

# STATEMENT ON SUPPLY CHAIN TRANSPARENCY CONCERNING MODERN SLAVERY



**LOCKHEED MARTIN**   
**AUSTRALIA**

**SIKORSKY AUSTRALIA**  
— A LOCKHEED MARTIN COMPANY —

# 1

## REPORTING ENTITIES

Lockheed Martin Australia Pty Ltd (ACN 008425509) of 8 Brisbane Avenue, Barton ACT

Sikorsky Aircraft Australia Limited (ACN 003 031 509) of 29 Wugan Street, Yerrilyong NSW

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## INTRODUCTION

Lockheed Martin Australia Pty Limited (LMA) and Sikorsky Aircraft Australia Limited (SAAL) understand and appreciate our responsibility to respect human rights in our operations and supply chains. We believe that respect for human rights is an essential element of being a good corporate citizen and the long-term success of the company. LMA and SAAL share the core values of our parent company, Lockheed Martin Corporation. These are Do What's Right, Respect Others and Perform with Excellence. These values guide us in our conduct to ensure respect for human rights, and we expect our partners and suppliers to honour the same values.

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## STRUCTURE, OPERATIONS AND SUPPLY CHAINS OF REPORTING ENTITIES

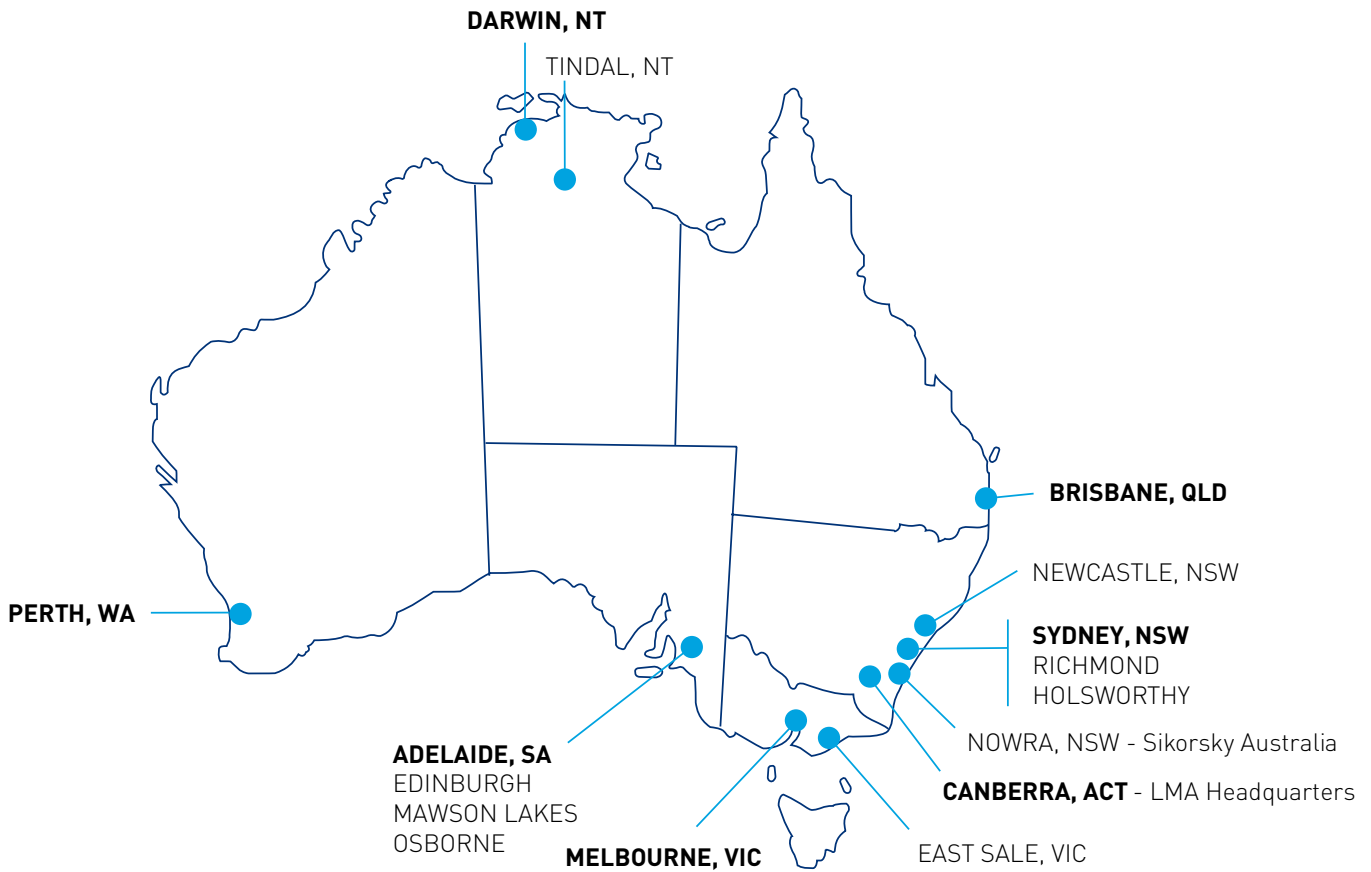
### STRUCTURE AND OPERATIONS

Lockheed Martin Australia Pty Limited (LMA) and Sikorsky Aircraft Australia Limited (SAAL) are wholly-owned subsidiaries of Lockheed Martin Corporation headquartered in Bethesda, Maryland, United States.

LMA is an Australian company headquartered in Canberra, Australian Capital Territory, that is engaged in the integration and sustainment of advanced technology systems, products and services across space, air, land, sea and cyber domains.

Australian-based SAAL headquarters is in Nowra, New South Wales, specialises in Airframe, Component and Rotor Blade maintenance, repair and overhaul along with Design Engineering, Material Sales and Maintenance Training.

In addition to the Headquarters of LMA and SAAL in Canberra and Nowra respectively, LMA and SAAL operate in locations throughout Australia as depicted below.



Lockheed Martin Corporation, has corporate anti-trafficking policies and a summary statement in relation to Human Trafficking and which can be found on the Lockheed Martin Corporation website. The Corporation and its subsidiaries are required to comply with those policies.

The Modern Slavery Act 2018 (Cth) (the Act) requires commercial organisations to disclose their policies and other information in relation to slavery and human trafficking, and the steps the organisations have taken during the preceding financial year to ensure that slavery and human trafficking are not taking place within the business and its supply chains. LMA and

SAAL are committed to ensuring that their employees and suppliers take appropriate steps to mitigate the risk of modern slavery from occurring in any aspect of its business and supply chain. The following information is provided in compliance with the Act.

## LMA & SAAL SUPPLY CHAIN

LMA and SAAL operate in Australia together employing approximately 1320 people, working regularly with an estimated 675 Australian suppliers. The majority of purchases relate to high technical equipment and professional services.

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## RISKS OF MODERN SLAVERY PRACTICES

Neither Lockheed Martin or SAAL have current suppliers in geographically high risk areas. Any products and services sourced from international partners come from nations considered low risk of violating Modern Slavery legislation. For example, United States, United Kingdom, Canada, New Zealand, Italy and Germany.

LMA and SAAL following a risk-based analysis and phased approach to ensure compliance with Modern Slavery requirements throughout the supply chain, as set out below:

- develop an overall LMA supplier risk assessment
- review global and local policies to identify any gaps required to address Modern Slavery requirements
- identify and analyse existing suppliers to prioritise application of high risk assessment
- apply the risk assessment to all suppliers including updating supplier checklists.

This analysis has resulted in an overall assessment of the Modern Slavery risk in the LMA and SAAL supply chains as low.



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## ACTIONS TAKEN TO ADDRESS RISKS OF MODERN SLAVERY PRACTICES

### VERIFICATION OF SUPPLY CHAIN

LMA and SAAL verify product supply chains through several methods, including site evaluations, inspections, verification of government debarments and denied parties lists, among others. Both entities require, as a condition of contract, that all suppliers agree to comply with all applicable laws and regulations. Additionally, since the Act was introduced, LMA and SAAL have included specific clauses to call out the Modern Slavery requirements in standard contract templates for suppliers.

### EVALUATION OF SUPPLIER COMPLIANCE/AUDITS

LMA and SAAL require potential suppliers to complete a questionnaire that has a range of questions designed to assess the risk of Modern Slavery within that supplier organisation or its supply chain. As part of the standard evaluation process, LMA and SAAL procurement teams are required to review the suppliers responses to evaluate supplier compliance with specific standards for trafficking and Modern slavery in supply chains and record those responses.

LMA and SAAL have also stood up a Modern Slavery Working Group and Sub Working group, comprised of key members of the organisations from a range of functional areas including Commercial, Procurement, Legal, Human Resources, Ethics and Communications to discuss and review the adequacy of current processes to evaluate supplier compliance and LMA policies and processes related to Modern Slavery more generally.

LMA maintains an ethics helpline at (US) 1-800-LM-ETHIC (when calling from outside the U.S., first dial the origin country's exit code). Anyone who observes conduct contrary to the principles set forth in Lockheed Martin's Code of Conduct "Setting the Standard" may call the Ethics helpline number that is included in all supply contracts. LMA promptly investigates all reported matters and takes action as needed, including disclosure to governmental authorities as appropriate.



# SUPPLIER CERTIFICATION

It is a condition of any contract that all suppliers commit to comply with applicable laws and regulations, including the Act.

An established Supplier Code of Conduct communicates the core principles to which the entities expects its suppliers to adhere. The Code of Conduct includes the following provisions:



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## Human Rights

LMA and SAAL expects its 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.



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## Human Trafficking

LMA and SAAL expects its suppliers not to engage in the use of forced, bonded (including debt bondage) or indentured labour, involuntary prison labour, slavery, or trafficking of persons. This includes transporting, harbouring, recruiting, transferring, or receiving vulnerable persons by means of threat, force, coercion, abduction, or fraud for the purpose of exploitation.



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## Child Labour

LMA and SAAL expects its suppliers to ensure that child labour 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.

# INTERNAL ACCOUNTABILITY STANDARDS

LMA and SAAL maintain internal accountability standards and procedures for employees or contractors failing to meet its standards regarding slavery and trafficking. The entities have implemented several internal policies addressing this requirement; an example is Corporate Policy Statement, Good Corporate Citizenship and Respect for Human Rights, which states that LMA and SAAL seek to improve the global society in which we operate, advance technological and economic development, communicate honestly and forthrightly, and holds itself accountable to deliver consistently what it promises to its stakeholders (customers, stockholders, employees, partners, suppliers, and communities); and minimise any negative consequences of its business activities.

LMA and SAAL have procedures in place for employees to report, without fear of retaliation, activity consistent with Modern Slavery. When violations involving employees are substantiated, we will take appropriate disciplinary action. If the violation involves the entity’s suppliers, appropriate action, up to and including termination of contracts, may be taken.

## EMPLOYEE TRAINING

LMA has developed training for recruiters to ensure compliance with its standards regarding Modern Slavery and trafficking. We will continue to develop and maintain training modules that support this commitment to human rights, including child or forced labour, trafficking of persons, adherence to labour laws, adherence to truthful and trustworthy practices during the recruitment of employees or offering of employment, proper disclosure of information, and proper representations during the recruitment process to include key terms and conditions of employment, wages, fringe benefits, work location, housing, and nature of work.

LMA is developing specific training focused on its human resources, commercial, procurement and supply chain management teams to specifically address the Act and help equip its teams with knowledge designed to implement the company's risk-based assessment approach. All LMA and SAAL staff undertake compulsory training specifically focused around our Code of Conduct which addresses components of Modern Slavery such as Human Trafficking, Human Rights and Child Labour.





# 6 | ASSESSMENT

## FURTHER DEVELOPMENT AND REASSESSMENT OF LMA AND SAAL MODERN DAY SLAVERY PRACTICES

Both LMA's and SAAL's key stakeholders meet regularly to review, reassess, and further develop the companies' Modern Slavery approach, not only to ensure statutory compliance but also to ensure fulfillment of the Corporation's core values: "Do What's Right", "Respect Others" and "Perform with Excellence."

Since our companies' first reporting period, we have reviewed the effectiveness of our actions being taken to assess and address modern slavery risks. We have focused predominately on procurement and supply chain practices and developing internal processes to support effective reviews and reporting of suppliers at risk of non-compliance.

Our current supplier questionnaire forms part of an approved supplier pre-qualification process which is now updated with specific Modern Slavery reporting requirements. Further, we have explained to suppliers our companies' expectation to assess and address modern slavery risks in their global operations and supply chains. We will continue to develop our current metrics which identifies supplier questionnaire responses, rates and continually remediate replies deemed at risk of non-compliance.

We have also introduced Modern Slavery Act 2018 clauses within Terms and Conditions for Purchase Orders and Agreements for Provision of Contractor Services. We will continue to collaborate with our suppliers and develop our preventative measures and metrics to support the eradication of Modern Slavery.





# 7 | CONSULTATION

While LMA and SAAL are separate wholly owned subsidiaries of Lockheed Martin Corporation, a number of resources and support functions are shared between the companies. The reviews and assessments described above were undertaken on behalf of both LMA and SAAL by shared corporate staff. Further the policies and procedures and codes of conduct developed by Lockheed Martin Corporation are applicable to LMA, SAAL and their supply chains.

# 8 | ANY OTHER RELEVANT INFORMATION

LMA and SAAL will actively review its approach to Modern Slavery and is open to any best practice that it can adopt to enhance its own developing policies and procedures.

# 9 | APPROVALS

This Modern Slavery statement was reviewed by the board of directors of LMA. The board has resolved to approve this statement, authorise Warren McDonald to sign the statement on behalf of LMA and direct the company to lodge this statement as required by the Act.

This Modern Slavery statement was reviewed by the board of directors of SAAL. The board has resolved to approve this statement, authorise Warren McDonald to sign the statement on behalf of LMA and direct the company to lodge this statement as required by the Act.

Signed,



***Warren McDonald***

Chief Executive, Lockheed Martin Australia Pty  
Director, Sikorsky Aircraft Australia Limited