**

## One company, one team, all-inclusive, where diversity contributes to mission success

At Lockheed Martin, we define diversity as one team that encourages the individuality of each employee to achieve what we call mission success—meeting or exceeding the expectations of our customers. When we mirror the diverse market from which we draw our customer base, we also improve our competitive position. Simply put, what's good for people is good for business.

"Coworkers have a strong impact on creating an inclusive environment that respects and leverages each person's individuality."

Because we are a business, the success of our customers, our company and all contributors to the Lockheed Martin enterprise must be linked. All-inclusive means all employees, but it also shapes our relationships with suppliers, customers, shareholders and our communities.



## THE WHOLE IS GREATER THAN THE SUM OF ITS PARTS

To some, diversity is a buzzword for political correctness. To others, it means individual groups are more important than the whole.

That's not how we see it at Lockheed Martin. It's not a political game. The whole is greater than the sum of our individual parts. Our approach is similar to the complex systems we engineer and integrate. Each element, each subsystem must do its job, but it functions as part of a larger, integrated whole to achieve incredible functionality. If each element does not operate in relation to a greater mission, the system breaks apart and doesn't work. It's that simple.

### Diversity is not a legal requirement

Sometimes, diversity is mistaken for Affirmative Action and Equal Employment Opportunity. These are specific programs based on legal requirements. As a company, we are committed to the success of Affirmative Action and Equal Employment Opportunity.

However, diversity and inclusion take on a much broader perspective and go beyond legal provisions to embrace the multitude of ways we are different. Not all of these differences can be quantified in a legal statute because they are infinite.

Diversity's spirit of inclusion extends to everyone. It's about creating an environment that welcomes, respects, develops and leverages our individual differences as a competitive strength.

"As a father of two teenagers, I appreciate a company that values our life outside of work and provides flexible work hours."



### It goes beyond race and gender

Racial and ethnic equality demand our unwavering support and commitment. Yet diversity goes far beyond race and gender. For example, within any culture there exists a multitude of diverse backgrounds and perspectives. These dimensions in people can be different because of the experiences of their generation; their social contacts, families and friendships; and the work they do.

### WHAT'S IN IT FOR ME?

You are associated with an enterprise that is dedicated to providing everyone with an opportunity to succeed. A commitment to inclusion means that all employees have the opportunity to benefit from diversity. It doesn't guarantee success, but it means you get a fair chance at it in a supportive environment. You provide the talent, effort and determination. We provide the challenge, encouragement and opportunities for growth and development.

<u>Getting Started</u> – We welcome employees aboard with a support system designed to ease the transition to the Lockheed Martin team.

<u>Opportunities</u> – Employees are part of a large corporation that provides many challenging opportunities for career growth throughout the U.S. and overseas. This means you can move around and take on exciting new challenges in many different places without having to go to another company.

<u>Career Development</u> – Lockheed Martin provides a wealth of resources to aid in professional growth including programs for learning, career development and mentoring.

Culture of Respect – When you come through the doors at Lockheed Martin, you'll see that our culture is one of respect for all. We have the highest commitment to ethical principles, which are the cornerstone of everything we do. Our values encourage us to do what's right, respect others and to perform with excellence.

<u>Work/Life Balance</u> – Work/life balance is valued and encouraged at Lockheed Martin. To reward employees for giving their time, energy and full commitment, Lockheed Martin provides employees and their families with programs to enhance their well-being and support personal time commitments.

<u>Learning Culture</u> – Our environment promotes continuous learning and development through formal training and development programs, leadership institutes, tuition reimbursement and informal learning with some of the top experts in their fields.

"I like every aspect of the diversity in our department—the job assignments, the work and the people. I totally appreciate the benefits which consider the diversity of our various cultures and lifestyles."



# OUR COMMITMENT TO INCLUSION

A commitment to an inclusive environment involves each member of the team caring about each other. Companies with an inclusive environment create excitement, energy and innovation that provide a competitive advantage in the global market.

"The strengths of my coworkers are used to make a cohesive team-oriented organization that can get the job done under constraints."

### How inclusion helps us succeed

Inclusion translates into mission success. There is a direct correlation between an inclusive workforce, climate and external relationships and the three pillars of our success: business growth, performance excellence and corporate commitment to the highest standards of integrity.

The global marketplace underscores the need to leverage individual differences. Every day, our labor market and customer base become increasingly diverse. We must attract and retain employees who mirror our world in order to better serve our world. Here are some of the factors that make diversity and inclusion not only the right thing to do, but also a key business issue:





A mature and a sustainable workforce... After nearly two decades of consolidation, well over half of the salaried professionals in the aerospace and defense industry are over the age of 40. Meanwhile, births in the U.S. have not been sufficient to fill the positions of baby boomers as they retire. This is why it's important to retain existing employees while attracting the next generation of our workforce.

Declining engineering enrollment trends as demand continues to grow ... The demand for aerospace, electrical, mechanical and computer engineering disciplines is expected to double in the years ahead. In addition, as the company's information technology markets grow, the need to replenish the technical workforce will continue to increase as the supply diminishes.

#### Growing percentage of minorities in labor force ...

Minority groups are the fastest growing segment of the U.S. labor market and will soon comprise a third of the nation's workforce. Outreach to minority populations to encourage engineering studies is having a positive impact, but the number of minority engineering graduates is starting to decline after increasing through much of the '90s.

### How Lockheed Martin is assuring an inclusive work environment

Lockheed Martin has a comprehensive strategy and process to promote an all-inclusive workplace and our diversity mission. It starts with a commitment from the top. Our Executive Diversity Council, led by Lockheed Martin's Chairman, President and CEO, assures the continued visibility and priority of this business imperative. The council provides advice and guidance to executive leadership on broad matters of policy and enterprise-wide recommendations.

In formulating a diversity and inclusion strategy, the corporation recognizes that an inclusive environment must be embedded in business objectives at all levels of the corporation. All business areas in our corporation are held accountable to "own" diversity and inclusion as business objectives and to support business unit diversity councils in reaching Lockheed Martin's vision.

# DIVERSITY MATURITY MODEL

The Diversity Maturity Model (DMM) tracks our progress in building a more inclusive environment. It measures employee perceptions, business processes and the organizational climate. Through the DMM, we now have a common language, cohesive approach and uniform process to establish a roadmap for progressing as an inclusive enterprise.

"I appreciate the opportunity that I received starting a new career path after 20 plus years with the company."

The DMM concept is adapted from the Software Engineering Institute's Capability Maturity Model. Each year, the company earns a score that ranges from (1) Foundational, (2) Enlightened, (3) Embraced, (4) Integrated and (5) Institutionalized Inclusion. Business units and other action teams use yearly results to identify opportunities to build a more inclusive environment.

The company receives a rating based on three elements: an organizational assessment performed by the business units with an independent peer team review; the employee Diversity Maturity Survey; and objective statistical data that incorporates demographic information relating to diversity. The DMM's framework integrates the corporation's many people-focused initiatives ranging from recruiting and career development to mentoring and work/life programs.

## DIVERSITY AND INCLUSION INITIATIVES

The corporation's diversity and inclusion initiatives are many and varied. They build on an already strong foundation of efforts included in the section entitled "What's In It For Me?," and are focused on standardizing best practices throughout the corporation. The initiatives include strengthening our activities in areas such as recruiting outstanding talent, mentoring, training, educational advancement, career development, leadership forums and support for employee involvement in professional and community organizations.

Opening the lines of communication through activities like "Diversity Dialogues: Building an Inclusive Workplace" is a major area of focus. These discussions, facilitated by managers, give all employees a chance to voice their opinions on diversity topics. Additionally, these discussions illustrate the breadth of diversity topics by opening dialogue on many subjects, not just race and gender.

Training managers to fully understand and lead a culture of inclusion is another major emphasis. All leaders are trained in diversity and taught how to advance this business objective. Leaders are expected to model personal excellence, held accountable for their actions and recognized for successes.



# HOW THE COMPANY IS SUPPORTING DIVERSITY IN THE COMMUNITY

Lockheed Martin builds on a strong track record and makes sure the spirit of diversity and inclusion extends to our suppliers and the communities where we do business.

### Supplier diversity

The corporation maintains a world-class subcontracting program that promotes inclusion in business opportunities for all classes of small business, as well as historically black and tribal colleges, universities and minority institutions. Objectives include ensuring that small businesses of all types are afforded a fair opportunity to participate in our subcontracting process, and providing all Lockheed Martin personnel with adequate tools and training to meet supplier diversity objectives. The corporation is dedicated to meeting our subcontracting needs by developing a diverse network of suppliers both large and small.

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#### **Outreach activities**

Lockheed Martin has a strong track record of outreach in our communities and on the campuses of colleges and universities. Employees are involved in many kinds of volunteer efforts to reach out to youth in our nation's schools. Consider the fact that the engineers of tomorrow are in school today, and you will understand why it is an important business issue for Lockheed Martin to be engaged in outreach activities.

The corporation is strengthening its commitment to intern and co-op programs to provide potential future hires meaningful work experiences. Lockheed Martin has a strong commitment to higher education institutions through donations and recruiting relationships.

# "The company has worked with me to support my role as both an LM employee and a single parent."

Employees and business leaders are also actively involved as members of important local associations and civic organizations that support inclusiveness and diversity in our communities.

### Award-winning support

Here are a few ways that Lockheed Martin's support and commitment for diversity and inclusion have been recognized externally:

- The non-profit organization INROADS named the company a national partner for our support to a diverse group of interns.
- ◆ Lockheed Martin is rated one of the nation's best employers for people with disabilities according to a list compiled by *Careers & the Disabled*, the career magazine for people with disabilities.
- Hispanic Serving Institutions and Historically Black Colleges and Universities recognized Lockheed Martin as a top corporate supporter of engineering schools.
- ◆ Lockheed Martin was ranked among the top military-friendly employers by G.I. Jobs magazine.
- DiversityBusiness.com recognized Lockheed Martin as America's top organization for multicultural business opportunities.

## MAKE A COMMITMENT TO DIVERSITY

Assuring an inclusive environment requires everyone's commitment. Your role is critical in supporting others and taking advantage of opportunities to develop your career or engage in outreach activities.

Here are a few ideas to think about:

- Challenge negative thinking and comments by asserting your positive support for a fully inclusive environment.
- Become a mentor. Reach out to someone who is different from you.
- Participate in activities to raise your awareness about diversity and inclusion.
- When building a team, see your differences as strengths. Differences add skills, knowledge, points of view, values and abilities. Use these differences to identify more effective ways of operating. This can improve productivity.

"If I need to work 10 hours one day and seven the next, it's okay. I always get the work done and I feel loyalty to a company that understands I have another life outside of the office."

> ◆ Be aware of your assumptions and prejudices. Consider how they may affect your attitude and behaviors at work. Recognize that prejudice may be subtle. When you know you'll be in a challenging situation, plan to question your biases and perhaps react differently than your feelings might initially dictate.

"My job allows me to develop imaginative solutions to problems and to work with many different technologies. My boss is extremely supportive of my efforts to solve problems in new ways."

- ◆ Attend community cultural events, such as ethnic dance festivals, celebrations, fairs, lectures, movies, and plays. Listen to guest speakers on multi-cultural and diversity issues. Invite others to go with you. Share your appreciation for other cultures and your learning from these events with others.
- ◆ Socialize with people who are different from you. Make these contacts on and off the job. You may find that you share common interests.
- ✦ Have lunch or coffee once a week with a person different from you in race, age, department, education or discipline, level or other aspects.



### **DIVERSITY INCLUDES ALL OF US**

Diversity includes you ... and everyone with the talent and determination to make their dreams come true. We hope you have found this booklet to be informative and useful in understanding Lockheed Martin's approach to diversity as one company, one team, all-inclusive, where diversity contributes to mission success.

The business case for diversity is clear, but the simple truth is that the business case flows from the hearts and minds of people. If we treat people with respect, it brings out the best in all of us. Looking out for each other, supporting each other in our career challenges, makes us stronger as individuals and as a team.





### LOCKHEED MARTIN'S VISION:

Powered by Innovation, Guided by Integrity, We Help Our Customers Achieve Their Most Challenging Goals.

### **OUR VALUES:**

Do What's Right
Respect Others
Perform With Excellence

# DIVERSITY... It starts with dedication...



AND ENDS WITH YOU!\*



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