2019 Corporate Responsibility Report
We value our inspired, passionate and united employees. Not only do they further the Leidos mission to provide innovative solutions, they are equally active in their communities, are ethically-minded, and make a positive difference in the world. Our solutions transform business and change the world. We’re equally committed to using our time and resources to support people, enrich communities, and protect the environment. This commitment defines our philosophy on sustainability.
At Leidos, our sustainability efforts tie deeply to our mission of making the world safer, healthier, and more efficient. We are a Fortune 500® information technology, engineering, and science solutions and services leader in the defense, intelligence, homeland security, civil, and health markets. The talents of our employees, nearly 60% of whom have degrees in science, technology, engineering, or math (STEM) disciplines, help government agencies solve the world’s toughest challenges. Their dedication and performance in 2019 drove growth and continued strong financial performance.

As we release this, our 11th annual Corporate Responsibility Report, the world faces unprecedented challenges from the ongoing COVID-19 pandemic. At the same time, our world contends with racial and social injustice. In times of uncertainty, Leidos is guided by the conviction to do what is right every day. Whether it is prioritizing our global workforce’s health and mental well-being throughout the pandemic, or creating an inclusive workforce, our employees are respected, valued, and heard, our efforts are rooted in a foundation of ethics and integrity.

The year 2020 reminds us that we all must play a part in creating a more equitable world. In January, we added inclusion as our sixth core value – alongside ethics and integrity, innovation, agility, collaboration, and commitment. Adding this value was not a symbolic gesture, rather it formalizes a culture that fosters a sense of belonging and welcomes all perspectives. We believe that inclusion and integrity are built on the foundation of respect for all. Our employees are empowered to uphold our values, reinforcing a culture that we are incredibly proud of. To me, this makes Leidos genuinely unique.

Our exceptional talent and leadership adjust to challenges and opportunities. We develop innovative, sustainable solutions for our clients that help address global challenges to make the world safer, healthier and more efficient. As the world continues to respond to the COVID-19 pandemic, Leidos’ strong Environmental, Social, and Governance (ESG) practices help us prepare and protect communities and our world.

Read a message from our Chairman and CEO, Roger Krone, on his commitment to sustainability.
Executive Summary

Our efforts went beyond programs and resources designed to benefit Leidos employees, and provided for those most in need in our communities.
We committed additional time and resources to battle one of the major issues of our time, the Opioid crisis, as well as initiated planning to launch a new campaign specific to mental health and mental well-being. The new campaign, a direct result of signing the Business Roundtable’s Purpose of a Corporation redefinition, focuses on COVID-19 related anxiety and depression. Veterans and suicide, and continued substance use disorder prevention.

Further, Leidos was recognized as one of the World’s Most Ethical Companies by the Ethisphere Institute, a global leader in defining and advancing the highest standards of ethical business practices. We are one of only 128 honorees from 21 countries and 50 industries to receive this recognition. Being named one of the World’s Most Ethical Companies for the second consecutive year is an exclusive honor and distinguishes companies like ours that drive positive change through ethical practices, promotion of corporate citizenship, and responsible governance and leadership. This recognition truly sets us apart.

The annual Leidos Corporate Responsibility Report, published in accordance with the Global Reporting Initiative (GRI) Standards Framework, takes stock of the progress and impact of the company across multiple areas as assessed as important to its growth and sustainability. Each year, Leidos strengthens its workforce, maintains a commitment to inclusion and diversity.

Our people

We formally added inclusion as the sixth Leidos value. More than 20,000 employees responded to our Engagement Survey 2019, providing feedback on their perceptions and opinions of the culture at Leidos. Overwhelmingly, our employees responded that Leidos is committed to inclusion and diversity in the workplace, and that their managers also practice and promote diversity and inclusion. Adding inclusion as a value solidified and formalized our commitment to inclusion and diversity.

For the second year in a row, Leidos attained best in class rankings on the Bloomberg Gender-Equality Index including: Number of Women on Board of Directors, Family Care, Health Care, Flexible Work, Career Development, and Diversity & Inclusion Strategy, and Supplier Diversity Initiatives. We also received a 100% score on the Human Rights First’s 2020 Corporate Equality Index (CEI), the nation’s premier benchmarking survey and report measuring corporate policies and practices related to LGBTI workplace equality. The top score of 100%, which emphasizes Leidos’ unwavering commitment to inclusion, diversity, and workplace equality, earned the company the distinction of “Best Place to Work for LGBTI Equality.”

We partnered directly with employees to understand their career aspirations by aligning their passions and interests to an effective skill set that serves both the organization and the community. We offer a range of Massive Open Online Courses (MOOCs) including supervisor responsibilities, PMP® certification preparation, Innovation awareness, and System Engineer Certification Training. Leidos continues to offer more than 3,000 online courses at no cost to employees or their organizations on topics such as business, management, and information technology.

More than 20% of our workforce are veterans, illustrating our strong affinity with the military both in our workforce. We maintained our “Best for Vets” and Top 100 Military Friendly Employer designations. For our Operation Military Veteran Program (OMP) efforts, we once again earned the VETS Indexes’ “Ladders” which includes publicly traded companies that support the hiring and professional development of veterans.

Our communities

To support the communities where we live and work, Leidos made more than $43 million in charitable contributions to 5,200 nonprofit organizations based in the United States and around the world. We used this funding to support our internal STEM education and wellness, ethics, and leadership initiatives, and to support our military and intelligence personnel and their families. In 2019, Leidos continued to build on our impact to advance social responsibility campaigns. The multi-faceted internal and external campaign included additional awareness/educational materials published on Leidos.com, participation in regional panels led by the U.S. Chamber of Commerce and the Dept. of State, achieving a milestone of 100 CEO’s signing to pledge their support for the CEO Action for Diversity and Inclusion. Moreover, industry partners to join our cause, continued expansion of our non-profit relationship with 100+ organizations, and community and state chamber engagement projects in Maryland.

We maintained strong partnerships with fourteen different colleges and universities through our long-standing Stipends and Sponsorship program, focused on improving STEM education, as well as bringing high-technology solutions to the nation’s most challenging problems.

Our environment

1 of every 4 Fortune 500 companies is a valued energy, environmental science, and engineering customer. We maintain a strong commitment to environmental stewardship.


In 2019, as a company, we pledged to reduce greenhouse gas (GHG) emissions by 25% with a deadline of 2020. We have already achieved GHG reductions by more than 30%, and we are on track to exceed this target even further.

We increased renewable energy purchases by nearly 50% between 2018 and 2019, using renewable energy certificates, and expanded its portfolio to include additional renewable energy certificates.

We implemented an award-winning sustainability software enabling us to monitor our environmental footprint, better track employee volunteerism and causes of interest, and collect employee health and safety information.

We are proud of the programs and activities our corporate responsibility report outlines and the actions we have pursued to help our company grow and become more sustainable in 2019. The report complies with the Global Reporting Initiative’s (GRI) Standards Framework.
Environment

Our environmental services, coupled with our internal stewardship and GHG reduction efforts, are creating a healthier world.
The greatest contribution Leidos makes to environmental stewardship comes through the work we do for our customers. Our solutions complement an ever-increasing internal focus on reducing our environmental footprint. Internally, we use our energy and environmental expertise to inform our own accountability with regard to environmental impacts. We disclose environmental impacts of our business, and take steps to mitigate those impacts through programs that are beneficial to our environment, our customers, and our company. We set a goal to reduce our greenhouse gas (GHG) emissions by 25% no later than 2020 relative to a 2010 baseline. Our legacy company achieved this goal six years ahead of schedule, largely due to restructuring, real estate reductions, and energy reduction initiatives, including the introduction of energy-saving equipment at our facilities, and maintaining goals to increase renewable energy purchases throughout our operations.

Our overall sustainability strategy includes voluntary measures to minimize GHG emissions and energy use, track environmental risks, and improve environmental data collection and visibility. Our strategy is defined by the Sustainability Working Group (SWG), which is co-sponsored by both the Vice President of Corporate Real Estate, Facilities and Workplace Services and the Vice President of Corporate Communications. The SWG membership consists of key representatives from each of the various Leidos functions, as well as customer-facing sustainability experts. The SWG tracks environmental performance throughout our operations, helps guide our overall sustainability strategy, and identifies and manages climate-related risks to our company. The executive sponsors provide annual updates regarding sustainability to the Board of Directors that includes information and feedback from the wider team. The SWG ensures Leidos makes continual progress towards meeting our goals of reducing environmental impact and risk exposure across the organization.

In 2019, Leidos implemented a new environmental management information system to better track and measure our environmental footprint. The system will also serve as a centralized hub for our ongoing energy and emissions management programs, and will allow us to update management more regularly on our environmental impact throughout the year. Our emissions inventory is verified by a 3rd party every two years, and is reported to CDP, whose scoring we use as a benchmark to evaluate our environmental performance.

Our Management Approach
As a company that primarily provides services to the Federal government, Leidos has a relatively small environmental footprint. However, we have surpassed our legacy emissions goal through two primary measures. First, we have continually reduced the size of our real estate portfolio. The second measure is our Strategic Energy Management Program, which identifies energy reduction initiatives, including the introduction of energy-saving equipment at our facilities, and maintains goals to increase renewable energy purchases throughout our operations.

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Additionally, Leidos maintains an Environmental, Health and Safety Management System to ensure that we protect our employees, our environment, our stakeholders, and our communities with applicable laws and regulations. Our EHS Management System consists of design, implementation and oversight processes to ensure consistent application across Leidos’ operations, inclusion of Leidos employees who work at customer-owned locations, and continuous progress towards a goal of zero accidents across our enterprise.

Policies and formalized environmental procedures include:
- LP-LG-11: Environmental Health and Safety which expresses our commitment to:
  1. Minimizing detrimental environmental impacts arising from our business activities
  2. Environmental sustainability, including conservation of natural resources, pollution prevention, waste reduction, and recycling
  3. Statutory and regulatory compliance
  4. Incorporation of leading EHS & sustainability practices into our product and service offerings
- Leidos EH&S Manual
- Leidos Strategic Energy Management Plan
- Our EHS Management System has earned Leidos recognition as a leader in the field of occupational health and safety, and undergoes rigorous internal scrutiny.

Environmental Services and Performance
A pioneer in energy efficiency programs for more than 30 years, we continue to lead the energy efficiency industry with our innovations today. Leidos has more than 40 years of energy, environment, and critical infrastructure experience. Our energy solutions advance the nation’s need for clean, reliable, and secure energy. Leidos is also a leader in the environmental engineering space, with solutions ranging from cleantech and renewables, planning through implementation, public participation, regulatory compliance, data measurement, and remediation.

As a services firm, our primary clean energy technology is to hire the best talent in the field of occupational health and safety, and undergoes rigorous internal scrutiny.
GLOBAL ENVIRONMENTAL SERVICES AND SOLUTIONS

Our greatest contribution to environmental stewardship is through innovative and responsible solutions we provide to our customers.

Leidos currently manages $1.8B of energy, environmental, and sustainability advisors to clients across industries.

The Cull Group manages and executes 4,228 concurrence projects worth a total of $1B, with individual projects up to $4.1B.

Our Experts

1,800 environmental, health, safety, and sustainability professionals

SÆFER, MORE EFFICIENT, AND MORE SECURE

- 1 of every 4 Fortune 500 companies is a valued energy, environmental, and engineering client.
- Clients include nine federal agencies and all five U.S. military branches.
- Ranked by Engineering News-Record among the Top 10 federal environmental firms, Top 200 firms, and Top 500 facilities.

PROJECT SUCCESS

Leidos maintains an excellent record of completing projects within or ahead of schedule on more than 4,500 challenging environmental projects over the last five years. We have:

- Helped utilities save more than 700,000 net megawatt hours annually through energy efficiency services, equivalent to 55 million gallons of gasoline or enough to power more than 66,000 homes.
- Provided more than $1 billion in incentives from 43 energy efficiency programs.
- Reviewed 800 renewable energy and 150 biocatalyst projects across six continents, with energy capacity in excess of 15,000 megawatts over the last two years.
- Completed more than 3,000 National Environmental Policy Act (NEPA) studies for complex and potentially sensitive projects in wildland, rural, and urban environments.
- Completed more than 17,000 environmental restoration projects; 550 environment, health, and safety compliance and verification studies; and 585 hazardous, toxic, and radioactive waste projects to date.
- Prepared the largest habitat conservation plan for aquatic resources in the United States.
- Collected more than a quarter million environmental samples for testing and analysis.
- Innovated the per- and polyfluoroalkyl substances (PFAS) remediation process.

OUR EXPERTS

- Energy Technology: Our team of talented and diverse experts provides advanced research and technology development for clean, reliable, and affordable energy solutions at government and industrial sites and academic labs around the nation. Our energy, engineering, and technical specialists devote their expertise to developing actionable approaches to risk management, scientific energy solutions that consistently meet our clients’ energy mission requirements.
- Environmental: Leidos environmental engineers and scientists provide a complete capability to meet the needs of customers, including the Department of Defense (DoD), Department of Energy (DOE), National Aeronautics and Space Administration (NASA), and commercial clients. Our environmental experience includes the following services:
  - Environmental Planning – Accurately detect, quantify, and plan your site environment with the expertise of Leidos natural and cultural resource specialists. Using the latest assessment technology and science, Leidos provides a natural and cultural resource study that provides the data needed to make scientifically sound decisions needed to prepare National Environmental Policy Act (NEPA) documents.
  - Environmental Remediation – Reduce your liability with sustainable, long-term solutions that comply with Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and Resource Conservation and Recovery Act (RCRA). Leidos offers smart analytics to help you identify effective and affordable solutions to complex environmental challenges.
  - Regulatory Compliance – Federal, state, and industry clients have relied on Leidos for more than 40 years to meet regulatory requirements and protect workers and public health.

Highlighted in this report are just a few projects that show how Leidos helps to reduce negative environmental impacts through clean-tech, energy efficiency, sustainable use of resources, environmental protection and remediation, engineering, and infrastructure.

Corporate Footprint and Environmental Stewardship

WE ARE COMMITTED TO REDUCING OUR ENVIRONMENTAL IMPACT.

At Leidos, we have eliminated under-performing real estate assets and improved operating efficiencies across our entire real estate portfolio, includ- ing through flexible workplace initiatives. These actions have been the larg- est contributing factor to reaching our Legacy 2020 greenhouse gas (GHG) reduction goal of 25% six years early in 2014. Between 2018 and 2019, we continued to reduce GHG emissions through real estate restructuring as well as through improved efficiency programs and use of renewable energy to power select facilities. We increased renewable energy purchases by nearly $4 million in 2019 through the use of Renewable Energy Certificates (RECs), and will continue to look for opportunities to increase our utilization of renewable energy. Our renewable purchased remaining consistent between 2018 and 2019. Continued improvements to the power grid (e.g. increased efficiency and use of cleaner fuels) have also contributed to GHG emission reductions. Leidos remains a prime contractor to the Department of Defense, and in FY 2019, we were the second largest owner of commercial office space. Leidos continues to occupy lab, warehouse, and data center space that contributes to the company's environmental foot- print. Our operations are lower impact in nature when compared to many of our competitors that specialize in heavy manufacturing, an emission-heavy business model.

FOOTPRINT AT A GLANCE

The charts below summarize our environmental performance history. The charts include data from calendar years (CY) 2018 and 2019 to illustrate year-over-year performance improvements and from CY 2010 for compar- ison to our baseline. The primary metrics we track and manage, including energy and water use, greenhouse gas emissions, and GHG emissions but we also monitor transportation and material consumption.
Leidos reduced 702,234 GJ in buildings and fleet vehicles in 2019. This reflects a 4% improvement from 2018 and a 22% improvement from our 2010 baseline. In addition, we increased our use of renewable energy nearly six-fold from 2010 to 2019 and held steady in 2019 at about 22% of total electricity consumption.

In 2019, Leidos owned and leased buildings consumed 690,429 GJ, including 111,923 GJ of renewable electricity. Leidos began implementing energy savings opportunities identified in its Strategic Energy Management Plan in 2013, and we continue to drive savings through standardized operating procedures and design practices. Between 2018 and 2019, Leidos reduced building energy consumption by about 11,500 GJ, or about 1.6%, as a result of conservation and efficiency initiatives. Compared to our 2010 baseline, we have reduced building energy consumption by nearly 290,000 GJ, or about 30%. The majority of these savings were the result of strategies to utilize real estate more effectively, including disposing of underperforming or underutilized assets and implementing alternative workplace strategies. Other savings were realized through upgrades to HVAC controls and equipment and LED lighting retrofits at our facilities. These energy efficiency improvement have helped to reduce the average energy use intensity (EUI) across approximately 6.8 million square feet of Leidos-owned and leased space by 1.3% compared to 2018 and 1.5% since 2010.

GHG EMISSIONS

Leidos views GHG emissions as an important metric and a good representation of our overall environmental impact and mitigation progress. Each year, GHG emissions from our global real estate portfolio, vehicle fleet, business travel, and employee commuting are quantified according to the GHG protocol and using industry-accepted GHG emission factors. Our annual GHG emissions are also verified according to ISO standards by an external third-party to confirm accuracy and completeness and to improve transparency.

Scope 1 & 2 GHG Emissions

In 2019, our market-based GHG emissions totaled approximately 5,272 metric tons of carbon dioxide equivalent (mtCO2e), a 6% reduction from our 2010 baseline. In addition, we increased our use of renewable energy nearly six-fold from 2017 to 2018 and held steady in 2019 at about 22% of total electricity consumption.

In 2013, and we continue to drive savings through standardized operating procedures and design practices. Between 2018 and 2019, Leidos reduced building energy consumption by about 11,500 GJ, or about 1.6%, as a result of conservation and efficiency initiatives. Compared to our 2010 baseline, we have achieved an absolute GHG reduction of 53%, which is slightly less than double our 2020 goal of 55%. In addition to absolute GHG emissions and reductions, Leidos tracks the GHG intensity of our revenue and our workforce. One of our objectives is to disassociate GHG emissions from revenue and employee count and we have consistently improved our performance relative to these metrics since 2010. In 2019, we reduced the GHG intensity of our revenue by 14% compared to 2018 and by 33% compared to 2010. Similarly, we reduced the GHG intensity of our workforce by 11% compared to 2018 and by 40% compared to 2010.

Scope 3 Emissions

In 2017, Leidos began quantifying scope 3 GHG emissions from employee commuting and business travel to more completely understand our environmental impacts and to identify opportunities and evaluate existing initiatives to reduce GHG emissions. Scope 3 GHG emissions totaled about 89,511 mtCO2e in 2019, and were split about 66% from employee commuting and 44% from business travel (car, air, and rail travel). This reflects a slight decrease of about 1.5% compared to 2018. Note that scope 3 emissions for 2018 have been revised from previous disclosures to include scope 3 emissions from outside of the U.S.

Some of the strategies used to reduce GHG emissions and intensities in 2019, included:

- Utilizing real estate effectively through the following strategies:
  - Disposing of underperforming or underutilized assets
  - Implementing alternative workplace strategies
- Reducing energy consumption and investing in renewable energy across the enterprise:
  - Identifying and implementing energy efficiency projects
  - Exploring opportunities for onsite renewable and alternative energy supply
- Purchasing renewable energy credits through a proven and innovative energy auction conducted by the Leidos Energy Solutions Team
- Documenting our efforts to enhance technology and network support, including upgrades to more energy-efficient equipment (e.g., thin clients and blade server) and cloud-based IT service delivery, enabling greater workplace flexibility
- Improving employee awareness of environmental sustainability and encouraging employees on how to improve workplace behavior to reduce wasteful energy consumption

Employee Commuting

Reducing the environmental impact of employee commuting is important to Leidos. We estimate that employees working at Leidos locations generated about 52,674 mtCO2e during their commutes in 2019. These estimates are based on Leidos employee counts and telework agreements, along with national commuting statistics from transportation surveys conducted in the U.S., the UK, and Australia.

We aim to reduce these emissions by continuing to encourage and support commuting alternatives to single-vehicle use. Our Commuter Incentive Program provides a financial incentive to employees who choose to commute by mass transit, carpool, vanpool, bike, or foot. Ridesharing and carpool matching are made available on our intranet to employees through local commuter web sites. Our transportation actions have been awarded twice with a Best Workplace for Commuters® designation by the National Center for Transit Research.

Leidos also promotes flexible work environments to improve employee work-life balance, promote a high-performance culture, and help reduce the company’s environmental impact by avoiding commute trips. When leasing new or renovating existing space, Leidos business units are encouraged to promote increased telework and desk-sharing (i.e., co-working) options for employees. Our efforts aim to reduce employee commuting stress and emissions while also reducing the company’s real estate footprint.
MATERIAL USE AND ENVIRONMENTAL SUPPLIER ASSESSMENT

Leidos works closely with many of our vendors to support our business operations with environmentally friendly materials. Printing and paper use are daily impacts that we do our best to manage. Because these activities touch our employees on a daily basis, our procurement vendors have adopted environmentally responsible practices. For example, Leidos works with suppliers to make office supplies more environmentally friendly by using recycled paper. Leidos also uses sustainable materials for office furniture, including green-certified and energy-efficient products. We have consolidated our purchasing under a central category and use a supplier sustainability assessment process that is planned to launch in 2020. See the suppliers section of this report for more information on this program.

We estimate that business travel by air and rail generated about 27,750 mt of CO2 emissions in 2019. This accounts for approximately 3% of Leidos’ total emissions and demonstrates the importance of reducing business travel. We estimate that business travel by air and rail generated about 27,750 mt of CO2 emissions in 2019. This accounts for approximately 3% of Leidos’ total emissions and demonstrates the importance of reducing business travel. We estimate that business travel by air and rail generated about 27,750 mt of CO2 emissions in 2019. This accounts for approximately 3% of Leidos’ total emissions and demonstrates the importance of reducing business travel.

Environmental Health and Safety

We are united in protecting the health and safety of our employees, customers, communities, and the environment.

Leidos is a leader in the field of environmental, health and safety (EH&S) and places a strong emphasis on EH&S activities both internally and on behalf of our clients. Internally, we emphasize direct management responsibility, corporate policies and directives, EH&S program implementation, employee training, and compliance assessments. Our corporate policies and procedures fully support compliance with all EH&S regulations at work locations. We have a proactive compliance program of employee education, training, auditing, and reporting that, through employee awareness and integration into our business operations, improves our commitment to a safe and healthy work environment. Leidos is ‘s policy to operate in compliance with all environmental, health and safety rules and regulations, and to comply with our clients’ policies and procedures. Leidos has developed and implemented an environmental, health, and safety management system that meets the needs and requirements of a company that conducts field work, performs research and development, and manufactures products. The Leidos Corporate EH&S System conforms, but is not certified, to ISO 14001:2015 and American National Standards Institute standard Z10 American National Standard for Occupational Health and Safety Management Systems.

Leidos is committed to conducting business in a manner that protects the health and safety of our employees, customers, business partners, community, neighbors, and the environment. The EH&S program is supported by the highest management level in the Company. The EH&S organization provides support for every Leidos location, and along with each line organization manager, is responsible for the general health and safety of employees and compliance with applicable policies, procedures, and regulations.

2019 EH&S STATISTICS - INJURY AND ILLNESS RATES*

* as a result of the merger with Lockheed Martin

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LINKING ENERGY AND ENVIRONMENT TO MISSION

Leidos embraces NASA’s risk management culture, applying a mindset of scientific and engineering discovery to protect the mission. We serve as a systems integrator for NASA HQ. Providing deep reach-back to experts in energy, environment and NASA programs, Leidos understands impacts from complex interconnections between energy and cyber infrastructure, a changing climate, human capital, and resilience and sustainability drivers.

Leidos streamlines mission considerations within energy and environmental program execution by looking beyond organizational silos. We align technical expertise with stakeholder engagement, outreach, and award-winning training and risk communication.

- Leidos facilitated NASA HQ’s Sustainability Working Group (SWG) formation in 2009 and continues supporting the SWG to engrain strategies Agency-wide.
- Through the Interagency Forum on Climate Risk, Impacts and Adaptations, Leidos has helped NASA engage with a broad spectrum of external partners for 12 years to share best practices, and we helped develop NASA’s first Climate Risk Management Plan.
- Our team won the Outstanding Collaborative Planning Project or Program award for Building a Climate Resilient National Climate Region workshops, co-sponsored by NASA.
- Leidos was granted a 2018 HQ Honor Award for reviewing NASA’s first Agency-wide Strategic Energy Investment Plan, which links energy and budgetary goals.
- Holistic risk management demands a mission focus. However, energy and environment impact NASA’s individual Programs and Field Centers differently. For instance, facilitating NASA’s Center Climate Risk Workshop Series, Leidos worked with NASA climate scientists to craft data messaging unique to each Center’s needs. We analyze differing mission roles and geographic locations to deliver tailored solutions:
  - Reviewed Center Energy Savings Performance Contracts and potential Power Purchase Agreement opportunities to manage long-term costs.
  - Employed GIS to visualize vulnerabilities in California, where NASA has a dense physical supply chain.
  - Applied advanced statistics to characterize changes in rainfall Intensity-Duration-Frequency curves for all 13 major NASA Centers.
  - Explored mission risk imposed by critical mineral resources essential to the aerospace industry.

National Aeronautics and Space Administration (NASA) Headquarters
ANALYZING THE ENTIRE ENERGY CHAIN

Our full understanding of DOE’s NETL mission allows us to look mindfully at the data of an entire energy chain. For NETL’s Mission Execution and Strategic Analysis (MESA) contract, our experts analyze large, multimedia data sets to help improve decision-making and business practices for NETL. We support the design of mission-specific, tailored analytic systems that transform raw data into valuable knowledge that helps make our country safer, healthier, and more efficient.

Leidos, as a subcontractor, provides technical and administrative support services for program and project planning, execution, monitoring, and assessment, as one part of our support. We also provide strategic analytics across four strategic analysis areas: process and cost engineering analysis, energy market finance and technology deployment analysis, life cycle analysis, and subsurface analysis to help NETL direct research priorities, focus resources, and strengthen operations. This support spans the DOE offices of Fossil Energy, Energy Efficiency and Renewable Energy, and Electricity Delivery and Energy Reliability.

Your mission is our mission

NETL defines a program as a set of activities with a common purpose undertaken in support of an assigned mission area. Within a program, a group of projects coordinates to accomplish the program over a specified timeframe. NETL’s MESA team evaluates the readiness of these projects as they develop from laboratory scale to pilot or full-scale demonstration in a timeline of up to 15 years. Our job is to be cognizant of ongoing requirements, regulations, internal and external stakeholders, implementation strategies, and other current or emerging factors that may influence NETL’s research programs. Leidos provides the pivotal information that NETL relies on to make effective and efficient decisions so that its programs and projects successfully reach fruition.

Strategy for energy advancement

Another key to Leidos’ support is our mix of interdisciplinary technical experts in engineering, economics, business, and policy, who provide an in-depth understanding of the U.S. energy field. Whether dedicated onsite staff members, or reach-back to expertise from across Leidos, they know conventional and advanced energy technologies and regulatory, legislative, and policy issues, and use that knowledge to help NETL to advance its mission to discover, integrate, and mature technology solutions to enhance the nation’s energy foundation and protect the environment for future generations.
In Illinois, the state has established a vision aimed at building a stronger clean energy economy through the expansion of energy efficiency investments, workforce development, and low-income programs. Since 2008, Leidos has administered the Ameren Illinois energy efficiency portfolio – first for commercial and industrial customers and then for homeowners and renters across downstate Illinois. In 2018, Ameren Illinois partnered with our team of experts to continue administering the entire portfolio of programs through 2021. To date, Ameren Illinois and Leidos have received more than a dozen major energy industry awards for exceptional program delivery, implementation best practices, and innovation.

Leidos provides a broad variety of services for Ameren Illinois, including overall portfolio management, technical project support, marketing and outreach, quality assurance and control, application and incentive processing, and data governance. In addition, our team integrates new approaches and technologies into the portfolio, delivers enhanced energy efficiency services to low- and moderate-income residential customers, serves businesses and organizations located in economically challenged areas, and seeks out opportunities to partner with diverse suppliers across the portfolio. Since launch, Leidos’ implementation of the Ameren Illinois energy efficiency portfolio has helped customers reduce their energy usage by more than 13,000 GWh and 170 million therms – the equivalent of over $1.25 billion in energy savings.

BRINGING ENERGY EFFICIENCY TO ALL

Together, Ameren Illinois and Leidos have established an industry-leading Market Development Initiative that leverages more than $100 million in funding to make energy efficiency more accessible to all customers. Recent Illinois legislation emphasizes enhanced energy efficiency funding for low-income households and new investments in local communities – two tenants that helped shape and realize Ameren Illinois CEO Richard Mark’s vision of “Energy Efficiency for All.” The Market Development Initiative focuses on providing additional resources, financial support, and innovative solutions to residential and business customers in lower income communities throughout central and southern Illinois. Additionally, our team is focused on making investments in Illinois communities that advance collaboration and innovative ideas in energy efficiency, create opportunities for diverse contractors and suppliers, and build an energy efficiency workforce of the future.

Ameren Illinois and Leidos are partnering to deliver a number of innovative solutions through the Market Development Initiative. Our team has increased collaboration with community-based organizations in order to leverage their existing engagements with underserved customers, build energy efficiency program awareness, and deliver greater energy savings through these channels. Leidos has also helped Ameren Illinois to increase workforce development efforts through scholarships at community colleges and technical schools, internship connections, and job opportunities with energy efficiency implementers and contractors. To round out the “Energy Efficiency for All” vision, our energy efficiency experts have delivered new technologies and equipment – like smart thermostats and advanced power strips – to customers residing in low-income areas at no cost. The result of these efforts is greater financial stability for customers and impactful economic development for communities in downstate Illinois.
Pepsi’s Central Production Facility Co-op & Northeast Hot Fill Co-op (CPF-NEHF) in Ayer, Massachusetts, is enhancing their in-house manufacturing processes through the implementation of upgraded technologies that improve profitability and increase energy efficiency. Through National Grid's Industrial Program — administered by Leidos — the CPF-NEHF engineering team learned about energy efficiency opportunities as well as available technical project support and incentives. This partnership with Leidos and National Grid sparked several projects — energy-reducing improvements that are saving the facility an estimated $1 million in electric costs each year.

CPF-NEHF’s initial project focused on the installation of LED lighting to illuminate the aisles in their bottling plant. In addition to increased visibility for employees and auditors, the new lighting also enhanced worker safety. The success of the lighting improvements encouraged the management team to look for other substantial energy improvements.

Leidos helped CPF-NEHF analyze other energy reduction projects and access additional incentives from National Grid. The facility installed a new compressor that improved energy efficiency and reused wastewater heat during their manufacturing process. In addition, the bottling plant added several blow molders to their operation, which allowed CPF-NEHF to bring the process in-house rather than relying on the purchase of outsourced pre-made bottles. National Grid supported the facility improvements through incentives and financing — helping CPF-NEHF build positive cash flow from the projects.

Leidos is focused on helping utilities and their large industrial customers generate project opportunities that go beyond lighting. In fact, 88% of the savings achieved through National Grid’s Industrial Program is delivered through non-lighting projects. Our experienced team targets process and operational improvements that produce substantial energy savings and important ancillary benefits — like increased safety, reduced carbon emissions, and better long-term sustainability. Leidos helps manufacturing plants operate with greater efficiency, thus lowering production costs and enhancing their competitiveness in a global marketplace.
When a national emergency happens, a quick and judicious response is what EPA expects to receive from Leidos. After 20 years of 24-hour support under the SERAS Program, Leidos is poised and ready at all times to provide technical and analytical support to EPA’s Environmental Response Team, including 24/7 nationwide emergency response/rapid mobilization in support of releases involving hazardous chemicals, oil, radionuclides, and/or chemical/biological agents of concern.

Since 2009, we have responded to more than 90 emergency responses/rapid mobilizations, including the Kilauea volcanic eruption and multiple California wildfires. Leidos also supports air monitoring during events of national significance (e.g., Democratic and Republican National Conventions, national sporting events).

Leidos has performed more than 380 work assignments on the contract to date, with up to 75 work assignments each month. Additionally, we have provided more than 700 deliverables on average over the past 3 years.

Multidisciplinary staff with best technology available

A multidisciplinary staff of chemists, biologists, geologists, engineers, and environmental scientists quickly assess any type of environmental emergency and assist with containment and remediation activities. Leidos provides oversight and evaluation of cleanup activities; analytical, logistical, health and safety, and quality assurance support; on-site sampling, monitoring, and analysis support; and wireless remote communication capability for monitoring instrumentation. Leidos also brings certified divers as a specialized capability to the response team. For example, our divers collected benthic organisms in DDT-contaminated sediment to evaluate for toxicity in the San Jacinto River after the devastating effects of Hurricane Harvey. We also provide dedicated health and safety support to EPA by developing and reviewing a first responders’ Guide to Fentanyl Exposure.

Leidos deploys Trace Atmospheric Gas Analyzer (TAGA) mobile laboratories that are equipped with precise instrumentation to monitor air contaminants following industrial accidents and catastrophic weather events. The TAGA instrumentation detects volatile organic compounds using the stationary or mobile monitoring mode in near real time and at parts per billion levels or lower. The gas chromatograph/mass spectrometer provides on-site rapid analysis of air samples. Leidos also maintains and operates EPA’s accredited, fixed analytical laboratory in Edison, N.J.
CELEBRATING THE 50TH ANNIVERSARY OF EARTH DAY

The past few months have given us all time to reflect on what is important—our health, our families, service to one another, and to our communities and our world. Greenhouse gas emissions and pollution have fallen across continents as countries contain the spread of the coronavirus. Still, at the same time, resources and attention are unavoidably diverted from important causes like protecting our environment.

And so today, despite the events around us, I write to remind you of the 50th Anniversary of Earth Day—one of the most significant civic-focused days of action in history. Events across the world this year will proceed virtually or privately within families, as you might imagine. But it’s still important to pause and take pride in our collective commitment to sustainability.

In 2010, as a company, we pledged to reduce greenhouse gas (GHG) emissions by 25% with a deadline of 2020. I am proud to announce that we have already reduced GHG emissions by more than 50%, and we are on track to exceed this target even further. This is a tremendous feat that we should all be proud of, however, operating sustainably is a continuous journey and our efforts continue.

Recent sustainability initiatives include:

- Being a founding signatory of the Business Roundtable’s Purpose of a Corporation.
- Refining our sustainability strategy to a systems approach and reorganizing our Environmental and Corporate Social Responsibility teams all together within our Communications Team to focus on collective wellbeing, as opposed to just environmental impact.
- Developing a supplier sustainability program to understand better the impacts of our supply chain and how we can drive positive behaviors within our supplier base.
- Investing in sustainability software that enables us to monitor our environmental footprint, better track employee volunteering and causes of interest, and facilitate the distribution of employee health and safety information.
- Launching a mental health and wellbeing initiative, building on our anti-opioid work, to help improve prevention and diagnosis, and address stigma and access to mental healthcare. Our ability to serve our customers depends on our strong mental health and among other mental health challenges, by 2030, depression alone will be the leading cause of disability around the world.

Our talented colleagues and subject matter experts across the enterprise continue to lead sustainability initiatives each day. I want to thank them for their dedication. They collaborate with our business and community partners, suppliers, and other stakeholders who share our vision to improve our world and make it a better place for the coming generations.

Thank you for your commitment to a sustainable world.

Roger Krone Signature
Roger A. Krone
Chairman and Chief Executive Officer

CEO Earth Day Message
Earth Day 2020
Leidos has helped develop is, according to estimations from the Department of Energy, equivalent to roughly 75 million traditional solar PV panels. Leidos' solar team is just one example of how our greatest contributions to environmental stewardship come through our customer work. The 24 GW of solar capacity our advisory team has helped develop uses highly effective project design, data, sophisticated modeling platforms, and technology research to verify each project will perform and compete to its full potential. Our work includes the analysis of new-to-the-market modules, inverters, and trackers, as well as the underlying solar resource and energy production assumptions. Leidos engineers leverage comprehensive meteorological data, sophisticated modeling platforms, and technology research to verify each project will perform and compete to its full potential.

Leidos' Energy and Infrastructure Consulting staff numbers 90 employees with experience in all forms of power generation, and the breadth of our experience makes us unique. Our work includes the analysis of new-to-the-market modules, inverters, and trackers, as well as the underlying solar resource and energy production assumptions. Leidos engineers leverage comprehensive meteorological data, sophisticated modeling platforms, and technology research to verify each project will perform and compete to its full potential.

Leidos has advised the development and financing of over 24 Gigawatts of solar power, equivalent to roughly 35% of the entire US capacity. Leidos Energy and Infrastructure Consulting staff numbers 90 employees with experience in all forms of power generation, and the breadth of our experience makes us unique. Our work includes the analysis of new-to-the-market modules, inverters, and trackers, as well as the underlying solar resource and energy production assumptions. Leidos engineers leverage comprehensive meteorological data, sophisticated modeling platforms, and technology research to verify each project will perform and compete to its full potential.

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Leidos’ Solar Advisory Services help human and environmental health in the wake of natural disasters for EPA. Taking into account the thoughts of first responders, police, and medical staff when we think of emergency responders, the Leidos employees who get the call in the wake of a disaster are a team of scientists and engineers. Our employees in the Energy and Environmental Sciences (EES) Division support the EPA's Environmental Response and Analytical Services (ERAS) program with on-site engineering, scientific, and technical support for communities and organizations recovering from natural disasters. The impact made by our ERAS team is immense, spars the entire country, and extends far beyond the footprint of Leidos’ offices. Our biological, chemical, and engineering experts help with recovery efforts to ensure the safety and health of affected populations. The Market Development team has deployed many innovative methods to engage communities. Through the Ameren Illinois Market Development Initiative, Leidos has partnered with the Head Start childcare program to provide training to their staff and educate new families on the importance of energy efficiency programs. The Market Development team has deployed many innovative methods to engage communities. Through the Ameren Illinois Market Development Initiative, Leidos has partnered with the Head Start childcare program to provide training to their staff and educate new families on the importance of energy efficiency programs. The Market Development team has deployed many innovative methods to engage communities. Through the Ameren Illinois Market Development Initiative, Leidos has partnered with the Head Start childcare program to provide training to their staff and educate new families on the importance of energy efficiency programs. The Market Development team has deployed many innovative methods to engage communities. Through the Ameren Illinois Market Development Initiative, Leidos has partnered with the Head Start childcare program to provide training to their staff and educate new families on the importance of energy efficiency programs.
Community

Our strong nonprofit relationships and philanthropic outreach programs are creating more sustainable communities.
We serve our communities, engage our employees, and align our outreach with company business goals.

Leidos actively supports the communities where our employees live and work, providing some of the most inspired and passionate examples of how we are working to make the world safer, healthier, and more efficient. Through our philanthropic efforts, we strive to create a sustainable future, including working side-by-side with community organizations providing critically important services and opportunities to those most in need. United together, our efforts help individuals and families succeed today, as well as position our future generations for success.

We focus on the following four broad categories with an overarching goal of combining charitable giving with em- ployee volunteerism whenever possible:

- Education (Science, Technology, Engineering, and Mathematics, or STEM, focus): We continue to focus on STEM education and skills development, from kindergarten through college and beyond.
- National security personnel and their families: We support active-duty and veteran service members, as well as the broader defense and intelligence communities, and their families. Our employees are passionate about making a difference for the men and women who serve our nation.
- Broad community needs/wellness: We help sustain our local communities by providing food, clothing, and housing and by helping to tackle major health challenges of our time, including opioid addiction, heart disease, cancer and diabetes, among others.
- Ethics/leadership: We collaborate with chambers of commerce and schools to develop ethics and leadership pro- grams to help build the next generation workforce.

Our Management Approach

The purpose of our philanthropic efforts is to enrich our communities, helping to tackle some of the most significant challenges of our time. From increasing the availability of STEM education at all levels, to supporting our men and women in uniform and their families, to helping end the stigma surrounding opioid addiction, to providing basic necessities to those who are most vul- nerable, to instilling the importance of integrity in our youth, Leidos strives to improve its communities.

Our philanthropy is grounded in the following standing policies:

- Organizations must be tax-exempt under Section 501(c)(3) of the Internal Revenue Service (IRS) Code to receive a charitable donation.
- Leidos does not support organizations that practice discrimination based on race, gender, age, color, religion, national origin, sexual orientation, gender identity, disability, veteran or marital status, or any other protected character- istics as established by applicable law.
- Donations are not made to sectarian or religious organizations (except for programs which are broadly promoted and available to anyone, regardless of religious orientation), political parties, political candidates, or partisan political organizations.
- Annually, we commit to allocating our charitable resources (both budget, time, and talent) to a variety of cause areas and in conjunction with a series of both long-standing and new non-profit relationships. Our goals are to con- tinue to spend our available charitable budget and encourage our employees to contribute their time consistent with prior year levels, increasing contributions in both areas to the greatest extent possible.

Leidos delivers innovative solutions through the efforts of diverse and talent- ed employees who are dedicated to customer success – we focus on empow- ering our teams, contributing to our communities, and operating sustainably.

Corporate Philanthropy

Our corporate philanthropy serves the communities where we operate and aligns with our business objec- tives.

Leidos philanthropy improves the lives of our employees and residents of the communities where we live and work. Manifesting resources to this aim, we identify causes and organizations that align with our specific priorities and the unique needs of the communities where Leidos does business.

Specifically, we focus on:

- Building strong non-profit partnerships focused on overcoming important challenges of our time.
- Making charitable donations to qualified non-profits and also providing in-kind services and materials.
- Organizing company-sponsored volunteer opportunities for employees and also promoting their personal volunteerism interests.
- Supporting our internal Employee Resource Groups (ERGs) and their community outreach priorities.
- Collaborating with other stakeholders (e.g., chambers of commerce, aca- demic institutions, and government agencies) to improve our local commu- nities.
Charitable Giving & Volunteerism

During calendar year 2019, we donated over $4.5 million to charitable organizations and over 27,000 volunteer hours (company sponsored projects only). The graph below illustrates the distribution of our enterprise-wide charitable giving since calendar year 2015 and demonstrates a doubling of our giving since 2016. We expect future charitable spending to be consistent with our 2019 spend and volunteering to steadily increase (aided by a new software implemented in 2020 to track volunteer hours).

Leidos does not have a philanthropic foundation beyond the Leidos Relief Foundation, a separate 501c3 organization for Leidos employees to assist fellow employees during times of need and does not generally accept unsolicited requests for grants, sponsorships or donations. To execute our giving strategy, we identify and reach out to those organizations that best align with our priorities and objectives as a company.

Specific to cause area, the following graph illustrates total Leidos 2019 charitable giving broken down by the company’s focus areas:

- **Volunteering** continues to be an important component of the overall Leidos philanthropic profile and we recognize the unique value it brings to our employees, communities, customers and workplace. Our ongoing commitment continues to drive notable changes in our culture, reflected in how we select non-profit partners, plan outreach activities and recognize the successes of our passionate employee volunteers.

- **Employees** contributed over 27,000 hours to company-sponsored outreach activities in 2019 (shown below), a consistent increase over prior calendar years. In addition to supporting company-sponsored efforts (reported), Leidos employees also pursue numerous other cause areas, reflecting their varied passions and interests.

- At Leidos, we regularly highlight employee volunteer accomplishments. This helps to increase employee engagement by incentivizing new volunteer projects and ultimately contributes to improved retention and hiring; respectively. Every day, our employees are change agents in their communities. By combining corporate giving with passionate and inspired employee participation, Leidos is making a meaningful difference to those in need.

Strategic University Alliances

Our University Alliance Program connects Leidos with wellspringsof innovation found at leading universities. Leidos is committed to bringing high-technology solutions to the nation’s most challenging problems, and universities are one of the sources of innovation into which the company can and does tap.

We established a number of strategic university alliances (SUAs) to focus on-campus activities to support our strategic goals, particularly by strengthening the Leidos science and technology core. Over the last couple of years we have increased the number of SUAs to now include fourteen university partners. Leidos chooses schools through a rigorous, collaborative process that includes business and technology leadership across the company. Partnering with universities is an important element of the overall Leidos corporate responsibility program, where we combine time and resources to support our people, enrich our communities and protect the environment. Strong relationships with select universities reinforces our commitment to STEM education, provides opportunities for growing our business, supports thought leadership in the markets in which we compete and provides enhanced access to both professors and students. Leidos appointed a senior campus executive for each university who serves as an official representative and spokesperson. Each campus executive is allocated discretionary funding to support their activities with the university and is supported by an executive team drawn from stakeholders across the company. Together, this team sets goals and objectives for each campus and determines how to best invest discretionary resources.

University Alliance Program

The following higher learning institutions are key partners with Leidos in building academic, research, and recruiting programs:
Leidos and the Baltimore Ravens announced on June 17, 2020 that they have teamed up to distribute nearly 70,000 drug disposal packets to local non-profit chapters across communities in Baltimore, Md. The distribution is part of the “Tackling Opioid Addiction” campaign, an on-going partnership between Leidos and the Baltimore Ravens to raise awareness around the opioid public health crisis.

Data from the Baltimore City Health Department shows more than 90 percent of drug and alcohol-related deaths in the city are opioid-related. The COVID-19 pandemic and resulting economic downturn have also negatively affected mental health and created new barriers for people already suffering from substance use disorders. The drug disposal packet distribution will enable community members to safely dispose legal leftover prescriptions from the safety of their own homes.

“This initiative reinforces our commitment to the people of Baltimore. We want to do our part to help end the opioid epidemic and address challenges impacting overall mental health and well-being,” said Leidos Senior Vice President Melissa Lee Dueñas. “We are excited to continue our work with the Ravens, building on the efforts of local organizations to help our community persevere.”

“The opioid public health crisis has only been exacerbated during the COVID-19 pandemic,” said Ravens vice president of community relations Heather Darney. “We understand it’s more crucial than ever to help with this important cause. We’re proud to partner with Leidos to distribute these drug disposal packets, as we continue working together to raise awareness around the dangers of opioid addiction.”

Leidos launched a company-wide initiative in 2017 to help end the opioid epidemic after Chairman and CEO Roger Krone received an employee’s call to action. Since then, Leidos has led dozens of initiatives and events to heighten awareness, including a large-scale drug deactivation kit distribution event in conjunction with the Community Anti-Drug Coalitions of America (CADCA), the MD National Guard, and the Aberdeen Proving Ground team.

ABOUT BALTIMORE RAVENS

Entering their 25th year of existence, the Baltimore Ravens are just one of four NFL franchises to win multiple Super Bowls since the turn of the century. Under head coach John Harbaugh, who arrived in 2008, Baltimore has posted the NFL’s fourth-most total victories (128, tied), won the league’s second-most playoff games (10, tied), advanced to an impressive three AFC Championship contests, and in 2012, captured the World Championship in Super Bowl XLVII. The Ravens, who also won Super Bowl XXXV during the 2000 campaign, have made the playoffs in eight of the past 12 seasons –producing four AFC North Division titles during this time (2011, 2012, 2018 & 2019).

Community:

CASE STUDY

Ravens continue to fight opioid addiction with drug disposal distribution initiative
People

Our development and training programs are creating a strong workforce focused on solving the world’s most daunting challenges.
The talent, character and passion of every employee defines Leidos. Our people are driven and smart, focused on solving the world's most daunting challenges. The work requires infinite ingenuity, and commitment. Our values, which are embodied into everything that we do, reflect this.

Leidos fosters career growth through tools and resources that help guide employees at all stages in the employment lifecycle. Training and education resources offer skill-building benefits to employees seeking career development. Our mentoring programs support the company's ability to attract and retain a diverse workforce and foster a more inclusive work environment.

We are keenly aware that the workforce needed to grow our business and deliver creative solutions is one rich in diversity of thought, experience and culture. Our diversity and inclusion focus on building and maintaining the talent pool, creating cohesive and collaborative teams that drive innovation. People

Professional and Career Development

Committed to providing employees with the opportunities and resources they need to succeed. Our people are our most valuable assets. To support them, Leidos provides a broad range of development resources.

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How we advance our Inclusion and Diversity brand externally to attract qualified, diverse candidates into our pipeline and build our reputations.

How we build our inclusion acumen to remove barriers to retention.

How we establish processes that will advance our diverse talent.

How we provide premier Employee Resource Groups with tools and resources to foster impact and engagement.

Our Inclusion and diversity program is part of the Talent Development & Inclusion & Diversity function, and is an integral part of our Talent Resource Program, which partners with Talent Acquisition and Hiring Managers to identify potential internal and external candidates.

Engaging, developing and retaining a talented workforce is essential to our success. The dynamic nature of the marketplace means that our employees may be faced with position reductions and reorganizations when a program ends, or be otherwise terminated. It is keenly aware of the importance of workplace diversity and inclusion in place on our people, and we are committed to retaining and strengthening our highly skilled professional workforce while communicating clearly and openly at all times.

Established in 2008, our Talent Resource Program partners with Talent Acquisition teams and Hiring Managers to identify potential open internal opportunities and candidates. We participate in a variety of services, including one-on-one coaching, interview training, resume building guidance, and interviews with candidates that need similar skill sets. Various resources are available to employees, including redeployment overview sessions, six different workshops on-line and in-person in our enterprise learning library, aimed at ensuring that our talent acquisition opportunities are highly visible to hiring managers and recruiters.

To ensure that our employee retention efforts are successful, we conduct a quarterly pulse engagement survey to a representative sample of employees. Through the efforts of Talent Resource Partners, our internal placement team, and our Inclusion and Diversity teams, our internal placement team, and our Inclusion and Diversity teams, our internal placement team, and our Inclusion and Diversity teams, our internal placement team, and our Inclusion and Diversity teams, our internal placement team, and our Inclusion and Diversity teams.

Launched in 2018, our Inclusion and Diversity (I&D) campaign, Inclusion Perspectives with Innovative Solutions, reinforces the importance of an inclusive environment where diverse perspectives yield innovative solutions for our customers.

Our commitment to inclusion and diversity is reflected in the way we engage our people, our customers and our external partners through our innovative partnerships and sponsorships.

Pay & Benefits

Pay and benefits are fundamental to any career decision. That’s why we offer competitive packages that reflect the importance of the work we do for our customers.

Non-salary benefits as described below are available to all U.S. benefits eligible employees with minor exceptions. Employees in an “alternative employment status” such as consulting employees may be eligible for coverage but may not have access to the full suite of benefits. Similarly, employees of Leidos subsidiaries such as DTC, Leidos Biomedical Research and Dynetics have separate benefits packages.

Our Inclusion and Diverse teams partner with Talent Development & Inclusion to ensure that our employee retention efforts are successful, we conduct a quarterly pulse engagement survey to a representative sample of employees. Through the efforts of Talent Resource Partners, our internal placement team.

Compensation

We structure our salaries to be competitive for the region, market conditions, and workplace diversity issues, as described in the public committee charter.

- Reward your contributions to the company and the customer’s mission.
- Recognize and reward notable advances for your profession, the company, and your team.
- Ensure fairness, comply with applicable federal, state, and international laws, and meet applicable audit entities’ standards.

Health & Wellness

Comprehensive health and wellness programs, health and wellness programs are designed to keep you and your family healthy.

- Medical insurance plans cover you and your eligible family members, including registered domestic partners, through national HSA-compatible consumer-directed health plans or regional HMOs where available.
- Health Savings Accounts are available in conjunction with our HSA-compatible consumer-directed health plans.
- HealthCare Flexible Spending Account (HSA) is available to those that are enrolled, inclusive of HMRC-compatible medical plan and those that waive medical coverage. HSA lets you set aside pre-tax dollars for eligible medical, dental, vision, mental health, and pharmacy expenses.
- Dental coverage options include a national PPO plan and regional dental HMO plans.
- Vision coverage is provided by a national insurer.

Mission for Life wellness program designed to help you reach your goals.

- Nutrition and diet
- Fitness goals
- Stress relief
- Smoking cessation
- Financial wellness
- Mental Health and mindfulness

24/7 Employee Assistance Program (EAP) provides confidential assessments and referrals through personal issues that could affect your health, family, or job performance.

Income Protection

Benefits should provide peace of mind, support you and your family, and help you navigate life events.

- Group Universal Life (GUL) insurance can be purchased in increments of $5,000 to $250,000, or $1 million if eligible dependents are covered at $2,000 each.
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**Military Reserve Leave**

As a military reservist you’ll receive 2 weeks, equivalent to 10 working days, pay differential during each fiscal year. If you’re called up for a national emergency or requested for active duty, we’ll provide you the flexibility to serve when and where you’re needed.

**Jury Duty**

You’ll receive full pay when you serve jury duty.

**Bereavement Leave**

You’ll receive up to three days off, fully paid, due to the death of a close family member.

**Retirement**

As an eligible employee, you’ll be able to accrue paid time off for vacations, personal business, and short-term illness. You can also borrow up to 40 percent of your salary.

**Disability**

Leidos offers two types of disability insurance: voluntary short-term disability and voluntary long-term disability insurance. Both passively and actively invest in a wide selection of funds. Vesting of company contributions over three years of service.

**Voluntary long-term disability insurance**

available

**Free**

**Dependent**

Center-based

**Floating holidays are prorated based on date of hire**

*Note: Holidays may vary based on contractual requirements.

**Christmas Day**

**Memorial Day**

**New Year’s Day**

**days** to be used at your discretion and these seven fixed holidays:

Most Leidos employees get ten paid holidays each year, three floating holidays, and seven fixed holidays:

- New Year’s Day
- Martin Luther King Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

Note: Holidays may vary based on contractual requirements.

**Floating holidays are prorated based on date of hire**

**Holidays**

And to provide opportunities for them and give them paths to grow and develop—this will help us retain our best talent. Fostering a diverse team is also critical in order to provide the best possible results for our customers.

**Employee Demographic and Statistics**

Analyzing demographic data helps Leidos develop practices to better serve our employees. People are the foundation of everything that we do. It is our responsibility to provide opportunities for them and give them paths to grow and develop—this will help us retain our best talent. Fostering a diverse team is also critical in order to provide the best possible results for our customers.
WORKFORCE COMPOSITION
The overall composition of our workforce by gender remained steady in 2019.

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>Male</th>
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<tbody>
<tr>
<td>Full time</td>
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<tr>
<td>Part time</td>
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<td>815</td>
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</table>

Leidos tracks workforce metrics regularly and participates in benchmarking studies to ensure that we are in-line with industry trends and on-target for meeting our people goals. Initiatives to positively impact our diversity, such as maintaining affinity groups like our standing Employee Resource Groups (ERGs) as well as recruiting and development efforts, focus on advancing our diverse workforce. See Inclusion and Diversity for more information on these and other programs.

FULL TIME AND PART TIME BY GENDER

EMPLOYEE EDUCATION
A large concentration of our workforce is composed of scientists, engineers, developers, analysts, and others in technical positions.

Leidos is proud of these very educated individuals and their contributions to our customers, partners, and communities.

STEM DEGREE HOLDERS

<table>
<thead>
<tr>
<th>Degree</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
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<td></td>
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<tr>
<td>No</td>
<td>20,009</td>
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</table>

Leidos has a signed pledge supporting the ESGR (Employer Support of The Guard and Reserve), as well as ongoing national and state veteran and military spouse hiring initiatives with Hiring Our Heroes and their Hiring 100,000 Military Spouse Campaign, Virginia Values Veterans, and Maryland’s Military Career Corps Connect Program. Additional information is available in the Awards & Partnerships section of our Operation MVP homepage.

Veteran Hiring
A long-standing commitment to supporting military veterans and their families.

Leidos has a strong affinity with the military, both in our lines of business and in our workforce and are proud that 20 percent of our workforce are military veterans. We assist veterans through the often difficult transition from military life to a career in the private sector. Since the beginning of 2016, Leidos has hired 8,600 veterans and military spouses. Leidos is committed to supporting veterans and military spouses as they pursue challenging and rewarding careers within our many business areas.

Our dedicated military veteran outreach program is called Operation MVP (Military Veteran Program). Through this program, Leidos teams with military transition centers, military associations, and veteran organizations in an effort to identify and hire separating and retiring military veterans. The Operation MVP team participates in specific career development and networking events geared towards the veteran and military dependent/caregiver population, and stays actively engaged with military transition offices, Department of Labor representatives, as well as veteran non-profit and membership organizations. We further help wounded warriors by providing career workshops, offering help with résumé building and interview preparation, and conducting job fairs and interview events.

For our efforts, Leidos has received numerous awards and recognition including:

- The 2020 Virginia Values Veterans (V3) Trailblazer Award for companies that have demonstrated innovation for and overall support of, veterans in the areas of veteran workforce development, marketing, hiring, training, culture, retention and community impact.
- 2020 Military Times Best for Vets Employer list for seventh consecutive year, ranking #39 out of 144 companies.
- Victory Media’s list for Military Friendly Employer and Military Spouse Friendly Employer.
- U.S. Veteran’s Magazine Best of the Best Top Veteran-Friendly Companies.

Leidos has a signed pledge supporting the ESGR (Employer Support of The Guard and Reserve), as well as ongoing national and state veteran and military spouse hiring initiatives with Hiring Our Heroes and their Hiring 100,000 Military Spouse Campaign, Virginia Values Veterans, and Maryland’s Military Career Corps Connect Program. Additional information is available in the Awards & Partnerships section of our Operation MVP homepage.

Military spouses are often overlooked in armed forces support efforts. That’s why Leidos opens our doors to military spouses and offers flexibility to those already on our team. Leidos participates in the Military Spouse Employment Partnership, which provides targeted recruitment and employment solutions designed to create connections between military spouses and companies. We have pledged to hire 45 military spouses by July 2021 through The Hiring 100,000 Military Spouse Campaign mentioned above, and are set to surpass this goal in 2020. Our employees with spouses in the military are often asked to uproot due to redeployment – we do our best to place those employees at Leidos locations closer to their new homes.
The Women’s Network Employee Resource Group (ERG) hosted the inaugural Women’s Leadership Forum “Leading the Way.” The event aimed to empower, energize, and engage both existing leaders and emerging talents. Diversity and inclusion, peer advocacy, and mentorship were topics of discussion throughout the two-day event.

“What are we doing at the highest levels to engage women? That was a central question we asked ourselves when we began working on the Women’s Forum,” said Vicki Schmanske, President of the Leidos Intelligence Group. Schmanske sponsored the event with Michele Brown, Chief Ethics and Compliance Officer, and Gerry Fasano, President of the Defense Group, who both serve as executive sponsors of the Women’s Network. Opening remarks were provided by Leidos Chairman and CEO Roger Krone.

The organizers had a very clear vision for the forum. They wanted to involve participants from all generations, all levels, and all groups at Leidos. They wanted to engage influential speakers from a deep internal talent pool but also mix in quality external voices. And, finally, they wanted to inspire the women in attendance to not only lead the way for future generations, but to help Leidos further ingrain diversity and inclusion into its culture and corporate values.

Panelists talked about their backgrounds, how they empower female leadership, inspiring others to lead, why inclusion matters, the importance of male advocates, and strategies to engage talent and increase retention. Female leaders in cybersecurity, healthcare, science, and space shared their expertise and discussed the importance of women in leading STEM roles.

“It’s critical that we take the time to bring together leaders and influencers across Leidos to discuss some of the most important topics and trends for women in the workplace,” said Fasano. “I personally was energized and inspired by the lively discussions, and look forward to continuing this dialogue at future events.”

Paul Engola, Chief Human Resources Officer and Head of Business Partnerships, joined Diversity and Inclusion Manager Deanna Stearns discussed Leidos’ plans to leverage, nurture, and foster gender representation across talent pools.

Shelby Clark, CEO of The Women’s Center, talked about the concept of intentional leadership and provided advice on how women can build their unique brand. Clark’s organization is a nonprofit which provides mental health counseling, support, and education in the Washington D.C. Metropolitan Area.

The second external speaker was Deloitte CEO Cathy Engelbert. She delivered a moving and powerful keynote speech about her own professional journey and why she’s a fierce advocate for advancing women in the workplace. One week after the Women’s Forum, the WNBA appointed Engelbert as its Commissioner effective July 17.

At the conclusion of the forum, attendees pledged to take the insights and momentum back to their teams. They agreed:

- To build relationships and a network of female leaders
- To celebrate the accomplishments of their fellow female engineers, scientists, and technologists
- To understand why inclusion matters and how to incorporate best practices in leadership
- To learn more about the leadership opportunities and resources the company provides
- To inspire others to lead
- To commit to the next steps in the leadership journey for every woman at Leidos

“It was really exciting to be invited to listen and learn about the challenges so that I am able to be part of the solution for the future. The energy was fantastic, and I look forward to seeing this event grow,” said Steve Hull, Chief Information Officer.
In a competitive labor market, candidates and companies alike need to leverage any partnerships or resources which might give them a leg up. This is especially true for members of the Armed Forces like Chuck Unruh, who experience unique challenges when transitioning into civilian roles. Targeting an early 2020 transition from the Army, Unruh turned to the U.S. Chamber of Commerce Foundation’s Hiring Our Heroes (HOH) initiative. Launched in 2011, Hiring Our Heroes is a nonprofit, nationwide initiative to help veterans, transitioning service members, and military spouses find meaningful employment opportunities. One of the resources that HOH provides is its Corporate Fellowship Program (CFP) which allows companies to bring on active duty service members or military spouses as fellows. The CFP helps connect transitioning service members to opportunities for hands-on corporate training, mentoring, and experience while helping employers tap into a pool of top talent. The CFP is an authorized organization under the Department of Defense’s SkillBridge Program, which aims to connect transitioning service members with real-world job experiences. Transitioning service members from any branch of service may apply if they meet the eligibility requirements. DoD Instruction 1322.29 allows service members to participate in authorized programs with command approval.

HOH holds three CFP cohorts annually at multiple locations across the United States. Over the course of three months, program fellows complete on-the-job training with their host company four days a week. At the end of each week, fellows attend a “leadership huddle” with senior-level guest speakers to prepare them for their transition to the private sector and to offer networking opportunities. Leidos recently hosted one of these huddles on Nov. 1 at its Reston, Va., headquarters, giving Unruh a chance to tell his peers about his host company.

“I started my fellowship at the end of August and have been working in capture management in the Military & Veterans Health Solutions group,” says Unruh, the first-ever HOH fellow at Leidos. “I’ve learned a lot about capture management, business development and operations in a very short time, and from colleagues and a company whose values align with mine.”

With almost 7,300 employees who are veterans, its Operation MVP hiring program for transitioning service members,和 its MAG (Military Alliance Group) employee resource group, Leidos is committed to providing veteran service members with fulfilling civilian careers. As a corporate partner of HOH, Leidos gains special access to highly-qualified transitioning service members. “Their CFP allows us to find great candidates like Chuck, but working with HOH as a whole also helps us develop a more comprehensive understanding of the job market for veterans,” says Alex Verhulst, Talent Acquisition Military Program Manager at Leidos. Unruh discovered HOH while he was an Army Medical Service Corps officer for a medical intelligence center. He attended a Soldier For Life – Transition Assistance Program workshop provided by the Army, learned about the CFP, and asked for and received his leadership’s approval to apply for the program.

After being accepted as one of the program’s 931 fellows this year, Unruh was placed with Leidos for his 12-week fellowship. The CFP has graduated more than 2,400 participants since it began in 2015. Unruh’s cohort graduated on November 12 but his civilian career is just getting started.

“I hope to come back to Leidos as a full-time employee early next year,” says Unruh.
Political Activities

Learn how our participation in the political process is conducted in a legal, ethical and transparent manner.
Leidos participates in the political process and we conduct oversight to make certain that our political activities and lobbying expenditures are conducted in a legal, ethical and transparent manner.

Under federal law, Leidos is prohibited from making direct political contributions in connection with federal elections. In jurisdictions with “pay-to-play” laws, all contributions, including personal contributions and contributions by certain family members, must be approved and disclosed in accordance with Leidos policy. While Leidos encourages employees to engage in the political process, they must notify the Leidos Government Affairs Committee (LGAC) before running for political office or accepting an appointment to any government office.

Our work often brings us into close collaboration with public officials. Our employees familiarize themselves with applicable laws regarding gifts and lobbying, including procurement lobbying laws, and coordinates with the Leidos Government Affairs Office to ensure proper disclosure.

**BOARD OVERSIGHT**

Leidos political activities are overseen by the Leidos Board of Directors (Corporate Governance and Ethics Committee, or CGEC), the LGAC, and senior company leaders. The Board of Directors CGEC annually reviews the political activities of the corporation and the Leidos Political Action Committee.

**LEIDOS POLITICAL ACTION COMMITTEE**

The Leidos Political Action Committee (LPAC) is a separate, segregated fund comprised of employee voluntary contributions used to support candidates for federal office. All contributions made by the LPAC are done so in a bi-partisan manner. Participation in the LPAC is restricted and adheres to Federal Elections Commission (FEC) regulations.

In accordance with the LPAC bylaws and with federal law, all contributions made by the LPAC are reported to the FEC and can be reviewed at www.fec.gov. No in-kind contributions are made. No political contributions are made to state and local candidates and all contributions were made within the Unit- ed States.

**LOBBYING EXPENDITURES**

Leidos participates in industry associations and interacts directly with various stakeholders throughout government in an effort to educate, inform and advocate on behalf of the corporation, our employees and our shareholders. These communications are regulated by federal, state and local laws. In accordance with applicable laws, such activity and associated expenses are reported on a regular basis. In compliance with the Lobbying Disclosure Act (LDA), Leidos’ lobbying activities and expenses, as defined by Section 162(e) of the Internal Revenue Code, are disclosed to the U.S. Congress on a quarterly basis. Federal reports disclosing lobbying activity and expenses are available to the public via the Office of the Clerk of the U.S. House of Representa- tives at the following website: http://lobbyingdisclosure.house.gov/.

The company files periodic reports with state and local agencies reflecting lobbying activities regulated by relevant state and local laws as necessary.
Suppliers and Small Businesses

Our thousands of suppliers and small businesses are crucial to our success as well as economic growth and prosperity.
We are united with our suppliers and small businesses to make a difference in the world. Maintaining strong and committed relationships with approximately 7,000 active suppliers, as well as continuing our award-winning small business advocacy programs, is essential to our mission of providing outstanding support to our customers. Our diverse customer base, requirements for services and need for varied materials require us to work with suppliers both large and small who can offer capabilities and unique solutions while providing the best value.

As a company specializing in IT, Science and Engineering solutions, Leidos has a supply chain that varies based on the types of contracts we are able to win from diverse markets of global importance to commercial, local, state, and federal government entities. Our major commodity areas consist of engineering services, IT hardware, software, communications technology and transportation. We strive to source from local and domestic suppliers whenever possible, with roughly 60% of our $4.1 billion in sourcing expenses going to US-based small businesses. We are also committed to sourcing from veteran-owned firms, realizing the value they deliver to our customers, our company and the federal government entities. Helping veteran-owned firms succeed and grow advances our goal of helping veterans transition successfully to the civilian workforce.

Our downstream products consist predominately of services rendered to U.S. government entities within the areas of defense and intelligence, civil services and infrastructure, and cyber services. Our physical products tend to come in the form of defense solutions, IT hardware and infrastructure for civil projects.

Supply Chain Management Approach
It is the mission of Leidos’ Strategic Sourcing program to utilize our robust market intelligence, leading tools to enhance the value for Leidos customers while keeping Leidos competitive in the marketplace. Our sourcing practices allow our programs to drive and deliver innovative solutions and services that matter most for meeting tomorrow’s demands. Our Strategic Sourcing program enables us to find the right products and services at the right price, all while ensuring that our suppliers meet our ethical standards. Our supplier expectations with regards to sustainability, social responsibility, and ethics are outlined on our supplier portal home page, and are included in our standard contract terms and conditions.

Abiding by the highest standards of business ethics is an essential component of all of our supplier relationships. Leidos maintains a Defense Contract Management Office (DCMO) approved sustainable procurement system and adheres to the Federal Acquisition Regulation (FAR) when purchasing direct-charge, non-commercial items or services. Our system is governed by a number of policies and procedures addressing use of consultants, contracts, procurement and international business – see our GRI Standards Index for a list. Supplier compliance is mandated with certain regulations and laws, including:

- Contract and Ethics Compliance
- Cancellation, Recession, and Recovery of Funds for Illegal or Improper Activity
- Price or Fee Adjustment for Illegal or Improper Activity
- Utilization of Small Business Concerns
- Notice to the Government of Labor Disputes
- Opportunity (Only Paragraphs b(1) through c(11))
- Trafficking in Persons
- Material Identification and Material Safety Data
- Policy to Ban Text Messaging While Driving
- Conflict Minerals Policy

Routine supplier questionnaires are regularly solicited by our customers to complete supplier questionnaires. These questionnaires apply to sustainability programs that our customers are operating in an effort to improve their own sustainability. By complying, we provide valuable information on our environmental performance, but also a wide range of sustainability areas, including human rights, fair labor practices and health and safety issues.

Supplier Selection
Our supplier selection criteria are based on specific customer requirements, with an emphasis on ensuring high quality products and services, focusing on continuous improvement and commitment to performance in delivery of goods or services. For customers with greater Environmental, Health and Safety requirements those applicable suppliers complete the Leidos Contractor Safety Questionnaire as part of supplier evaluation prior to final supplier selection for award.

Our suppliers are reminded of our commitment to conduct business with uncompromising integrity. This commitment is clearly established in the Code of Conduct. Leidos requires suppliers to conduct themselves in a manner consistent with the principles of our Code of Conduct. In addition, we strongly encourage our suppliers to establish and maintain sustainability programs within their organizations. We want our suppliers to understand, adopt and mirror the ethical conduct we expect from our employees in all business transactions, and maintain a restricted supplier list, which is updated on a quarterly basis, to ensure our programs are sourcing from suppliers who meet our ethical and technical standards.

Strategic Sourcing Initiatives
Our Strategic Sourcing program undertakes initiatives in order to support the Leidos strategy that enable development of differentiating capabilities. Leidos’ Sourcing program has implemented effective enterprise processes, best practices and tools for execution excellence in business operations and risk management that enable efficient and secure supply chain sourcing and management. We additionally pursue, establish, and maintain mutually beneficial external partnerships to help continually enhance our Sourcing program.

Examples of practices that enable us to execute efficient and secure supply chain management include the provision of enterprise-wide supply chain management, material cost estimating, material planning, purchasing, logistics and category management for internal procurement and bid proposals, implementation of automation for cost efficiencies, and implementation of cyber best practices to ensure security and resilience in our operations.
During government fiscal year 2019, Leidos awarded over $1.6 billion in contracts to small businesses. The Leidos Inc. Small Business Program holds a rating of “Exceptional” from the Defense Contract Management Agency (DCMA). These statistics illustrate the importance of small businesses to Leidos success and the dedication of the Leidos Small Business Development Program to promoting strategic teaming with a variety of small businesses.

To ensure continued company success and growth opportunities with small businesses, Leidos focuses on the following:

- A proactive corporate-led “Small Business Development Program” responsible for marketing and outreach/awareness activities
- Fostering strategic relationships with small businesses that lead to subcontracting opportunities

Leidos has been recognized for over a decade for its outstanding efforts in promoting strategic teaming with a variety of small businesses, Leidos focuses on the following:

- Offering certification programs for individuals, including Project Management Professional Certifications
- Certification for whole programs in Network+, Ethical Hacker, and Security+
- Assistance and support for our small business partners in preparing for the DoD audit process
- In addition to formal agreements, Leidos informally mentors many small businesses by providing assistance in the areas of joint marketing, task order management, and developing and maturing small business proposal development.

Mentor-Protégé Program

Leidos was one of the first contractors to be selected for DoD’s pilot Mentor-Protégé Program in 1991. Since that time, Leidos formally mentored nearly 100 small businesses and is one of the most active participating in the federal agency program, and we currently maintain 7 active agreements with government agencies and third-party organizations to provide mentor services to small businesses. Some examples of our activities include:

- Offering certification programs for individuals, including Project Management Professional Certifications
- Certification for whole programs in Network+, Ethical Hacker, and Security+
- Assistance and support for our small business partners in preparing for the DoD audit process

Outreach Activities

Leidos participates in a variety of outreach programs that provide opportunities to introduce small businesses in every socio-economic category. We host numerous small business events at our facilities to bring in small businesses interested in teaming opportunities as well as specific subcontracting opportunities. These “matchmaking” forums have been extremely successful, with Leidos business developers, program managers, and procurement personnel meeting with small businesses to receive capability briefings and discuss active opportunities.

Similarly, Leidos holds several events for specific major programs and proposals. We frequently participate in industry and customer small business events that enable small businesses to find out about opportunities with Leidos. Over the years, Participation in these events has not only led to millions in spending in 2019.

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Reporting

Learn how efforts to empower our employees, improve our communities, and preserve the environment shape the way we do business.
Our reporting process is evolving along with our approach to corporate responsibility. Corporate responsibility reporting at Leidos chronicles our progress toward improving the company’s sustainability programs and performance. This website, and our associated Global Reporting Initiative (GRI™) Index, discusses how we balance efforts to support our people, enrich the communities where we live and work, and our efforts to reduce the environmental impact of our operations. We also highlight ethics, governance, and other related program areas that form the bedrock of our philosophy about corporate responsibility.

We publish reports annually in accordance with the latest GRI™ Sustainability Reporting Standards (GRI Standards). The GRI Standards emphasize materiality to focus reporting on topics with the most significant impact and influence on our stakeholders. This year’s report is our eleventh, covering calendar year 2019. This report also aligns with and references our fiscal year Annual Report on Form 10-K.

The GRI™ is a third-party organization developing the world’s most widely used sustainability reporting framework. To ensure the highest degree of technical quality, credibility, and relevance, the framework is maintained through consensus-seeking participants drawn globally from business, civil society, labor, and professional institutions. The GRI Standards represent global best practice in sustainability reporting.

Leidos defines report content by balancing our interest in providing the most comprehensive and transparent representation of the company’s sustainability profile with the availability of data and resources. We strive to provide a robust report that addresses the interests of our stakeholders while aligning with the most relevant and significant indicators of our economic, environmental, and social performance.
Ethics & Compliance

Leidos is known for maintaining the highest standards of integrity and ethical behavior. Our robust policies, procedures, training, and communications create a comprehensive program, cultivating a culture of integrity that touches every aspect of employee conduct.
Leidos is recognized by the Ethisphere Institute as a global leader in defining and advancing the standards of ethical business practices, specifically as one of the World’s Most Ethical Companies. This honor underscores the company’s commitment to leading with integrity and prioritizing ethical business performance.

REPORT AN ETHICS CONCERN
We take every report seriously and have zero tolerance for retaliation of any kind against individuals who, in good faith, raise questions or report concerns.

Code of Conduct
Leidos has a strong culture of ethics and integrity. Our Code of Conduct is a broad statement of principles for conducting business according to the highest ethical standards. It applies to all Leidos subsidiaries and is available in eight languages.

Compliance and Audit
The Leidos Internal Audit department regularly audits Leidos programs. The scope of these audits includes assessing compliance with key aspects of the policies and procedures encompassed in the Code. These audits generally include, but are not limited to:

- Compliance with contractual requirements
- Financial performance
- Internal Controls and cultural environment
- Supplier Management
- Prior, recurring and current ethics concerns and investigations

Leidos is known for maintaining the highest standards of integrity and ethical behavior. Our robust policies, procedures, training, and communications create a comprehensive program, cultivating a culture of integrity that touches every aspect of employee conduct.

For the third consecutive year, Leidos named one of the World’s Most Ethical Companies by the Ethisphere Institute.

We have a strong history of performance resting on our foundation of integrity. This foundation supports an environment where ethics and compliance is everyone’s responsibility. Leidos employees proudly embrace these standards through their work and interactions. Managers at all levels must model the behavior they expect from their teams, and reinforce those values to promote a strong ethical culture within their organizations.

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External Industry Engagement

As mentioned above, Leidos is a member of both the Steering Committee and Working Group of DII, a key industry organization promoting ethical conduct among defense contractors. Leidos is also a member of The International Forum on Business Ethical Conduct (IFBEC) – a global organization of companies in the aerospace and defense sectors. The IFBEC, Global Principles of Business Ethics for the Aerospace and Defense Industry affirm the industry’s commitment to ethical business behavior and establishes a uniform set of standards addressing business conduct related to zero tolerance of corruption, use of third-parties, management of conflicts of interest and respect for proprietary information. Additionally, Leidos is a long-standing member of Trace International, a globally-recognized anti-bribery business association. As a leader in the international anti-corruption community, Leidos takes its commitment to international anti-corruption and anti-bribery compliance very seriously and is committed to upholding the highest standards and implementing best practices throughout the Leidos compliance program.

Human Trafficking
Respect for Human Rights

Our mission and our values reflect an unwavering respect for human dignity and fundamental human rights. We condemn human rights abuses and support the United Nations (UN) Guiding Principles on Business and Human Rights. We have a responsibility to respect human rights in the operation of our business, and we adhere to the UN framework to protect and respect human rights and to remedy human rights abuses. We also expect everyone with whom we conduct business to also respect human rights and work to combat human trafficking.

Combating Trafficking in Persons

Consistent with the United Nations Guidelines on Business and Human Rights requirements of the Federal Acquisition Regulation Subpart 22.17 and Defense Federal Acquisition Regulation Supplement, the current FAR and DFARS regulations establish general anti-human trafficking requirements that are applicable to all federal contracts and subcontracts, including the prohibition of specific human trafficking activities and require immediate reporting of such activities to Government authorities. To ensure compliance with these regulations and corporate policies, Leidos implements a compliance plan for the prevention of human trafficking that governs activities under applicable FAR and DFARS contracts. In accordance with these regulations, Leidos employees, consultants, contractors, subcontractors, and agents performing any work under a federal contract shall:

- Engage in or support trafficking in persons;
- Probusiness personal 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 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 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 fail to meet the host country housing and safety standards; and
- Fail to provide a written agreement, if required by law or contract, in the written agreement specifying 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 country’s laws on this subject.

Any suspected violations must be reported immediately to the Leidos Hotline at 855-753-4367 or by email to humantrafficking@leidos.com. Incidents of suspected human trafficking may also be reported to the Global Hotline at 1-844-888-FREE (888) and help@bkreo.org. Individuals may freely make such reports without fear of retribution. Retaliation against individuals for reporting suspected violations is a serious breach of the Leidos Code of Conduct and can result in disciplinary action.
Integrity

Having the courage to make tough ethical decisions, taking pride in our work, being transparent with our team, and being respectful of everyone.

The Standards of Business Ethics and Conduct at Leidos is the foundation emphasized in the Code and are the foundation of our culture.

The Code of Conduct (the Code) is the basis of Leidos corporate policies and is designed to promote ethical business conduct and compliant behaviors.

POLICIES AND PROCEDURES

The Code of Conduct is a broad statement of principles for conducting business according to the highest ethical standards. It applies to all Leidos subsidiaries and is available in eight languages.

ETHICS TRAINING AND COMMUNICATIONS

The Ethics and Compliance Office promotes a culture of integrity at Leidos and provides ethics and compliance training, communications, and guidance to create a transparent environment and informed employee population.

The Code and annual Ethics Awareness training reinforce Leidos’ core values and provide important information related to many key compliance risks and areas. The Code and ethics awareness training are updated annually, and CEO Krone delivers opening remarks in the training to reinforce our commitment to ethics, integrity, behavior, and accountability.

CEO Krone establishes the message in the company’s New Employee Orientation. Ethics Awareness training must be completed annually by all employees, including new hires.

Other required annual courses for Leidos employees include labor charging, security awareness, and inclusion acumen training. Employees that work on certain programs and in specific job functions must also complete role-based compliance training.

Ethics and Compliance Officer Michele Brown reports to the ERB on ethics and compliance issues, trends, disciplinary actions, remedial measures, compliance risks, policy issues, training, communications, and new developments and initiatives. Members of the ERB (Chief Ethics and Compliance Officer, General Counsel, Chief Ethics and Compliance Officer) meet quarterly to discuss and resolve significant enterprise ethics and compliance matters and strengthen the overall compliance program.

CORPORATE GOVERNANCE AND ETHICS COMMITTEE

The Ethics Review Board (ERB) is responsible for addressing enterprise ethics and compliance issues and for making ethical and compliance-related decisions. The ERB functions independently with an Audit Review Board and Enterprise Risk Management Committee, to review significant enterprise ethics and compliance matters and strengthen the overall compliance program.

The Standards of Business Ethics and Conduct at Leidos is the foundation of our culture of uncompromising integrity by promoting ethics through a comprehensive and independent Ethics Program Structure.

The CGEC includes Chairman and CEO Roger Krone, Chief Financial Officer, General Counsel, Chief Ethics and Compliance Officer, Chief Human Resources Officer and Head of Business Partnerships, Group Presidents and corporate functional executives.

The Ethics Review Board (ERB) is a subcommittee of the CGEC. Other required annual courses for Leidos employees include labor charging, security awareness, and inclusion acumen training. Employees that work on certain programs and in specific job functions must also complete role-based compliance training.

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Leidos’ established process for reporting observed or suspected miscon- duct or any employee grievance is widely advertised and promotes eight separate channels for employees and others to report a concern or simply to ask for guidance. If an individual is uncomfortable coming forward, the individual has the option of reporting anonymously where permitted by law. Any information provided will be kept confidential to the greatest extent possible. The available reporting options are:

1. Their supervisor or other individual in the management chain.
2. Their local Human Resources representative, the Workforce Solutions Director or the Chief Human Resources Officer.
3. Their supervisor or other individual in the management chain.
4. The Ethics and Compliance Office.
5. The Ethics and Compliance Office.
6. The General Counsel or Chief Security Officer.
7. Their local Human Resources representative, the Workforce Solutions Director or the Chief Human Resources Officer.
8. Their supervisor or other individual in the management chain.

The Ethics and Compliance Office maintains an Enterprise Case Manage- ment System for documenting and tracking investigations. All investigative functions, including Human Resources, Ethics and Compliance, Legal, and Security, use this centralized, multifunctional case management system. The company employs a highly collaborative approach to ensure that the most appropriate and independent function investigates each allegation based upon the nature of the underlying concern. All cases are subject to biweekly reviews by Legal, Human Resources, Ethics and Compliance, and Security representatives. Such a high level of collaboration across the entire enterprise has produced a best-in-class investigative program. Furthermore, Leidos does not close any substantiated case in ECMS until the company has completed all corrective actions.

The company has zero tolerance for retaliation in any form. Leidos supports those who speak up and the company has always encouraged its employ- ees to report any legal or ethical misconduct without fear of retaliation. Additionally, Leidos has established follow-up procedures for closed investiga- tions where there is a heightened risk of retaliation. Those who engage in retaliation will face discipline, up to and including termination of employment. Anyone who asks questions or reports concerns in good faith will be protected. The company is committed to complying with the em- ployee whistleblower protections contained in the Federal Acquisition Reg- ulation (FAR) and the Department of Defense FAR Supplement (DFARS), as well as the anti-retaliation provisions of all applicable laws that prohibit discrimination in the workplace. Employees may also report concerns to an agency’s Office of Inspector General or the Department of Defense (DOD) Hotline.

The Ethics and Compliance Office engages in an ongoing ethics and aware- ness campaign to focus all employees on the necessity of ethical behavior and to emphasize its commitment that ethics concerns will reach the right people, that swift corrective action will be taken in valid ethics cases, and that the company has zero tolerance for retaliation of any kind. The campaign message is simple and clear: Protect Leidos and customer as- sets; foster a safe and healthy work environment; respect human rights; deal fairly and honestly with customers, third parties and public officials; conduct international business properly; report misconduct; and protect colleagues from retaliation. The Leidos Hotline at 855-7-LEIDOS (855.753.4367), which connects you to an independent third-party provider, EthicsPoint, or by online submission of the concern at leidos.com/hotline (international hotline numbers are available on our Ethics and Compliance intranet hub). For additional information, please see our Hotline FAQs.

Consistent with best practices, Leidos has retained a third-party adminis- trator to host its Hotline, which offers a 24/7 toll center and accompanying website where employees and others can voice concerns or ask for guid- ance. The Ethics and Compliance Office is responsible for maintaining this relationship and ensures that the hotline complies with all relevant laws and regulations in the countries where Leidos operates and that the proper access controls are in place to ensure the information is kept confidential to the greatest extent possible, and accessed by only those with a business need to know. The office has also set up toll-free calling options for U.S.- based callers, and several international locations. Finally the office ensures that the Hotline phone numbers are posted in common work areas across the enterprise.

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Trust Center

Leidos is known for maintaining the highest standards of integrity and ethical behavior, and this extends fully to how we manage data privacy and cybersecurity. We apply industry-leading data privacy and cybersecurity standards in our day-to-day business. We have a duty to our employees, customers, communities, and stakeholders to proactively safeguard and handle their data, systems, and technology in line with the continually-developing regulatory framework across the globe.
Our commitment to privacy and cybersecurity

Leidos is known for maintaining the highest standards of integrity and ethical behavior, and this extends fully to how we manage data privacy and cybersecurity. We apply industry-leading data privacy and cybersecurity standards in our day-to-day business. We have a duty to our employees, customers, communities, and stakeholders to proactively safeguard and handle their data, systems, and technology in line with the continually-developing regulatory framework across the globe.

In this Trust Center, you will find information about our approach to cybersecurity and data privacy, including our broad policy, governance and compliance initiatives. This Trust Center will be regularly updated as industry standards and legal requirements evolve.

Cybersecurity

With oversight from the Leidos Board of Directors and its Technology & Information Security Committee, we utilize industry-standard frameworks with which to provide appropriate governance of our corporate cybersecurity efforts.

APPROACH TO CYBERSECURITY

The Leidos Board of Directors’ Technology & Information Security Committee provides oversight of matters involving the Company’s overall strategic direction and associated exposure to, and management of, significant business risks in the areas of technology, information, and operational security.

The Leidos Security Council is responsible for harmonizing effective security strategy, governance, command media, communications, and major initiatives across functional and line of business teams.

Established in 2019, the team is co-chaired by the Chief Information Security Officer and the Chief Security Officer and is supported by voting representatives from the lines of business, Legal Department, Ethics and Compliance, Corporate Performance Excellence, Enterprise Risk Management, and Global Privacy Office. Non-voting members include the Chief Audit Executive, Chief Technology Officer, and the Corporate Controller.

Leidos has also formed a Data Governance Steering Council, Data Classification Working Group, Records Retention Working Group, Cyber Regulatory Working Group and Data Privacy Working Group—all of which play a significant role in the continued maturation of Leidos’ global cybersecurity, data protection and privacy strategy.

COMMITMENT TO INDUSTRY STANDARDS

Leidos uses industry-standard frameworks with which to provide appropriate governance of our cybersecurity efforts. To that end, the National Institute of Standards and Technology NIST 800-37 Risk Assessment methodology is used every day as our standard methodology for assessing risk related to hardware, software, systems, and cybersecurity controls.

In 2019, the Defense Contract Management Agency (DCMA) conducted a NIST 800-171 assessment of our Corporate System Security Plan and related controls to ensure that we are compliant with the 800-171 requirements aligned to the Defense Federal Acquisition Regulation Supplement (DFARS) 252.204-7012 clause. We successfully achieved a perfect score of 110.

In Q1 2020, we successfully renewed our ISO 27001 certification, which was conducted by an independent, accredited third-party auditor.

Our compliance with both NIST 800-171 and ISO 27001 standard speaks to our unwavering and industry-leading cybersecurity program. Our business relies entirely on the ability to assure and attest to the confidentiality, security, and availability of data and systems - that includes our own and those of our customers and partners.

AUDIT AND RISK ASSESSMENTS

To further validate our externally-validated standards, Leidos Internal Audit has developed an Information Technology Risk Assessment Framework (IT-RAF) and a Cybersecurity Risk Assessment Framework (CS-RAF). Both of these frameworks are based on Industry Standard Frameworks (e.g., NIST 800-171) and identify serious domains under broader categories, including:

- Governance and Organization
- Policy and Standards
- Infrastructure and Architecture
- Applications; Operations
- Awareness
- Continuous Control Monitoring
- Metrics and Reporting
- Compliance

Internal Audit uses the above frameworks to perform continuous IT and Cybersecurity risk assessments. Data privacy is a consideration under both frameworks, while cybersecurity risk is predominately covered under CS-RAF.
Data Privacy

Protecting personal information is a commitment we make to our customers and employees and is an essential part of doing business. The GPO collaborates with the CIO and CSO, and members of both the Technology and Info Security Committee and the Audit and Finance Committee of the Board of Directors, as well as white papers published by both commercial entities and industry trade groups, Internal Audit develops Information Technology and Cybersecurity Internal Audit Plans.

Types of internal audits that are generally performed include:
- Information Security Governance
- Information Assets Classification and Management
- Identity and Access Management
- Change Management
- Cybersecurity Incident Response
- Vulnerability Identification and Remediation
- Business Continuity and Disaster Recovery

In 2019, Corporate Information Security also conducted its own self-assessment of the Leidos program, based on the Aerospace Industries Association (AIA) National Aerospace Standard (NAS) number 9933. NAS 9933, mostly derived from the Control Objectives for Information and Related Technology (COBIT) framework, establishes maturity targets aligned against a strategy of becoming a world-class Information Technology and Cybersecurity Organization. Leidos has also formed a Data Governance Steering Council (DGSC) to integrate data privacy protection into program execution. This is just one of several ways in which the GPO has implemented - and continues to implement - Privacy by Design.

GOVERNANCE

The Leidos Board of Directors’ Technology & Information Security Committee provides oversight of matters involving the Company’s overall strategic direction and associated exposure to, as well as management of, significant business risks in the areas of technology, information, and operational security.

Leidos has also formed a Data Governance Steering Council (DGSC). The mission of the DGSC is to align Leidos data management goals, standards, processes and practices with business goals and strategies, while reducing the risk of misuse, misappropriation, loss or unauthorized access to various types of data. The DGSC is co-chaired by the Chief Privacy Officer (CPO) and Chief Information Officer (CIO) and includes members from several corporate functions, such as Corporate Security, Information Technology, Legal, International Regulatory Compliance, Program Execution, Human Resources, Finance, Contracts, and Corporate Communications, as well as from business teams, such as Program Execution (POC). Leidos uses frameworks such as the Center for Internet Security Maturity Model, a framework based on proactively embedding privacy into the design and operation of IT systems, networked infrastructure, and business practices.

As an example of Privacy by Design, the GPO has implemented processes and procedures with the underlying risk methodology; discussions with the CIO and CISO, other senior executives, and members of both the Technology and Info Security Committee. The GPO has also designed and manages a robust Intrusion Site for Leidos employees through the CIO and CSO, and includes a Data Privacy Best Practices Toolkit, a baseline of existing practices in each control family, Corporate Information Security established maturity targets aligned against a strategy of becoming a Superior Cybersecurity provider in our marketplace.

In addition, Leidos Global Privacy Office has implemented a system-wide, software system, which it calls the Global Privacy Management System, to administer various types of data mapping questionnaires and Privacy Impact Assessments.

PREPAREDNESS AND INCIDENT RESPONSE

Leidos has a comprehensive Incident Response Plan and associated procedures which address how various types of data are to be protected and handled, and in the event of a cybersecurity or data privacy breach, the procedures which must be followed. These policies and procedures identify incident response teams and outline accountability for key stakeholders.

Additionally, Leidos periodically conducts an external penetration test of its operation of IT systems, networked infrastructure, and business practices.

Impact Assessments, as well as to process Subject Access Requests from customers. Thus, data privacy is integral to our Code of Conduct and employee training programs.

Leidos has implemented several internal policies and procedures, including a baseline privacy policy that sets forth how Leidos employees must handle personal information for all employees who handle Protected Health Information related to U.S. customers. All Leidos employees are required to comply with these policies and procedures.

Annual cybersecurity/data privacy, HIPAA, and general data privacy awareness training is also required of employees when relevant to their job function. We have created tailored training programs related to specific subject areas such as the Health Insurance Portability and Accountability Act (HIPAA), privacy rights, consumer privacy, consumer Privacy Act (CPA). For example, Annual HIPAA training is required for all employees who handle Protected Health Information related to U.S. customers. Likewise, our Code of Conduct includes sections devoted to data privacy awareness and employee obligations.

The GPO has also designed and manages a robust Incident Site for Leidos employees through the CIO and CSO, and includes a Data Privacy Best Practices Toolkit, a baseline of existing practices in each control family, Corporate Information Security established maturity targets aligned against a strategy of becoming a Superior Cybersecurity provider in our marketplace.

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Conflict Minerals Report and Policy

Leidos fully supports the goals and objectives of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act which aims to prevent the use of certain “Conflict Minerals” that directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo or adjoining countries.
CONFLICT MINERALS REPORT

CONFLICT POLICY STATEMENT
Global Reporting Initiative (GRI) Index™

The Leidos Corporate Responsibility Report is published in accordance with the GRI™ Sustainability Reporting Framework (Core option).
This report has been prepared in accordance with the GRI™ Standards: Core option. The GRI™ Standards emphasize materiality and focused sustainability reporting on the economic, environmental, and/or social impacts of an organization. The following index lists our responses to the GRI™ Standards: Core option (General Disclosures and material topic-specific disclosures) and provides links to relevant report content on Leidos.com where appropriate.

Note: For each topic-specific disclosure, disclosures on Management Approach are contained in relevant sections on Leidos.com, including how Leidos manages each material topic, any associated impacts and boundaries, and related evaluations of management approach, where applicable.

GENERAL STANDARDS DISCLOSURES

General Disclosures are applicable to all organizations preparing sustainability reports and provide contextual information about an organization and its sustainability reporting practices. They include information about an organization’s profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process.

The GRITM Standards emphasize materiality and focused sustainability reporting on the economic, environmental, and social impacts of an organization. The following index lists our responses to the GRI™ Standards: Core option (General Disclosures and material topic-specific disclosures) and provides links to relevant report content on Leidos.com, including how Leidos manages each material topic, any associated impacts and boundaries, and related evaluations of management approach, where applicable.

GENERAL STANDARD DISCLOSURES

General Disclosures are applicable to all organizations preparing sustainability reports and provide contextual information about an organization and its sustainability reporting practices. They include information about an organization’s profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process.
Stakeholder Engagement:

A list of the material topics identified in the process.

Boundary:

Explain the nature and scale of work performed for suppliers, the structure of the supply chain, or changes in the location of, or changes in, operations, including:

- Changes in the location of, or changes in, operations, including facility openings, closings, and expansions.
- Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.

Leidos participates in numerous professional industry associations and community/non-profit organizations related to our business as well as the communities in which employees live and work, respectively. Leidos employees hold leadership positions in many of these organizations. We do not currently have a centralized list of all involvement.

Identified Material Aspects and Boundaries:

An explanation of the process for defining report content and the topic Boundary.

An explanation of why the topic is material;

- The Boundary for the material topic, which includes any specific limitation regarding the topic Boundary.

Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in tourism or agricultural industries).

How we have determined the data have been compiled, including any assumptions made.

Currently, 0.8% of Leidos employees are covered by collective bargaining agreements.

A description of the organization’s supply chain, including key elements as they relate to the organization’s activities, primary brands, products, and services.

A description of the organization’s activities, primary brands, products, and services.

A list of the main memberships of industry or other associations, and national or international advocacy organizations.

A list of the main memberships of industry or other associations, and national or international advocacy organizations.

An explanation of how the data have been compiled, including any assumptions made.

A list of all entities included in the organization’s consolidated financial statements or equivalent documents.

Whether any entity included in the organization’s consolidated financial statements or equivalent documents is not covered by the report.

A list of a significant portion of the organization’s employees who are not employees. If applicable, a description of the nature and scale of work performed by such personnel.

A description of the nature of such work performed by such personnel.

A list of the material topics identified in the process for defining report content.

Whether any significant portion of the organization’s employees who are not employees.

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The Leidos corporate responsibility report is developed in compliance with the GRI Standards Reporting Framework. Additionally, Leidos subject matter experts participate in a number of collaborative efforts with stakeholders and external organizations. Additionally, Leidos has signed on to the Business Roundtable’s Statement on the Purpose of a Corporation.

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Whether any entity included in the organization’s consolidated financial statements or equivalent documents is not covered by the report.

A list of the material topics identified in the process for defining report content.

All statements regarding our core values and commitment to data privacy, ethics, and integrity apply to the entire enterprise. References to numbers of employees and associated metrics apply to the entire enterprise, except where noted otherwise. Most employee benefit programs addressed within this report relate to Leidos U.S. operations, which make up the presented metrics and may exclude certain U.S. subsidiaries. In keeping with our workforce distributions, this report highlights our employment and compensation experiences with our entire workforce. References to numbers of employees and associated metrics apply to the entire enterprise, except where noted otherwise. Most employee benefit programs addressed within this report relate to Leidos U.S. operations, which make up the presented metrics and may exclude certain U.S. subsidiaries. In keeping with our workforce distributions, this report highlights our employment and compensation experiences with our entire workforce.

Leidos maintains a corporate-level Enterprise Risk Management Council (ERMC) to review business activities that present, or have the potential to present, significant risk to the company. Risks and their mitigation plans are identified by relevant operating units and functions. The ERMC reviews those plans to ensure that necessary actions are implemented to avoid, mitigate, and manage those risks and that the steps taken are in line with the company’s overall risk tolerance.
103-2 The management approach and its components.
• An explanation of how the organization manages the topic.
• A statement of the purpose of the management approach.
• A description of the following, if the management approach includes that component:
  1. Policies;
  2. Commitments;
  3. Goals and targets;
  4. Responsibilities;
  5. Resources;
  6. Grievance mechanisms;
  7. Specific actions, such as processes, projects, programs and initiatives.

The management approach for material topics is addressed in the introduction of the corresponding section of this report.

103-3 Evaluation of the management approach.
• An explanation of how the organization evaluates the management approach, including:
  • The mechanisms for evaluating the effectiveness of the management approach;
  • The results of the evaluation of the management approach;
  • Any related adjustments to the management approach.

A summary of the evaluation of our management approach is addressed in the introduction of the corresponding section of this report.

102-48 The effect of any restatements of information given in previous reports, and the reasons for such restatements.
No major restatements during the period 2019.

102-49 Significant changes from previous reporting periods in the list of material topics and topic boundaries.
This report contains no significant changes to scope, boundary, or measurement methods used in previously published corporate responsibility reports.

Stakeholder Engagement
102-40 A list of stakeholder groups engaged by the organization.
About Our Reporting

102-42 The basis for identifying and selecting stakeholders with whom to engage.
About Our Reporting

102-43 The organization’s approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.
About Our Reporting
A description of the organization’s policy and current practice with regard to seeking external assurance for the report. If the report has been externally assured, a reference to the external assurance report accompanying the sustainability report. A description of the organization’s policies and current practice with regard to seeking external assurance for the organization’s sustainability report.

Leidos GI reports are not currently externally assured. However, our greenhouse gas emissions data is externally assured by a third party.

Governance structure of the organization, including committees responsible for decision-making on economic, environmental, and social topics.

Leidos is governed by a board of directors comprising thirteen directors, twelve of which are independent directors as defined by the New York Stock Exchange and corporate governance guidelines. The board includes four standing committees, including a Corporate Governance and Ethics Committee, charged with the responsibility to review such environmental, social, and governance issues that may significantly impact the Company’s business operations, reputation or relations with employees, customers, stockholders and other constituents. The Governance and Ethics Committee also reviews legislative and regulatory trends and public policy developments that may affect the Company’s business, including government relations activities.

ECONOMIC

A description of the organization’s values, principles, standards, and norms of behavior.

Ethics and Compliance

A description of internal and external mechanisms for seeking advice about ethical and lawful behavior, and organizational integrity; Reporting concerns about unethical or unlawful behavior, and organizational integrity.

Ethics and Compliance

TOPIC-SPECIFIC DISCLOSURES

Topic-specific disclosures include information on an organization’s impacts related to material economic, environmental, and social topics and disclosures on Management Approach. Topic-specific disclosures deemed material to Leidos are presented below according to the three Topic-specific Standards — Economic, Environmental and Social.

Disclosures: Economic Performance

<table>
<thead>
<tr>
<th>DISCLOSURE NUMBER</th>
<th>DISCLOSURE TITLE &amp; REQUIREMENTS</th>
<th>2019 RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>201-1</td>
<td>Direct economic value generated and distributed (EVG&amp;D) on an accrual basis, including the basic components for the organization’s total economic value generated and distributed (EVG&amp;D) for the period.</td>
<td>See 2019 Annual Report Community &gt; Corporate Philanthropy</td>
</tr>
<tr>
<td>201-2</td>
<td>Financial implications and other risks and opportunities for the organization’s activities due to climate change.</td>
<td>Leidos reports relevant climate change risks and opportunities through CDP. Our latest response can be found here. Information on climate-related risks and opportunities can be found in section C2 – Risks and Opportunities.</td>
</tr>
</tbody>
</table>
As of January 1, 2019, the Leidos Biomedical Research Plan has 445 active participants, 532 deferred vested participants and 623 retiring participants. The plan is approximately 91 percent funded as of January 1, 2019, on a stabilized funding basis. The plan was fully frozen on August 30, 2019. All participant accruals are fully frozen.

The second plan includes, as of March 1, 2019, the Calanais Pension Trustee Co, LTD (sponsored plan) included: 156 deferred members, 78 pensioner members (including 6 dependent pensioner members) and funding level of 97.


Building-specific Assumptions:
*For owned buildings and leased buildings where Leidos is responsible for paying utility bills, electricity and natural gas data were collected from utility billing information.
*For leased buildings where Leidos is not responsible for paying electricity bills, electricity consumption was estimated using the average intensity method described in The Climate Registry (TCR) General Reporting Protocol v2.0. This method multiplies the floor area of each lease by an assumed electricity intensity factor based on building type from the U.S. Energy Information Administration’s (EIA) Commercial Buildings Energy Consumption Survey for 2012 (CBECS 2012). The resulting consumption was prorated based on the fraction of the year for which Leidos occupied each lease.
*For leased buildings where Leidos is not responsible for paying natural gas bills, natural gas consumption was estimated using the average intensity method described in The Climate Registry (TCR) General Reporting Protocol v2.0. This method multiplies the floor area of each lease by an assumed natural gas intensity factor based on building type from the U.S. Energy Information Administration’s (EIA) Commercial Buildings Energy Consumption Survey for 2012 (CBECS 2012). The resulting consumption was prorated based on the fraction of the year for which Leidos occupied each lease.

Leidos vehicle data is taken from insurance policy data that is updated on a quarterly basis.

For multiple buildings in the same location, energy intensity factors based on building type from the U.S. Energy Information Administration’s (EIA) Commercial Buildings Energy Consumption Survey for 2012 (CBECS 2012). The resulting consumption was prorated based on the fraction of the year for which Leidos occupied each lease.

For multiple buildings in the same location, energy intensity factors based on building type from the U.S. Energy Information Administration’s (EIA) Commercial Buildings Energy Consumption Survey for 2012 (CBECS 2012). The resulting consumption was prorated based on the fraction of the year for which Leidos occupied each lease.

Leidos assumed the intensity values described in the Commercial Buildings Energy Consumption Survey (CBECS) to be representative of the intensity of the organization. The organization is responsible for the energy consumed in buildings it occupies. Energy consumption was prorated conservatively to include the time of the year for which the organization occupied the building.

Leidos assumed the intensity values described in the Commercial Buildings Energy Consumption Survey (CBECS) to be representative of the intensity of the organization. The organization is responsible for the energy consumed in buildings it occupies. Energy consumption was prorated conservatively to include the time of the year for which the organization occupied the building.

The energy and water consumption data presented in this report is in joules, or multiples, and is general to meet them; mated to be covered by the assets that have been set aside to meet them;
Reduction of energy consumption:

1. Amount of reductions in energy consumption is a direct result of conservation and efficiency initiatives, in pulses or multiples.
2. Total owned and lease floor area is 6,775,416 ft² (Leidos-occupied floor area only, subleased floor area excluded).
3. Natural gas and electricity consumption was prorated based on the fraction of the year for which Leidos occupied each lease.
4. For owned buildings and leased buildings where Leidos is responsible for paying utility bills, natural gas data were collected from utility billing information.

Fleet-specific Assumptions:

For owned buildings and leased buildings where Leidos is responsible for paying utility bills, electricity and natural gas data were collected from utility billing information.

Fleet vehicle data is taken from insurance policy data that is updated on a quarterly basis.

Fleet consumption was prorated based on the disposal date of the vehicle. If the vehicle did not have a disposal date, it was conservatively assumed to have been used for the entire calendar year.

Leidos followed the World Resource Institute and the World Business Council for Sustainable Development (WRI/WBCSD) GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition) and The Climate Registry (TCR) General Reporting Protocol v2.1 for data collection and calculation methods, assumptions, and/or conversion factors.

Leidos utilized a 2010 base year, because it was the year that Leidos began quantifying and reporting GHG emissions. Since most of our GHG emissions result from energy use, 2010 is a logical base year for measuring energy savings as well. In addition to measuring against the base year, Leidos finds it informative to measure year-over-year performance improvements.

Leidos followed the World Resource Institute and the World Business Council for Sustainable Development (WRI/WBCSD) GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition) and The Climate Registry (TCR) General Reporting Protocol v2.1 for data collection and calculation methods, assumptions, and/or conversion factors.

Building-specific Assumptions:

For owned buildings and leased buildings where Leidos is responsible for paying utility bills, electricity and natural gas data were collected from utility billing information.

For leased buildings where Leidos is not responsible for paying electricity bills, electricity consumption was estimated using the average intensity method described in The Climate Registry (TCR) General Reporting Protocol v3.0. This method multiplies the floor area of each lease by an assumed electricity intensity factor based on building type from the U.S. Energy Information Administration's (EIA) Commercial Buildings Energy Consumption Survey for 2012 (EIA, 2012). The resulting consumption was prorated based on the fraction of the year for which Leidos occupied each lease.

For leased buildings where Leidos is responsible for paying natural gas bills, natural gas consumption was estimated using the average intensity method described in The Climate Registry (TCR) General Reporting Protocol v3.0. This method multiplies the floor area of each lease by an assumed natural gas consumption rate based on building type from the U.S. Energy Information Administration’s (EIA) Commercial Buildings Energy Consumption Survey for 2012 (EIA, 2012). The resulting consumption was prorated based on the fraction of the year for which Leidos occupied each lease.

For leased buildings where Leidos is not responsible for paying natural gas bills, natural gas consumption was estimated using the average intensity method described in The Climate Registry (TCR) General Reporting Protocol v3.0. This method multiplies the floor area of each lease by an assumed natural gas consumption rate based on building type from the U.S. Energy Information Administration’s (EIA) Commercial Buildings Energy Consumption Survey for 2012 (EIA, 2012). The resulting consumption was prorated based on the fraction of the year for which Leidos occupied each lease.

Leidos vehicle data is taken from insurance policy data that is updated on a quarterly basis.

Fleet consumption was prorated based on the disposal date of the vehicle. If the vehicle did not have a disposal date, it was conservatively assumed to have been used for the entire calendar year.
105-3

**Other indirect greenhouse gas (GHG) emissions (Scope 3):**

- 1. Gross indirect (Scope 3) GHG emissions in metric tons of CO2 equivalent.
- 2. Gross indirect, the gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.
- 3. Base year for the calculation, if applicable, including:
  - a. the rationale for choosing it;
  - b. calculation tools used.

See response in 305-1 for Standards, Methodologies, and Assumptions used for GHG Calculations.

Environment > Corporate Footprint and Environmental Stewardship

105-4

**Greenhouse gas (GHG) emissions intensity:**

1. GHG emissions intensity ratio for the organization.

2. Organization-specific metric (the denominator).

3. Type of GHG emissions included in the intensity ratio calculation.

4. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP rates.

See response in 305-1 for Standards, Methodologies, and Assumptions used for GHG Calculations.

Environment > Corporate Footprint and Environmental Stewardship

105-5

- Reduction of greenhouse gas (GHG) emissions:
  - 1. GHG emissions reduced or a direct result of reduction initiatives, in metric tons of CO2 equivalent.
  - 2. GHG emissions included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.
  - 3. Base year for the calculation tools used.

See response in 305-1 for Standards, Methodologies, and Assumptions used for GHG Calculations.

Environment > Corporate Footprint and Environmental Stewardship

Stewards and Waste

105-6

- Waste by type and disposal method:
  - 1. The total weight of hazardous and non-hazardous waste, by disposal method.
  - 2. Total weight of hazardous waste disposed at all owned off-site facilities.
  - 3. Total recycling and compost waste details provided in the Environment > Corporate Footprint and Environmental Stewardship section.

Leidos has multiple hazardous waste generated facilities, and all hazardous waste is disposed by the Environmental Services team. All hazardous waste is stored in EPA permitted hazardous waste storage and disposal facilities. Leidos has committed to use all available financial resources to ensure the disposal of hazardous waste in an environmentally sound manner.

Leidos has contracts with professional waste management companies for recycling and waste disposal at all owned off-site facilities. Total recycling and compost waste details are provided in the Environment > Corporate Footprint and Environmental Stewardship section.
Supplier Environmental Assessment

308-1 Negative environmental impacts in the supply chain and actions taken:
1. Number of suppliers assessed for environmental impacts.
2. Number of suppliers identified as having significant actual and potential negative environmental impacts identified in the supply chain.
3. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.
4. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment.

1. None
2. None
3. None
4. 0%

SOCIAL | LABOR PRACTICES AND DECENT WORK

Occupational Health and Safety

403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism; and number of work-related fatalities.

Supplier and Small Business Relationships

414-1 New suppliers that were screened using social criteria.

Training and Education

404-2 Programs for upgrading employee skills and transition assistance programs.

For governance composition, see 102-18 response. People > Employee Demographics and Statistics

Supplier Social Assessment

414-2 Negative social impacts in the supply chain and actions taken:
1. Number of suppliers assessed for social impacts.
2. Number of suppliers identified as having significant actual and potential negative social impacts.
3. Percentage of suppliers identified as having significant actual and potential negative social impacts identified in the supply chain.
4. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.
5. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.

People > Professional and Career Development

People > Small Business Relationships

Ethics and Compliance

Diversity and Equal Opportunity

405-1 Diversity of governance bodies and employees:
1. Age group: under 30 years old, 30-50 years old, over 50 years old.
2. Gender.
3. Other indicators of diversity where relevant (such as minority or vulnerable groups).

*Percentage of employees per employee category in each of the following diversity categories:
- Gender;
- Age group: under 30 years old, 30-50 years old, over 50 years old;
- Other indicators of diversity where relevant (such as minority or vulnerable groups).
Operations with local community engagement, impact assessments, and development programs Percentage of operations with implemented local community engagement, impact assessments, and development programs, including the use of: Social impact assessments, including gender impact assessments, based on participatory processes; Environmental impact assessments and ongoing monitoring; Public disclosure of results of environmental and social impact assessments; Local community development programs based on local communities’ needs; Stakeholder engagement plans based on stakeholder mapping; Broad-based local community consultation committees and processes that include vulnerable groups; Works councils, occupational health and safety committees and other worker representation bodies to deal with impacts; Formal local community grievance processes that include vulnerable groups; Broad-based local community consultation committees that include vulnerable groups; Local communities’ needs; Impact assessments; Public disclosure of results of environmental and social monitoring; Environmental impact assessments and ongoing monitoring.

Leidos does not currently track this metric. Most of our locations, however, engage in outreach within their communities. Included in this report are several examples of our efforts in both specific communities and amongst specific populations, as well as our community engagement priority areas. We believe that these programs and activities are effective, yet continue to look for ways to maximize their positive effects and minimize any negative impacts.

Community
Community = Corporate Philanthropy

Operations assessed for risks related to corruption:
Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.
Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.
Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region.
Describe if the organization's anti-corruption policies and procedures have been communicated to other persons or organizations.
Total number and percentage of governance body members that have received training on anti-corruption, broken down by region.
Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.

The Leidos Internal Audit department has a multi-year risk based Audit Plan. The Audit Plan focuses with business partners were terminated or not renewed due to violations related to corruption. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.

Leidos does not currently track this metric. Most of our locations, however, engage in outreach within their communities. Included in this report are several examples of our efforts in both specific communities and amongst specific populations, as well as our community engagement priority areas. We believe that these programs and activities are effective, yet continue to look for ways to maximize their positive effects and minimize any negative impacts.

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Community = Corporate Philanthropy

Communication and training about anti-corruption policies and procedures:

Operations assessed for risks related to corruption:
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Operations with local community engagement, impact assessments, and development programs Percentage of operations with implemented local community engagement, impact assessments, and development programs, including the use of: Social impact assessments, including gender impact assessments, based on participatory processes; Environmental impact assessments and ongoing monitoring; Public disclosure of results of environmental and social impact assessments; Local community development programs based on local communities’ needs; Stakeholder engagement plans based on stakeholder mapping; Broad-based local community consultation committees and processes that include vulnerable groups; Works councils, occupational health and safety committees and other worker representation bodies to deal with impacts; Formal local community grievance processes that include vulnerable groups; Broad-based local community consultation committees that include vulnerable groups; Local communities’ needs; Impact assessments; Public disclosure of results of environmental and social monitoring; Environmental impact assessments and ongoing monitoring.

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Public Policy

Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary. If applicable, how the monetary value of in-kind contributions was estimated.

For calendar year 2019, the Leidos Political Action Committee (L-PAC) made $653,000 in political contributions. No in-kind contributions were made. No political contributions were made to state and local candidates and committees and all L-PAC contributions were made within the United States.

205-2 Communication and training about anti-corruption policies and procedures:

205-1 Operations assessed for risks related to corruption:

Operations with local community engagement, impact assessments, and development programs Percentage of operations with implemented local community engagement, impact assessments, and development programs, including the use of: Social impact assessments, including gender impact assessments, based on participatory processes; Environmental impact assessments and ongoing monitoring; Public disclosure of results of environmental and social impact assessments; Local community development programs based on local communities’ needs; Stakeholder engagement plans based on stakeholder mapping; Broad-based local community consultation committees and processes that include vulnerable groups; Works councils, occupational health and safety committees and other worker representation bodies to deal with impacts; Formal local community grievance processes that include vulnerable groups; Broad-based local community consultation committees that include vulnerable groups; Local communities’ needs; Impact assessments; Public disclosure of results of environmental and social monitoring; Environmental impact assessments and ongoing monitoring.

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<thead>
<tr>
<th>DISCLOSURE NUMBER</th>
<th>DISCLOSURE TITLE &amp; REQUIREMENTS</th>
<th>2019 RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>206-1</td>
<td>Anti-Competitive Behavior</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Number of legal actions pending</td>
<td></td>
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<td></td>
<td>or completed during</td>
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<td></td>
<td>the reporting period regarding</td>
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<tr>
<td></td>
<td>anti-competitive behavior</td>
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<td></td>
<td>and violations of anti-trust</td>
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<td></td>
<td>and monopoly legislation in</td>
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<td></td>
<td>which the organization has</td>
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<td></td>
<td>been identified as a participant</td>
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<td></td>
<td>Legal actions for anti-</td>
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<td></td>
<td>competitive behavior, anti-</td>
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<td></td>
<td>trust, and monopoly practices;</td>
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<td></td>
<td>Main outcomes of completed</td>
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<td></td>
<td>legal actions, including any</td>
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<td></td>
<td>decisions or judgments.</td>
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<tr>
<td>419-1</td>
<td>Compliance</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Non-compliance with laws and</td>
<td>Ethics and</td>
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<tr>
<td></td>
<td>regulations in the social and</td>
<td>Compliance</td>
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<tr>
<td></td>
<td>economic area: Significant</td>
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<td></td>
<td>fines and non-monetary sanctions</td>
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<td></td>
<td>for non-compliance with laws</td>
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<td>and/or regulations in the social</td>
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<td>and economic area in terms of:</td>
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<td>total monetary value of</td>
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<td></td>
<td>significant fines; total number</td>
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<td>of non-monetary sanctions; Cases</td>
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<td>brought through dispute</td>
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<td>resolution mechanisms. If the</td>
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<td>organization has not identified</td>
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<td>any non-compliance with laws</td>
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<td>and/or regulations, a brief</td>
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<td>statement of this fact is</td>
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<td>sufficient. The context against</td>
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<td>which significant fines and</td>
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<td>non-monetary sanctions were</td>
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<tr>
<td>418-1</td>
<td>Customer Privacy</td>
<td>None</td>
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<td>Substantiated complaints</td>
<td>Trust Center</td>
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<td>concerning breaches of customer</td>
<td>Data Privacy</td>
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<td>privacy and losses of customer</td>
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<td></td>
<td>data: Total number of</td>
<td></td>
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<tr>
<td></td>
<td>substantiated complaints</td>
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<td></td>
<td>received concerning breaches of</td>
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<td>customer privacy, categorized</td>
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<td>by: complaints received from</td>
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<td>outside parties and</td>
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<td>substantiated by the</td>
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<td>organization; complaints from</td>
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<td>regulatory bodies. Total</td>
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<td></td>
<td>number of identified leaks,</td>
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<td>thefts, or losses of customer</td>
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<td>data. If the organization</td>
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ABOUT LEIDOS

Leidos is a Fortune 500® information technology, engineering, and science solutions and services leader working to solve the world’s toughest challenges in the defense, intelligence, homeland security, civil, and health markets. The company’s 38,000 employees support vital missions for government and commercial customers. Headquartered in Reston, Virginia, Leidos reported annual revenues of approximately $11.09 billion for the fiscal year ended January 3, 2020.