



2018  
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.

01	<b>CEO Message</b>
03	<b>Executive Summary</b>
07	<b>Community</b>
10	<b>Our Management Approach</b>
11	<b>Corporate Philanthropy</b>
11	<b>Charitable Giving &amp; Volunteerism</b>
13	<b>Strategic University Alliances</b>
13	<b>University Alliance Program</b>
15	<b>Environment</b>
17	<b>Our Management Approach</b>
18	<b>Environmental Services and Performance</b>
21	<b>Environment – Featured Projects</b>
23	<b>Corporate Footprint and Environmental Stewardship</b>
30	<b>Environmental Health and Safety</b>
31	<b>People</b>
33	<b>Professional and Career Development</b>
35	<b>Inclusion &amp; Diversity</b>
38	<b>Compensation and Benefits</b>
41	<b>Employee Demographic and Statistics</b>
43	<b>Veteran Hiring</b>
45	<b>Political Activities</b>
49	<b>Supplier and Small Business Relationships</b>
55	<b>About Our Reporting</b>
59	<b>Global Reporting Initiative</b>
83	<b>Conflict Minerals Report and Policy</b>
85	<b>Conflict Minerals Report</b>
88	<b>Conflict Minerals Policy</b>

# MESSAGE FROM CEO

We are a FORTUNE 500™ science, engineering and information technology company that provides services and solutions in the defense, intelligence, civil and health markets. The talents of our 36,000 employees, nearly 40% of whom have degrees in science, technology, engineering, or math (STEM), help government agencies solve some of their most technically complex problems. Their dedication in 2018 drove future growth by winning new work that enabled strong financial performance.

In return for the commitment of our employees, we offer industry-leading compensation and benefits, including a Stock Purchase Plan that affords any employee the chance to become a Leidos shareholder, at a discounted price. Core to our ability to retain the best people, our Talent Resource Program, now in place for over ten years, focuses on filling open internal opportunities with internal talent. To ensure that our employee retention efforts are effective, we run a quarterly pulse engagement survey, and in 2019 an independent third party will conduct an anonymous employee engagement survey across our global operations. We look forward to using the results to further empower our teams.

As a technology services company, we have limited exposure to environmental risks. We are trusted by various government agencies to deliver on substantial environmental and sustainability-driven missions. Our engineers and scientists address all aspects of environmental remediation; we modernize aging energy infrastructure; and we design, implement and manage state-wide energy efficiency programs. Our energy efficiency services have helped utilities save more than 700,000 net megawatt hours annually, equivalent to 55 million gallons of gasoline or enough to power more than 66,000 homes.

We do all this while adhering to the highest possible ethics and security standards. Operating with integrity is foundational at Leidos. We are recognized by the Ethisphere Institute as a global leader in defining and advancing the standards of ethical business practices and we were once again recognized in 2019 as one of the World's Most Ethical Companies®.

Finally, to support our communities, we make over \$4.2 million in charitable donations annually. Our employees, who inspire me with their commitment to improve the world around us, contribute tens of thousands of hours of their talent to a wide variety of company-sponsored causes. Focus areas include the ever-growing opioid epidemic, STEM education, basic needs and wellness, ethics and leadership, and the needs of our military and intelligence personnel and their families.

We realize that operating sustainably is a continuous journey, not a fixed destination. Moving forward, we remain deeply committed to our employees, our communities and our world.



Roger A. Krone  
Chairman and Chief Executive Officer



# Executive Summary

Continued emissions reductions and major wellness initiatives characterized our sustainability efforts in 2018



John Hindman is a Leidos employee who lost his son to addiction. He is now on a mission to end the opioid crisis. Read his story at [leidos.com/opioids](https://leidos.com/opioids).

“America is at war against the worst drug crisis in our history. This emergency demands innovative strategies and diverse partners. Leidos joined the fight, and we challenge others in the private sector to join us.”

JOHN HINDMAN



As part of the Leidos “Call to Action” campaign, an anti-opioid education and awareness effort, we have distributed more than 100,000 Deterra™ pouches designed for the safe disposal of unwanted prescription medications.

# Executive Summary (continued)

Our efforts went beyond programs and resources designed to benefit Leidos employees, and provided for those most in need in our communities. Additionally, we committed time and resources to battle one of the major issues of our time, the Opioid crisis.

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 assessed as important to its growth and sustainability. Each year, Leidos strengthens its workforce, maintains a commitment to hiring veterans, further reduces its Greenhouse Gas (GHG) emissions, seeks to educate and engage employees in sustainability campaigns, enhances its robust ethics program, and expands its participation in the community.

The highlights to the right are just a few of our key accomplishments and successes in major focus areas during calendar year 2018.



## Our communities

- ▶ To support the communities where we live and work, Leidos made more than \$4.25 million in charitable donations and employees contributed more than 26,000 volunteer hours to a wide variety of company-
- ▶ sponsored causes including STEM education, basic needs and wellness, ethics, and leadership, and support to our military and intelligence personnel and their families. In 2018, Leidos continued to build on our impactful anti-opioid social responsibility campaign. 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, a CEO Pledge (i.e., call-to-action published to Leidos.com to encourage industry partners to join our cause), expansion of our non-profit relationships, and various community and state chamber engagement projects.
- ▶ We maintained strong partnerships with fourteen different colleges and universities through our long-standing Strategic University Alliances program, which focused on improving STEM education, as well as bringing high-technology solutions to the nation's most challenging problems.

## Our environment

- ▶ At Leidos, we continually eliminate under-performing real estate assets and improve operating efficiencies across our entire real estate portfolio through efficiency measures and flexible workplace programs. This strategy resulted in Leidos reaching our Legacy 2020 greenhouse gas (GHG) reduction goal of 25% 6 years early in 2014. Between 2017 and 2018, we continued to reduce GHG emissions through further real estate restructuring, improved efficiency programs, and increased use of renewable energy to power our owned facilities.
- ▶ We increased renewable energy purchases by nearly 500% between 2017 and 2018 through the use of Renewable Energy Credits.
- ▶ We were ranked #6 by Engineering News Record (ENR) for Top Federal Environmental firms, and earned top 10 rankings from ENR in multiple environmentally-related categories, including Power (#10), Design Firms in Power Transmission & Distribution (#7), and Solar Power (#9).

## Our people

- ▶ As part of our strategic commitment to diversity and inclusion, we launched a Diversity & Inclusion (D&I) campaign in 2018: Inclusive Perspectives = Innovative Solutions. It reinforces the importance of an inclusive environment where diverse perspectives yield innovative solutions for our customers.
- ▶ We participated in the Bloomberg Gender-Equality Index, which recognizes companies committed to transparency in gender reporting and advancing women's equality in the workplace. We were recognized by Forbes Best Employers for Diversity list for the 2nd year.
- ▶ 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 21 percent of our workforce are veterans, illustrating our strong affinity with the military in our workforce. We maintained our "Best for Vets" and Top 100 Military Friendly Employer designations. For our Operation Military Veteran Program (MVP) efforts, we were once again named to the VETS Indexes List, launched in July 2017, which includes publicly traded companies that support the hiring and professional development of veterans.

# Community

We serve our communities, engage our employees, and align our outreach with company business goals.

Leidos employees help Real School Gardens build a learning garden and outdoor classroom that provides countless ways to connect Math, Science, and Language Arts to the real world.



# Community (continued)

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 employee 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.

## **Basic 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 programs 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 vulnerable, 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 characteristics 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 continue 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 talented employees who are dedicated to customer success – we focus on empowering our teams, contributing to our communities, and operating sustainably.



# Community (continued)

## Corporate Philanthropy

**OUR CORPORATE PHILANTHROPY SERVES THE COMMUNITIES WHERE WE OPERATE AS WELL AS ALIGNS WITH OUR BUSINESS OBJECTIVES.**

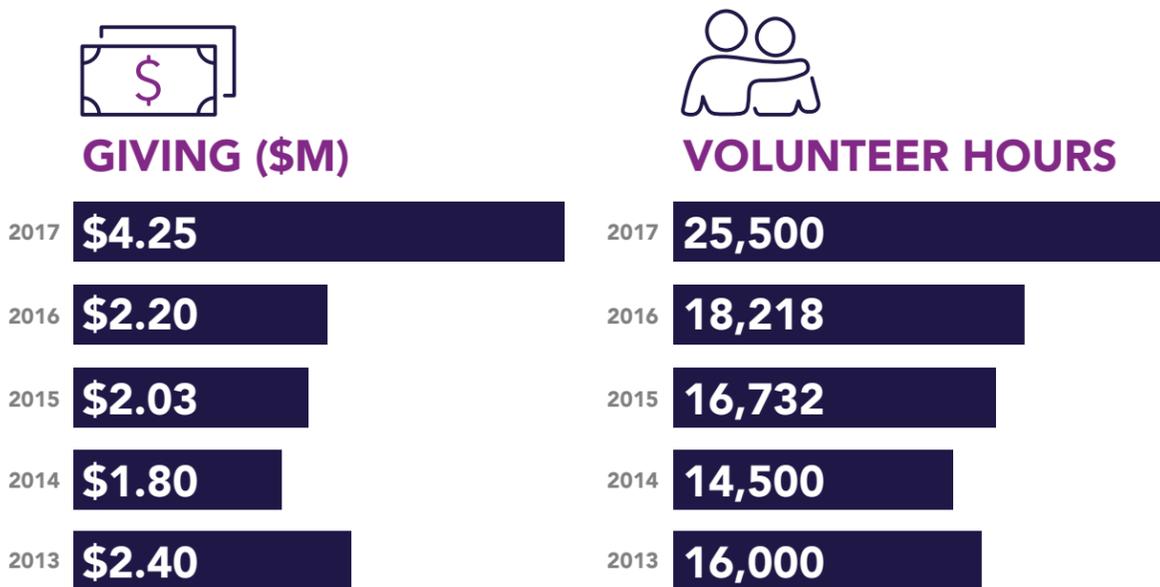
Leidos philanthropy improves the lives of our employees and residents of the communities where we live and work. Marshaling resources to this aim, we identify causes and organizations that align with our specific priorities and the unique needs of the communities where Leidos does business.

**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, academic institutions, and government agencies) to improve our local communities.

## Charitable Giving & Volunteerism

During calendar year 2018, we donated over \$4.25 million to charitable organizations and over 26,000 volunteer hours (company sponsored projects only). The graph below illustrates the distribution of our enterprise-wide charitable giving since calendar year 2014 and demonstrates a nearly doubling in giving since 2016. We expect go-forward charitable spending to be consistent with our 2018 spend and volunteers to steadily increase.

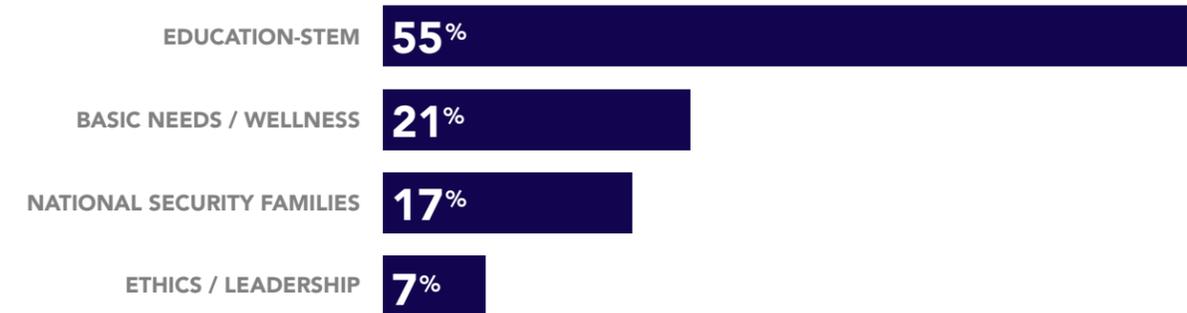


Leidos does not have a philanthropic foundation and does not generally accept unsolicited requests for grants, sponsorships or donations. To execute our giving strategy, we identify and reach out to those organizations that best align with our priorities and objectives as a company.

Specific to cause area, the following graph illustrates total Leidos 2018 charitable giving broken down by the company's focus areas:



**\$4.25 MILLION**  
TOTAL CHARITABLE GIVING (2017)



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 26,000 hours to company-sponsored outreach activities in 2018 (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.



**25,500 HOURS**  
VOLUNTEERED BY LEIDOS EMPLOYEES (2017)



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.

# Community (continued)

## Strategic University Alliances

**OUR UNIVERSITY ALLIANCE PROGRAM CONNECTS LEIDOS WITH WELLSPRINGS OF 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 further increased our 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 advisory council 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:

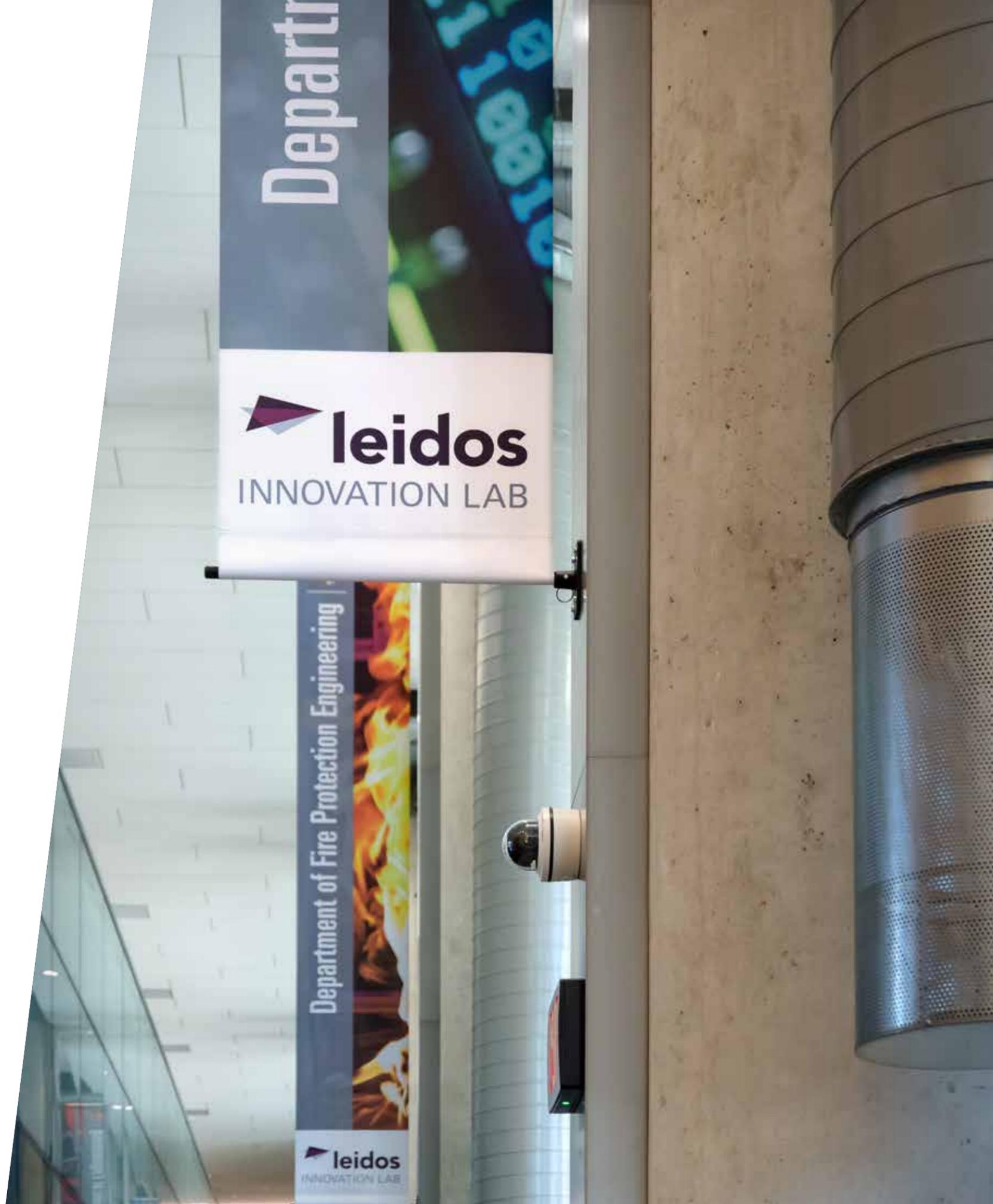
UC San Diego



THE GEORGE WASHINGTON UNIVERSITY  
WASHINGTON, DC



UC San Diego



# Environment

**Our passion for environmental stewardship has never been stronger**

At Leidos we believe that a commitment to sustainability is paramount to our ethical mission and our company's performance. Our environmental services, coupled with our internal stewardship and GHG emission reduction efforts, are creating a healthier world.

# Environment (continued)

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 the concerted efforts of our employees.

Leidos promotes environmental stewardship as a key element of corporate responsibility, contributing to the environmental well-being of the communities where we live and work. We aim to contribute to our high-performance culture by creating a greener, more cost-effective company that is consistent with corporate values to be a good environmental steward in the communities where we live and work.

Finally, operating a sustainable business requires a safe and healthy environment. Leidos is committed to protecting the health and safety of our employees, our communities, our customers and the environment.

## 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.

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 overseen by the Vice President of Corporate Real Estate, Facilities and Workplace Services and sponsored by the Chief Human Resources Officer and Head of Business Partnerships. The SWG tracks environmental performance throughout our operations, and provides annual updates to Leidos' Board of Directors regarding our sustainability efforts and strategy. The SWG ensures Leidos makes continual progress towards meeting our goals of reducing environmental impact and risk exposure across the organization.

Additionally, Leidos maintains an Environmental, Health and Safety Management System to ensure that we protect our employees, our environment and our stakeholders, as well as to ensure compliance with applicable laws and regulations. Our EH&S 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 procedures include:

- ▶ LP-LG-11: Environmental Health and Safety 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. Additionally, 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 reporting.

## Environmental Services and Performance

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

Leidos has more than 40 years of energy, environment, and critical infrastructure experience. We have been a pioneer in the efficiency program for more than 30 years, continuing to lead the energy efficiency industry with our innovations today. Our energy solutions advance the nations need for clean, reliable, and secure energy. Leidos is also a leader in the environmental engineering space, with solutions ranging from planning through implementation, public participation, regulatory compliance, data management, and site remediation.

Notable case studies in environmental stewardship are detailed below, with further information posted on the dedicated Integrated Energy Management section of this website.

We have delivered innovative solutions for more than four decades to build a legacy of excellence for environmental services. Leidos has:

- ▶ Been ranked by Engineering News-Record among the Top 10 federal environmental firms and Top 200 environmental firms list
- ▶ Ranked in the Top 25 in Transmission and Distribution, Solar, Power, and Nuclear & Hazardous Waste engineering by Engineering News-Record
- ▶ Completed more than 3,000 National Environmental Policy Act (NEPA) studies for complex and politically sensitive projects in wilderness, rural and urban environments
- ▶ Completed more than 17,000 environmental restoration projects; 500 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
- ▶ Performed analytics on nearly 10 million environmental sample results
- ▶ Provided National Environmental Policy Act (NEPA) support for more than 40 years to federal agencies

Our energy solutions are equally notable. Leidos has:

- ▶ Helped utilities save more than 700,000 net megawatt hours annually through our 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 41 energy efficiency programs
- ▶ Reviewed 550 renewable energy and 150 biofuel projects across six continents, with energy capacity in excess of 35,000 megawatts over the last two years

Highlighted in this report are just a few projects that demonstrate why we have been an industry leader in energy and environment for more than five decades.

# Environment (continued)

## ENERGY EFFICIENCY



**State of Wisconsin  
Focus on Energy**  
Statewide Energy  
Efficiency and  
Renewable Resource  
Program



**Ameren Illinois**  
ActOnEnergy®  
Business Energy-  
Efficiency Program



**National Grid**  
Commercial and  
industrial efficiency  
program



**Hawaii Public Utilities  
Commission**  
Reducing Hawaii's  
Energy Use - Hawaii Energy  
Program

## ENVIRONMENTAL REMEDIATION/ASSESSMENT



**U.S. Department  
of Energy**  
Infrastructure and  
specialized services  
– Hanford site



**U.S. Environmental  
Protection Agency**  
Scientific, engineering,  
response and analytical  
services



**U.S. Army Corps  
of Engineers, Ft.  
Worth District**  
Remedial investigation and  
feasibility study – Breezy Hill  
Artillery Range



**U.S. Army Corps of  
Engineers, St. Louis  
District**  
Investigation and  
remediation - Iowa  
Army Ammunition Plant



# Environment — Featured Projects

## SOLAR ADVISORY SERVICES

**Leidos has advised the development and financing of over 24 Gigawatts of solar power, equivalent to roughly 35% of the entire US solar capacity<sup>1</sup>**

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 solar team draws on the company's 40 years of experience across conventional thermal, wind, solar, hydroelectric, and geothermal generation to account for numerous risk variables on every project we evaluate and advise. Roughly 30 of our energy consultants regularly work on solar projects, and the team is a mix of engineers and power market professionals who are helping to reduce greenhouse gas emissions in their everyday work.

### OUR WORK

Leidos' energy consulting portfolio has a truly global footprint. We have been the technical advisor or independent engineer for projects in over 70 countries on 6 continents.



Our solar team is experienced in every phase of project development and implementation. Our engineers work to independently evaluate the design, construction, performance, and operations and maintenance of solar installations to confirm they will generate power as contracted. Central to our evaluations are the solar technologies to be used, including 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' 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 is, according to estimations from the Department of Energy, equivalent to roughly 75 million traditional solar PV panels.<sup>2</sup> As the world's appetite for reliable, clean energy grows, Leidos' energy consultants will be working to ensure that utilities, asset owners, and investors can meet the clean energy demands of the future.

<sup>1</sup> Calculated using the Solar Energy Industries Association's US Solar Market Insight, dated September 17, 2019

<sup>2</sup> <https://www.energy.gov/eere/articles/how-much-power-1-gigawatt>

## SCIENTIFIC, ENGINEERING, RESPONSE AND ANALYTICAL SERVICES

**Leidos Scientists and Environmental Engineers support human and environmental health in the wake of natural disasters for EPA**

Typically we think of firefighters, police, and medical staff when we think of emergency responders, but the Leidos employees who get the call in the wake of a natural disaster are a team of scientists and engineers. Our employees in the Energy and Environmental Science (EES) Division support the EPA's Environmental Response Team (ERT) as part of the Scientific, Engineering, Response, and Analytical Services (SERAS) contract. They travel throughout the country on short notice and provide the ERT with around-the-clock capabilities in technical monitoring, safety, and quality assurance in disaster response.

"As much as we plan ahead, you simply can't time these national emergencies," said Environmental Engineer Jon McBurney. "And as there are emergencies, our staff dedicated to the SERAS contract are committed, ready, and willing to help at a moment's notice – even when this necessitates traveling right into the center of danger."

Our SERAS team coordinates and implements a wide range of activities to protect both human health and the environment in the wake of natural disasters, and responded to numerous emergencies over the past few years including hurricanes, wildfires, and the recent refinery fires in Texas.

One great example of our SERAS team's work is in the conduct of slope stability studies in the wake of wildfires. The 2018 California wildfire season was the deadliest and most destructive in the state's history, with 8,527 fires burning nearly 2 million acres. These fires left slopes across the state exposed and unstable, as the vegetation holding them up had burned off. Once the fires were mostly contained, our SERAS geologists perform onsite slope stability studies that then inform EPA's post-fire response. These studies identified areas most vulnerable to potential mudslides in the event of subsequent heavy rains, and informed response plans designed to keep these environments and nearby infrastructure intact.

The impact made by our SERAS team is immense, spans the entire country, and extends far beyond the footprint of Leidos' offices. Discover Biologist Chris Gussman put it best in saying, "Working with the EPA on the SERAS contract has been extremely fulfilling. It is rewarding to see the concrete benefits of our labor in examples like the hurricane cleanup, volcano monitoring, and wildfire stability – but knowing that there are individuals who are now safe because of all the work you've put in, there's great satisfaction in that."

## MARKET DEVELOPMENT INITIATIVE

**Helping all customers of Ameren Illinois, regardless of income or socioeconomic status, gain access to incentives that help them reap the benefits of energy efficiency**

Energy costs are a significant financial burden for lower income households – with many families spending approximately 20 percent of their monthly income on utility bills. Homes and buildings in lower-income neighborhoods tend to be older, with fewer energy-efficient features and equipment, which compounds the problem of high costs for low income energy consumers. In downstate Illinois, the local utility Ameren Illinois sought to invest in these communities and help customers reduce energy costs through efficient home upgrades. As the prime energy efficiency program implementer, Leidos assisted Ameren Illinois in launching the Market Development Initiative in 2018. The Initiative is comprised of projects and partnerships all working together to further three goals: engage customers who have not previously benefitted from energy efficiency, increase the number of industry jobs available to local and diverse candidates, and support new and growing energy efficiency businesses.

Leidos assists Ameren Illinois in building awareness and increasing participation in various energy efficiency projects and programs by building partnerships with key community-based organizations, such as the Illinois Black Chamber of Commerce (ILBCC) and the NAACP. In addition, our team plans community events, hosts training for community partners, and builds online resources for the Initiative. Leidos' marketing and outreach specialists provide expertise in targeting and engaging low-income communities so the benefits of energy efficiency programs reach those who stand to benefit the most. Leidos also provides Ameren Illinois with experienced project managers, who help guide customers through the various energy efficiency programs and capture opportunities to reduce costs.

The Market Development team has deployed many innovative methods to engage communities throughout the Ameren Illinois service territory. Ameren Illinois and Leidos partnered with the Head Start childcare program to provide training to their staff and educate new families on the available energy-saving programs for their homes. The partnership with the ILBCC included the incorporation of energy efficiency education into organization's networking mixers, where minority-owned business owners could sign up for an energy assessment and apply to be considered for procurement opportunities with Ameren. Our team also collaborated with "Meals on Wheels" programs, working across the territory to educate customers on energy efficiency initiatives and provide them with energy-saving kits during meal drop-offs.

The efforts by Ameren Illinois and Leidos have led to award-winning outcomes since the Initiative's launch, demonstrating the environmental and economic impacts to communities throughout central and southern Illinois. Some of the key outcomes of the Initiative include:

- ▶ Generation of over 2,000 energy efficiency program participants in the first year
- ▶ A 40% increase in minority- and woman-owned business enterprises supporting the program
- ▶ \$8.5 million program spend with minority-owned suppliers and vendors

# Environment (continued)

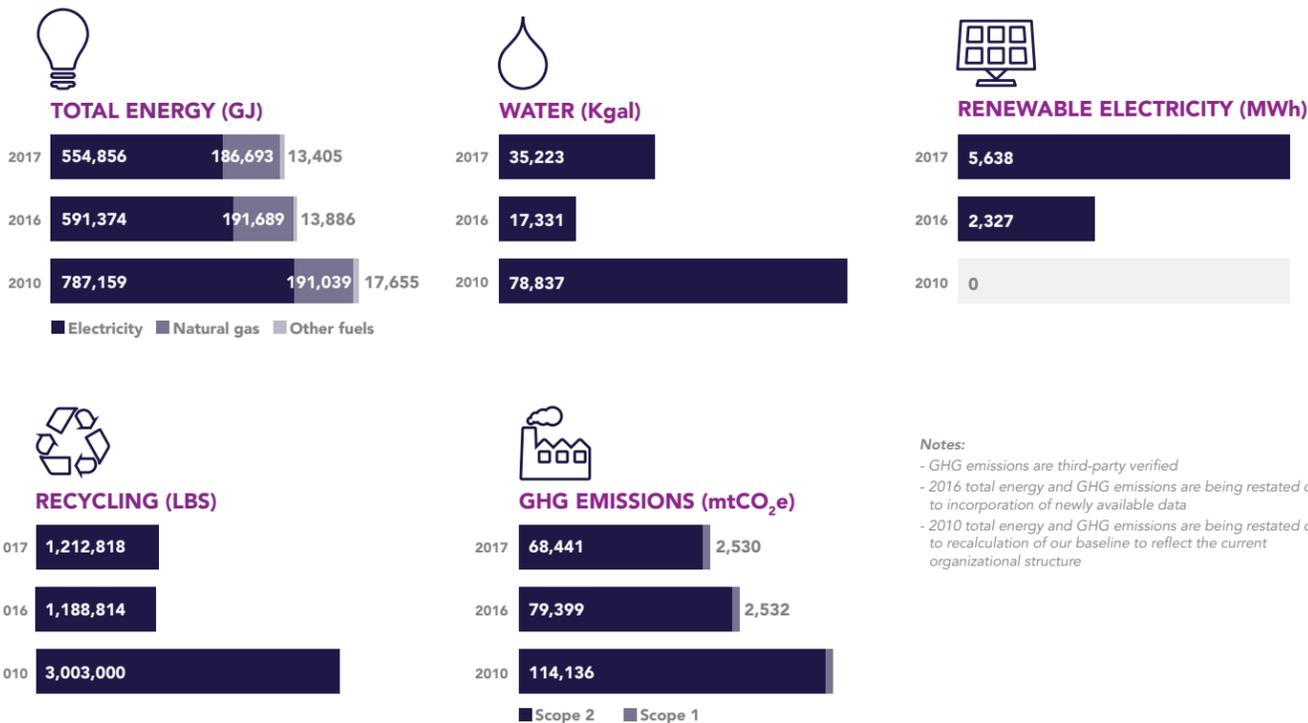
## Corporate Footprint and Environmental Stewardship

### 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, including through flexible workplace initiatives. These actions have been the largest contributing factor to reaching our Legacy 2020 greenhouse gas (GHG) reduction goal of 25% six years early in 2014. Between 2017 and 2018, we continued to reduce GHG emissions through real estate restructuring as well as through improved efficiency programs and increased use of renewable energy to power our owned facilities. We increased renewable energy purchases by nearly 500% between 2017 and 2018 through the use of Renewable Energy Credits, and will continue to look for opportunities to increase our consumption of renewable energy. Continued improvements to the power grid (e.g. increased efficiency and use of cleaner fuels) have also contributed to GHG emission reductions. Leidos remains primarily a service-oriented company, with the majority of our real estate portfolio being commercial office space. Leidos continues to occupy lab, warehouse, and data center space that contributes to the company's environmental footprint. 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) 2017 and 2018 to illustrate year-over-year performance improvements and from CY 2010 for comparison to our baseline. The primary metrics we track and manage, including energy and water use, waste generation, and GHG emissions but we also monitor transportation and material consumption.



## ENERGY

In 2013, Leidos began implementing energy savings opportunities identified in our Strategic Energy Management Plan. We continue to drive savings through standardized operating procedures and design practices. Within the organization, Leidos consumed 719,131 GJ in 2018. This reflects a 5% improvement from 2017. In addition, Leidos increased our use of renewable energy nearly six-fold in 2018. The table below details energy consumption for 2018 and changes from 2017 by energy type.

### Energy consumption within the organization

FUEL TYPE	ENERGY CONSUMPTION (GJ)			PERCENT CHANGE (%)	
	2016	2017	2018	2010-2018	2017-2018
<b>TOTAL ENERGY</b>	<b>995,854</b>	<b>755,435</b>	<b>719,131</b>	<b>-28%</b>	<b>-5%</b>
Non-renewable Energy	995,318	732,704	596,447	-40%	-19%
Grid Electricity	787,159	534,329	407,957	-48%	-24%
Natural Gas	191,039	186,693	178,481	-7%	-4%
Other Stationary Fuels	1,973	486	428	-78%	-12%
Gasoline (mobile)	11,199	7,896	7,013	-37%	-11%
Diesel (mobile)	3,948	3,300	2,568	-35%	-22%
<b>Renewable Energy</b>	<b>536</b>	<b>22,731</b>	<b>122,685</b>	<b>22,789%</b>	<b>440%</b>
Renewable Electricity	0	20,527	121,395	n/a	491%
E100 (mobile)	536	2,204	1,290	141%	-41%

The average energy intensity of Leidos-occupied floor space was 104.1 MJ/ft<sup>2</sup> in 2018. This intensity is based on total energy consumption within the organization for all applicable stationary fuels across approximately 6.8 million square feet of Leidos owned and leased floor space. Though this is slightly higher than in 2017, we have consistently reduced the energy intensity of our buildings since our 2010 base year as displayed in the table below. Our increase in intensity in 2018 was a result of large reductions in our total floor space, as we reduced our total square footage by roughly 500,000 ft<sup>2</sup> in 2018.

### Energy consumption within the organization

FUEL TYPE	2016	2017	2018	PERCENT CHANGE (%)	
				2010-2018	2017-2018
Building Energy (GJ)	980,171	742,035	708,260	-28%	-5%
Floor Area (ft <sup>2</sup> )	8,593,523	7,263,807	6,804,316	-21%	-6%
Energy Intensity (MJ/ft <sup>2</sup> )	114.1	102.2	104.1	-9%	2%

In 2018, Leidos reduced energy consumption within the organization by about 34,000GJ as a direct result of conservation and efficiency initiatives. The majority of these savings were the result of strategies to utilize real estate more effectively, including disposing of underperforming or underutilized assets, improving the density of existing space, and implementing alternative workplace strategies. These savings occurred for grid electricity and natural gas and were estimated as being proportional to the associated reduction in Leidos-occupied floor space. Additional energy savings were realized through HVAC system upgrades implemented at two Leidos facilities, as well as a lighting upgrade at another facility.

# Environment (continued)

## Corporate Footprint and Environmental Stewardship

### STANDARDS, METHODOLOGIES, AND ASSUMPTIONS USED FOR ENERGY CALCULATIONS

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 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's (TCR) General Reporting Protocol v2.1. 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's (TCR) General Reporting Protocol v2.1. 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.
- ▶ Diesel fuel use for generators at owned facilities was estimated by multiplying the number of hours each generator was in use during the calendar year by the fuel consumption rate (gallons per hour) specific to each generator model.
- ▶ Leidos-occupied floor area is reported as an annual equivalent value. The floor area of each lease is prorated according the fraction of the year each lease was active. For example, a 10,000 ft<sup>2</sup> office lease occupied by Leidos for half the year is equivalent to 5,000 ft<sup>2</sup> occupied for the entire year.

#### Fleet-specific Assumptions:

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

#### Base year and rationale:

Leidos utilizes 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, 2010 is a logical base year for measuring energy savings also. In addition to measuring against the base year, Leidos finds it informative to measure year-over-year performance improvements.

### GHG EMISSIONS

Leidos views GHG emissions as an important metric that is a good representation of our overall environmental impact and mitigation progress. Each year, the GHG emissions from our global real estate portfolio and vehicle fleet are measured, verified by a third party, and publically reported.

Leidos did not make any significant alterations to our GHG emissions methodology in 2018.

Reporting Requirement	Direct GHG Emissions (Scope 1)	Energy Indirect GHG Emissions (Scope 2)	Other Indirect GHG Emissions (Scope 3)
2018 GHG Emissions (MTCO <sub>2</sub> e) <sup>1</sup>	2,527	55,743	85,501
Gases included	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, NF <sub>3</sub>	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, NF <sub>3</sub>	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, NF <sub>3</sub>
Base Year	2010	2010	2017
Base Year Emission (MTCO <sub>2</sub> e) <sup>2</sup>	2,847	114,136	n/a
Base Year Rationale	Inaugural year for developing and reporting GHG inventory		First full year data available
Standard, Methodologies and Assumptions	World Resource Institute and the World Business Council for Sustainable Development (WRI/WBCSD) GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition); The Climate Registry (TCR) General Reporting Protocol v2.1 and General Verification Protocol		World Resource Institute and the World Business Council for Sustainable Development (WRI/WBCSD) Corporate Value Chain (Scope 3) Accounting and Reporting Standard; The Climate Registry (TCR) General Verification Protocol
Emission Factors	US Environmental Protection Agency (EPA) Center for Corporate Climate Leadership Emission Factors for Greenhouse Gas Inventories (updated March 2018); US EPA eGRID2016; The Climate Registry (TCR) Default Emission Factors for Reporting in 2018		
Global Warming Potentials (GWP)	Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment (AR5)		
Other Assumptions	US Energy Information Administration (EIA) Commercial Building Energy Consumption Survey - 2012 (CBECS 2012); Natural Resources Canada, Survey of Commercial and Institutional Building Energy Use – Buildings 2009		Federal Highway Administration (FHWA), 2017 National Household Travel Survey (NHTS), Average Person Trip Length (National level); US Census Bureau, 2016 American Community Survey (1-year estimates), Means Of Transportation To Work For Workplace Geography
Consolidation Approach	Operational Control		

<sup>1</sup> Reported 2018 GHG emissions have been third-party verified.

<sup>2</sup> 2010 base year GHG emissions have been recalculated to reflect the current organizational structure and third-party verified.

# Environment (continued)

## Corporate Footprint and Environmental Stewardship

### SCOPE 1 & 2 GHG EMISSIONS

In 2018, Leidos achieved an overall reduction in scope 1&2 GHG emissions of 18% compared to 2017 and 50% compared to our 2010 baseline. The average GHG emissions intensity of Leidos-occupied floor space was 8.5 mtCO<sub>2</sub>e/1,000 ft<sup>2</sup> in 2018 and 13% lower than 2017. Since our 2010 base year, we have reduced the energy intensity of our real estate portfolio by 37%.

#### GHG emissions intensity of buildings

	2016	2017	2018	PERCENT CHANGE (%)	
				2010-2018	2017-2018
Scope 1 & 2 Emissions	81,183	70,229	57,636	-50%	-18%
Leidos-occupied Floorspace	7,559,595	7,263,807	6,804,316	-21%	-6%
Energy Intensity	10.7	9.7	8.5	-37%	-13%

The types of GHG emissions included in the intensity ratio are scope 1 GHG emissions from natural gas combustion for heating, diesel fuel combustion in generators, and fugitive refrigerants from owned large air conditioning and refrigeration equipment. Also included are market-based Scope 2 GHG emissions from purchased electricity and natural gas used for heating provided by landlords in full service leases. Scope 1 GHG emissions from fleet vehicles and Scope 3 GHG emissions from employee commuting and business travel are not captured in the emissions intensity ratio, since the ratio is specific to buildings.

Leidos pursued several strategies to achieve GHG reductions in 2017, including:

- ▶ Utilizing real estate effectively through the following strategies:
  - › Disposing of underperforming or underutilized assets
  - › Improving the density of existing space
  - › 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 production
- ▶ 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 servers) and cloud-based IT service delivery, enabling greater workplace flexibility
- ▶ Improving employee awareness of environmental sustainability and educating employees on how to improve workplace behavior to reduce wasteful energy consumption

Through these initiatives, Leidos reduced scope 1 & 2 GHG emissions (all gases) by 10,171 mtCO<sub>2</sub>e compared to 2017. GHG reductions from strategies to improve real estate effectiveness were estimated to be proportional to the reduction of Leidos-occupied floor area from 2017 to 2018 (-6.3%). GHG reductions from energy efficiency improvements were determined by multiplying the projected annual electricity savings (in kWh) from efficiency gains of each project by the eGRID emission factors for the sub-region in which each project was completed.

Leidos increased zero-emitting renewable electricity purchases from 5,638 MWh in 2016 to 33,343 MWh in 2018. This increase reduced scope 2 GHG emissions from purchased electricity by over 6,000 mtCO<sub>2</sub>e compared to 2017. In total, renewable energy purchases in 2018 avoided nearly 7,000 mtCO<sub>2</sub>e compared to the 2010 base year. These GHG reductions were determined by multiplying renewable purchases (in kWh) by the eGRID emission factors for the sub-region in which the purchasing facilities operate.

### SCOPE 3 GHG 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 85,500 mtCO<sub>2</sub>e in 2018, and were split almost evenly between employee commuting and combined business travel (car, air, and rail travel). This is a marked increase from 2017, as much of our 2017 data was unavailable due to integration of differing systems after our 2016 merger with Lockheed Martin.



### EMPLOYEE COMMUTING

Reducing the environmental impact of employee commuting is important to Leidos. We estimate that employees working at Leidos locations generated about 46,000 mtCO<sub>2</sub>e during their commutes. These estimates are based on Leidos employee counts and telework agreements along with data on commute modes by state from the American Community Survey (ACS) and national average commute distances by mode from the National Household Transportation Survey (NHTS).

We aim to reduce these emissions by continuing to encourage and support commuting alternatives to single-rid-er vehicle use. Our Commuter Incentive Program provides a financial incentive to employees who choose to commute by mass transit, carpools, vanpools, 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 CommutersSM 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 shared desking options for employees. Our efforts aim to reduce employee commuting stress and emissions while also reducing the company's real estate footprint.

### BUSINESS TRAVEL

Business travel, both internally and in support of customer requirements, makes a considerable contribution to our environmental impact. We estimate that business travel by air and rail generated about 27,800 mtCO<sub>2</sub>e and rental cars generated an additional 11,000 mtCO<sub>2</sub>e in 2018. These estimates are based on Leidos trip mileage data by mode and vehicle class and emission factors from the U.S. EPA Emission Factors Hub.

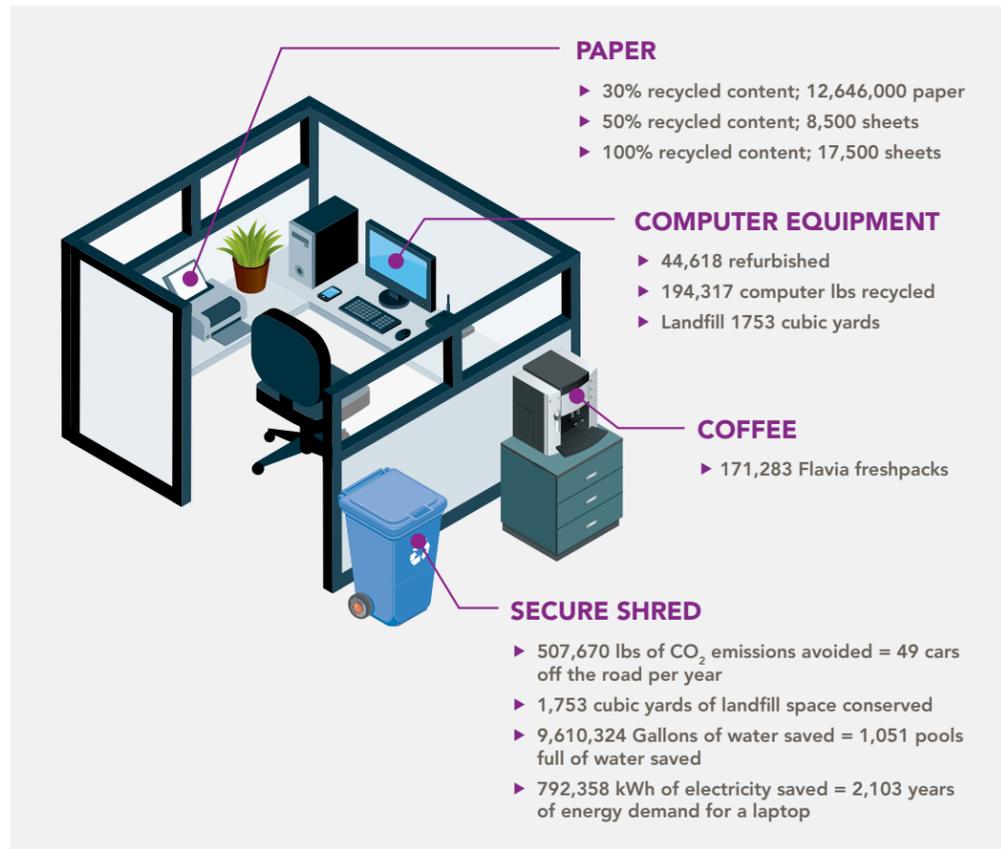
We aim to reduce business travel emissions through more efficient business processes and enhanced communications technologies. Our headquarters in Reston, Virginia, has been outfitted with advanced technology to encourage video-conferencing and reduced business travel across the Enterprise. Technologies such as these have contributed to a decline of airline travel and rental car reservations across the company since 2011.

# Environment (continued)

## Corporate Footprint and Environmental Stewardship

### 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 restricted the types of products that can be used in printing and paper use. When Leidos specifies new occupied space or updates existing space, we attempt to use the most environmentally friendly options possible. Our carpet and furniture vendors have been especially helpful by providing cost-competitive and environmentally friendly products.



### WATER

Water use at Leidos is mostly limited to typical commercial office consumption, which does not have a significant effect on national or local water sources. We monitor our water use and work to reduce its use through water-efficient technology, especially in water-sensitive climates like Southern California. For example, our San Diego campus taps into the city's reclaimed water distribution system to supply irrigation to our landscaping, a practice that conserves community drinking water resources.

## 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 occupational health and safety (OH&S) and we place a strong emphasis on these activities, both internally and on behalf of our customers. Internally, we emphasize direct management responsibility, corporate policies and directives, OH&S program implementation, employee training, and compliance assessments. Our corporate policies and procedures fully support compliance with all OH&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 operates joint management-worker health and safety committees at several locations where it is required by state regulation, namely in Washington State. In addition, several Leidos locations in California have formal management committees that focus on OH&S. At customer locations, Leidos also actively participates in OH&S committees, depending on the needs of our customers and the specific program requirements. The overall percentage of our workforce represented in these types of committees is approximately one percent.

### 2018 EH&S STATISTICS - INJURY AND ILLNESS RATES\*

Over the past 5 years, Leidos has achieved injury and illness rate performance well below the industry average (see comparison rates below for NACIS code 5417, Scientific Research and Development Services).

#### Leidos Occupational Injury and Illness Data

Rates	2014	2015	2016	2017	2018
Injury cases (OSHA 300 Col. M1)	0.3	0.3	0.2	0.2	0.15
Illness cases (Occupational Diseases) (OSHA 300 Col. M2-6)	0.04	0.01	0.02	0.03	0.01
Days away from work cases (Lost Days) (OSHA 300 Col. H)	0.1	0.1	0.1	0.1	0.03
Fatalities (OSHA 300 Col. G)	0	0	0	0	0

\* 2014-2016 data presented includes Leidos Incorporated (Federal Employer Identification Number 95-3630868) US domestic operations. Subsidiaries are not included. On August 16, 2016, a subsidiary of Leidos Holdings, Inc. merged with the entirety of Lockheed Martin Corporation's Information Systems & Global Solutions (IS&GS) business, resulting in Leidos Innovations Corporation (LIC). Consequently, beginning in 2017 (first full year post-merger), data includes consolidated OSHA injury and illness data of US domestic operations for both of Leidos Holdings' operating companies, Leidos, Inc. and LIC. Other subsidiaries are not included.

# People

**We believe in doing what's right  
and treating people right — always.**

Our development and training programs are creating a strong workforce focused on solving the world's most daunting challenges.



# People

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 insight, ingenuity, and commitment. Our values, which are embedded 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 that will create cohesive and collaborative teams that drive innovation.

## 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 and opportunities to all Leidos employees, including those who work part-time, and empowers managers to assist employees in identifying career interests and accomplishing developmental goals through those opportunities. Attracting, developing and retaining the most qualified and capable workforce is vital to our success and to that of our employees.

Leidos partners 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 suite of development and training resources to employees to help them acquire desired skills and experiences that improve job performance and prepare them for more advanced professional responsibilities.

We use a MOOC (Massive Open Online Course) platform to provide all employees access to development and training, regardless of geographic location or schedule demands. MOOCs focus on a variety of topics such as Project Management Certification preparation and System Engineer Certification Training.

### EDUCATION ALLIANCE PROGRAM

The Leidos Education Alliance Program is a set of established relationships with universities that provide discounted degree programs in areas of study that support our business objectives. These relationships enable us to offer a variety of areas of study and delivery options (online and on-campus) that meet the unique needs of employees at all Leidos locations. The discounted tuition rates and structure vary by school and some include discounts for family members as well.

### TRAINING ALLIANCE

We have also established relationships and alliances with training vendors that offer employees opportunities to advance their proficiency in technical and professional skills through online training or open enrollment programs at vendor locations. These vendors offer employees significant discounts for public, online and virtual offerings.

Through our partnership with SkillSoft, a leader in the e-learning space, Leidos offers more than 3,000 online courses on topics such as business, management, and information technology at no cost to employees or their organizations. Through SkillSoft's Books24x7® Referenceware® service, all employees also have access to the complete unabridged contents of thousands of the latest and best business and technology books.

Professionals across all disciplines can use Referenceware for continuous learning to help solve job-critical challenges.

## MENTORING

Mentoring and coaching are important to our workforce development goals. Both informal and formal mentoring programs at Leidos support the company's ability to attract and retain a diverse work force and to foster a more inclusive work environment, as well as a natural "culture of mentoring." Our most powerful mentoring tools are the Executive Mentoring Program and the Leidos Mentoring Tool which assists protégés and mentors in finding a successful match.

The Executive Mentoring Program aligns all of our Executive staff as mentors to one or more diverse, high-potential protégés in year-long cycles. Protégés are given rare opportunities to connect with our Executives to support higher level career development aspirations and reach new heights within the organization. The Program also acts as a conduit to identify potential successors for critical roles from our diverse, high-potential talent pool.

The Leidos Mentoring Tool is a free and open mentoring tool designed to support professional development for all employees within the organization. Protégé participants are informed about interested and best-fit mentors across the global enterprise. Partnerships may continue until both mentor and protégé believe that the protégé has effectively achieved the development goals set forth at the initiation of mentorship. The Program also boasts points of contact across hundreds of metro areas around the world, supporting program participants and facilitating local networking and collaboration events.

## LEIDOS LEADERSHIP PROGRAM

We have designed and launched a new Leidos Leadership Program (LLP). The LLP represents our commitment to making Leidos a great place to work by investing in the growth of our employees. The effectiveness of our employees is critical to achieving our business objectives and providing our customers with innovative solutions, the highest possible levels of service, and enhanced program outcomes. LLP offerings align with our Leadership Framework to shape a collective leadership mindset for leaders at all level. We integrate peer learning, networking, and simulation experiences with direct application to the Leidos environment. The various offerings for leaders at all levels are intentionally designed to meet the needs of a global organization with dispersed employees working in a variety of environments. By increasing leadership capacity, we are better able to execute our corporate strategy and meet our growth goals.

## RETAINING OUR MOST CRITICAL ASSET

Developing and retaining a talented workforce is essential to our success. The dynamic nature of our work means that our employees may be faced with position reductions and reorganizations when a program ends, is re-competed, or otherwise modified. Leidos is keenly aware of the stress this can 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 internal talent. Talent Resource Partners provide a variety of services, including one-on-one coaching, interview training, resume building guidance, and information on other internal organizations that need similar skill sets. Various resources are available to employees, including redeployment overview sessions, six different workshops on-line and inclusion in our enterprise redeployment listing aimed at ensuring that our talent seeking opportunities are highly visible to hiring managers and recruiters. Through the efforts of Talent Resource Partners, our internal placement rate for affected employees averaged 33 percent in 2018.

To ensure that our employee retention efforts are paying off, we run a quarterly pulse engagement survey to a representative sample of employees. We also participate in periodic formal employee engagement surveys. Employee engagement surveys are being conducted in 2019 covering Leidos employees in Australia, the United Kingdom, and United States. The surveys will be anonymous and conducted by an independent third party. The results will be aggregated by business areas and a number of demographic elements. Results will be shared with our board of directors and executive leadership team.

# People (continued)

## Inclusion & Diversity

At Leidos, we believe that a focus on inclusion and diversity improves team performance, influences innovative business strategies and drives positive results by advancing our workforce, cultivating an inclusive workplace and advancing our reputation in the marketplace.

By cultivating an inclusive culture, we enable every employee to leverage their unique talents and high performance standards to create cohesive and collaborative teams that drive innovative solutions. Leidos values differences in thought, style, backgrounds, and opinions. The talent needed to grow our business depends on cultivating a workforce rich in diversity of thought, experience and culture. Our commitment to diversity and inclusion is reflected in:

- ▶ How we advance our Inclusion and Diversity brand externally to attract qualified diverse candidates into our applicant pool
- ▶ 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 across Leidos

Our inclusion and diversity program is part of the Talent Development & Inclusion Corporate function which is part of the HR Centers of Excellence team, led by our Chief Human Resources Officer & Head of Business Partnership - an executive leadership position. Inclusion and diversity strategies, solutions and resources are shared at Human Resources and Compensation Committee meetings, which has explicit responsibility for equal opportunity, affirmative action, and workplace diversity issues, as described in the public committee charter.

Launched in 2018, our Inclusion and Diversity (I&D) campaign, Inclusive Perspectives = Innovative Solutions, reinforces the importance of an inclusive environment where diverse perspectives yield innovative solutions for our customers. The campaign also introduced our I&D framework, a vibrant new I&D logo, and collateral posters prominently displayed across various Leidos locations; the posters are also accessible for download via our employee intranet platform.

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

### OUR FRAMEWORK



#### Talent Acquisition and Partnerships

Leverage our brand to build relationships with key influencers and stakeholders to attract qualified candidates



#### Retention and Advancement

Building inclusion acumen across the enterprise to support the advancement of diverse talent while removing barriers to retention



#### Employee Engagement

Creating inclusive communities for employees to connect and collaborate through participation in Employee Resource Groups

### INCLUSION & DIVERSITY INITIATIVES

At Leidos, we believe that a focus on diversity and inclusion improves team performance, influences innovative business strategies and drives positive results by advancing our workforce, cultivating an inclusive workplace and advancing our reputation in the marketplace. Our commitment to diversity and inclusion is reflected in the way we engage our people, our customers and our external partnerships through our innovative programs, sponsorships and engagement.

The talent needed to grow our business depends on cultivating a workforce rich in diversity of thought, experience and culture. Our commitment to diversity and inclusion is reflected in:

- ▶ How we advance our Diversity and Inclusion brand externally to attract qualified diverse candidates into our applicant pool
- ▶ How we build our inclusion acumen to remove barriers to retention and advancement
- ▶ How we establish processes that support the advancement of our diverse talent
- ▶ How we provide premier Employee Resource Groups with tools and resources to foster impact and engagement across Leidos

Leidos values the contributions of a diverse workforce and recognizes we are stronger together as an inclusive team. Applicants and employees of all backgrounds are welcome here without regard to sex, race, ethnicity, age, national origin, citizenship, religion, physical or mental disability, medical condition, genetic information, pregnancy, family structure, marital status, ancestry, domestic partner status, sexual orientation, gender identity or expression, veteran or military status, or any other basis prohibited by law.

### INCLUSION & DIVERSITY TRAINING

Leidos offers several mandatory diversity training courses through its central training portal: Workplace Diversity, Diversity and Inclusion: Respect in the Workplace, Leidos Inclusion Acumen 101: An Introduction to Uncovering and Mitigating Unconscious Bias.

### DIVERSITY TALENT ACQUISITION & EXTERNAL PARTNERSHIPS

Our extensive Diversity Talent Acquisition and External Partnership strategy that focuses on four primary engagement objectives:

- ▶ Acquire Talent
- ▶ Showcase our Employment Brand
- ▶ Demonstrate our Commitment to Community
- ▶ Professional Development

Each year we attend and participate in a variety of career fairs near our primary locations that specifically engage people who are ethnically diverse, female, military personnel, and those who are differently-abled.

### OUR VALUED PARTNERS IN THE COMMUNITY

Our continuous commitment to diversity and inclusion is reflected in the way we engage and support various communities through our innovative programs, partnerships, sponsorships and support. Learn more about a few of our partners.



# People (continued)

## TALENT ACQUISITION: CAMPUS AND VETERAN OUTREACH

Our college campus outreach engages diverse engineering and science clubs at partner schools from our Strategic University Alliances and others that produce students and graduates well-suited to fill intern and entry-level positions. Our recruiting strategy also includes large scale diversity-focused marketing and advertising that aims to pull in candidates through job scraping, magazine ads, targeted email campaigns, and more. To attract, retain, and support veterans, Leidos has a dedicated military veteran outreach program.

## RETENTION AND ADVANCEMENT INITIATIVES

Leidos' retention and advancement pillar includes a variety of diversity and inclusion programs that support the engagement and advancement of our diverse workforce with initiatives such as:

- ▶ External Recognition and Awards Programs
- ▶ Executive Mentoring Program
- ▶ Professional Development Opportunities
- ▶ Inclusion Acumen Leadership Training and Development

## EMPLOYEE RESOURCE GROUPS

Leidos Employee Resource Groups (ERGs) are company-sponsored organizations composed of employees who join together based on shared characteristics or life experiences. More than 3,000 employees participate in our ERGs where they provide support for onboarding, networking and professional development opportunities for our employees and diversity recruiting. Several ERGs have chapters in multiple Leidos locations and offer development programs for their members. Each ERG is aligned with the goals and objectives of Leidos through their engagement in three critical areas:

- ▶ **Workforce:** Attract, develop and retain a diverse workforce where all employees are welcomed, valued and respected.
- ▶ **Workplace:** We treat our employees as individuals and leverage their holistic experiences to drive business value; our leaders demonstrate inclusive behavior that create cohesive and collaborative teams that drive innovative solutions.
- ▶ **Marketplace:** Showcase Leidos as an inclusive and competitive employer of choice by demonstrating our commitment to our people, our customers and external partnerships.



**African American Leidos Network (AALN)**  
Attract, develop, and retain African American employees to achieve the company's business objectives.



**Allies & Action for Accessibility & Abilities (A4)**  
Aspires to make Leidos an employer of choice for people with disabilities by fostering a culture of accessibility and providing a network of employees with disabilities and their allies.



**Collaborative Outreach with Remote Employees**  
Increase differentiators for our customers by enhancing the employee experience for virtual, embedded and remote employees.



**Hispano-Latino Leidos Asociación (HOLA)**  
Foster professional growth and support the retention, engagement and affiliation with the hispanic-latino community.



**Military Alliance Group (MAG)**  
Serves as an advocate and resource for Leidos employees and their families who are former and currently serving military service members.



**Pride**  
Fosters employees' understanding of lesbian, gay, bisexual, transgender, and questioning (LGBTQ) issues and workplace needs.



**Women's Network**  
Provides a forum for learning, understanding and supporting the professional growth of women.



**Young Professionals Network**  
Connects early-career employees with others in the company to help foster learning, career development, and professional growth.

## INVITATIONS TO SELF-IDENTIFY GENDER, RACE, ETHNICITY, VETERAN, OR DISABILITY STATUS

Federal law requires Leidos to invite all employees to self-identify their gender, race/ethnicity, veteran status, and disability status. If you are a current employee, Leidos has already collected most of this information. Please take a moment to review and complete the Disability Self-ID form found below. After reviewing the form, you may update or disclose your disability status by accessing your Personal Profile in Workday. The form can also be scanned, saved as PDF file, then emailed to ESSHRCustomerServ@leidos.com or faxed to 865-425-5665.

Please Note: Google Chrome is the preferred web browser for Workday. You may also use Firefox or Internet Explorer 11. If you need to install Google Chrome, please contact the ITS Service Desk for support, 855-953-4367.

All self-disclosures are voluntary.

- ▶ Disability Self-ID form
- ▶ Veteran Self-ID form – Pre-offer applicants
- ▶ Veteran Self-ID form – Current Leidos employees

If you are a pending new hire, you will be provided the opportunity to self-identify each of these statuses as part of the onboarding process.

## Compensation and Benefits

### BENEFITS AT LEIDOS

Working at Leidos requires insight, ingenuity, and commitment. In return, we strive to foster a culture of growth and inclusion, and to reward and incentivize our workforce with industry-leading compensation and benefits. We undertake regular compensation and benefits benchmarking to ensure we remain ahead of peers and can attract and retain the best people.

All employees are eligible to participate in the Leidos Employee Stock Purchase Plan and may buy Leidos stock at a discount. All employees are eligible for employee discounts.

Over 90% of our 36,000 employees are based in the US, where we generate most of our revenue. All full-time and part-time US employees are eligible for the benefits listed at [benefits.leidos.com](https://benefits.leidos.com).

### COMPENSATION

We deliver competitive, market driven pay that rewards key objectives tied to the long-term performance of the company, and is supported by core values and enhances shareholder value. We accomplish this by:

- ▶ Applying a market-based approach to compensation.
- ▶ Providing incentive pay opportunities that are linked to the attainment of specific, measurable business goals that provide both financial and personal line-of-sight to participants.
- ▶ Maintaining a pay-for-performance environment.
- ▶ Ensure fairness, comply with applicable federal, state, and international laws, and meet applicable audit entities' standards.

### HEALTH & WELLNESS

Comprehensive health coverage, health and wellness programs, and on-site fitness options (at some locations) are designed to keep our people and their families healthy.

- ▶ Medical insurance plans cover employees and eligible family members, including registered domestic partners, through national HSA-compatible consumer-directed health plans and regional HMOs where available.
- ▶ Dental insurance options include a national PPO plan and regional dental HMO plans. Vision coverage is provided by a national insurer.

# People (continued)

- ▶ Health Savings Accounts are available in conjunction with our consumer-directed health plans for eligible employees. HSAs allow employees set aside pre-tax dollars for certain eligible healthcare expenses.
- ▶ Also, for employees with annual rates of pay under \$150,000, employer contributions are made to eligible accounts.
- ▶ Health Care Flexible Spending Accounts let employees set aside pre-tax dollars for eligible medical, dental, vision, mental health, and pharmacy expenses.
- ▶ Mission for Life wellness program. A confidential well-being assessment, personal coaching, and online tools help to manage:
  - › Nutrition and diet
  - › Weight loss
  - › Fitness goals
  - › Stress relief
  - › Smoking cessation
- ▶ 24/7 Employee Assistance Program (EAP) provides confidential assessments and referrals to help deal with personal issues.

## INCOME PROTECTION

Benefits should provide peace of mind, support, and help to successfully navigate life events. We took all these factors into account when we developed our income protection.

- ▶ Term Basic Life insurance is provided equal to annual base salary, up to \$1 million while eligible dependents are covered at \$2,000 each.
- ▶ Group Universal Life (GUL) insurance can be purchased up to \$4 million.
- ▶ Optional Dependent Life insurance can be purchased on an after-tax basis.
  - › Spouse or domestic partner coverage
  - › Child coverage
- ▶ Accidental Death and Dismemberment insurance is provided equal to annual base salary, up to \$250,000. Supplemental AD&D coverage can be purchased up to \$1,000,000.
- ▶ Business travel accident insurance is provided equal to three times annual base salary, up to \$500,000. A Disability benefit that may include:
  - › Disability sick leave days (contributed by the company)
  - › Voluntary short-term disability insurance plan (purchased by the employee)
  - › Private California short-term disability insurance
  - › Other state-mandated short-term disability plans, where applicable
  - › Voluntary long-term disability insurance (purchased by the employee)

## LEAVE

Time off is as important to professional productivity as it is to personal well-being. We offer several types of leave that together total the time needed to live life outside the office.

## PAID TIME OFF (PTO)

Eligible employees accrue paid time off for vacations, personal business, and short-term illness. Employees can also borrow up to 40 hours of PTO before accrued, with a manager's approval.

## HOLIDAYS

Most Leidos employees get ten paid holidays each year, three floating holidays\* to be used at individual discretion and these 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

## MILITARY RESERVIST LEAVE

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

## JURY DUTY

Full pay when serving jury duty.

## BEREAVEMENT LEAVE

Up to three days off, fully paid, due to the death of a close family member.

## RETIREMENT

The Leidos Retirement Plan is designed to make the journey to retirement a little easier.

- ▶ For standard fringes, a 100 percent company match on pre-tax and or Roth after-tax contributions, up to 5 percent of salary (some fringes have a lower match of up to 3%).
- ▶ Vesting of company contributions over three years of service.
- ▶ Pre-tax, Roth after-tax, and/or traditional after-tax contributions are allowed.
- ▶ Immediate eligibility for company contributions.
- ▶ Both passive and active investment options with a wide selection of funds.
- ▶ Investment advice from Vanguard and Financial Engines.

## FAMILY BENEFITS

Understanding the inherent challenges of balancing work and family responsibilities, we also offer benefits to make family life a little easier:

- ▶ Back-up childcare, for kids 3 months to 13 years old, is available at Bright Horizons centers throughout the U.S. Every employee can take advantage of this benefit up to 20 days per child, per year.
- ▶ Dependent Daycare Flexible Spending Accounts lets employees set aside pre-tax dollars for eligible daycare expenses.

# People (continued)

## Employee Demographic and Statistics

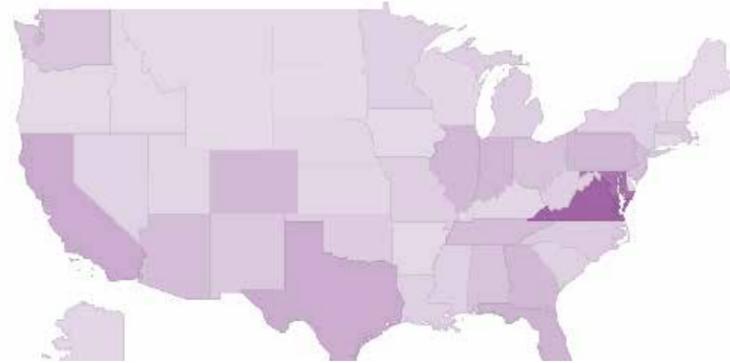
Analyzing demographic data helps Leidos develop practices to better serve our employees.

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.

### LOCATIONS

#### U.S. Employees

Leidos is a global company with 32,166 employees worldwide (as of the end of December 2018). Of that population, over 91% are in the U.S., representing all 50 states, the District of Columbia, and territories. The largest concentration of our employees is in the National Capital Region, with about 14,683 employees in the Washington, D.C. Metropolitan area.



Since this map does not display Washington, D.C. or U.S. territories, 957 employees working in Washington, D.C. are mapped to Virginia, and employees working in U.S. territories appear in the International Map below.

#### International Employees

We also have employees in more than 30 countries around the world, with the majority of international employees located in the United Kingdom and Australia.



### WORKFORCE COMPOSITION

The overall composition of our workforce by gender remained steady, while ethnically diverse representation increased over time.



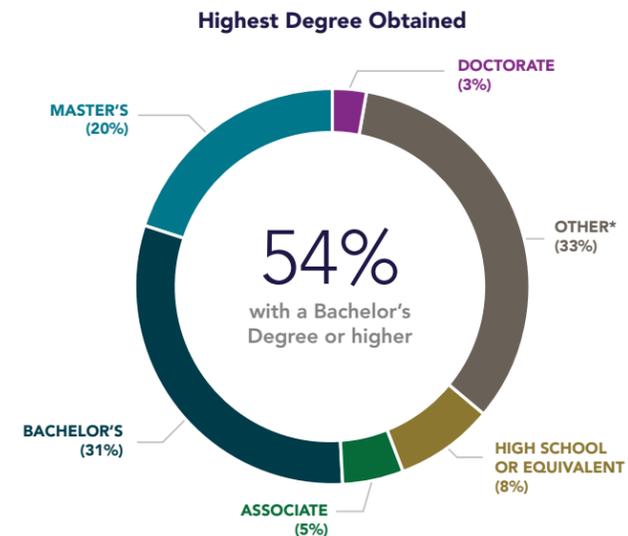
Leidos tracks workforce metrics regularly and participates in benchmarking studies to ensure that we are in-line with industry trends and on-target for meeting our people goals. Initiatives to positively impact our diversity, such as maintaining affinity groups like our standing Employee Resource Groups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

### 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.



\*These 27% hold a variety of degrees, including advanced degrees, but due to the migration of employee data post-merger and due to employee data from subsidiaries not being captured in the core Leidos HR system, validated degree information is not available for all employees. Degrees are self-reported by employees.

# People (continued)

## 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. We are proud that 21 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 2013, we have hired more than 8,500 veterans, and since the beginning of 2016 Leidos has hired over 5,250 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 received numerous awards and recognition, including Victory Media's Military Friendly Employer and Military Spouse Friendly Employer, Military Times Best for Vets, and U.S. Veteran's Magazine Best of the Best Top Veteran-Friendly Companies. Furthermore, we have maintained a presence on the VETS Indexes List since its inception in July 2017. This index includes publicly traded companies that support the hiring and professional development of veterans.

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 currently well on our way to surpass this goal. 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.



# Political Activities

**We believe in doing what's right and treating people right — always.**

Learn how our participation in the political process is conducted in a legal, ethical and transparent manner.



# Political Activities

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.

Through our Government Affairs Office, Leidos maintains a legally permissible Leidos Political Action Committee (LPAC). All political activity using corporate funds - including contributions to state and local politicians, the use of Leidos facilities, and any fundraising activity - is pre-approved by the LGAC.

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 (LPAC)

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](http://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 United 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 Representatives 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.



# Supplier and Small Business Relationships

We are united with our suppliers and small businesses to make a difference in the world.

Our thousands of suppliers and small businesses are crucial to our success as well as economic growth and prosperity.



# Supplier and Small Business Relationships

## ABOUT OUR SUPPLY CHAIN

Maintaining strong and committed relationships with approximately 7,000 active suppliers, as well as continuing our award-winning small businesses 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 diverse supply chain that varies based on the types of contracts we are able to win from 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 32% of our \$5.3 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 country at large. Helping veteran-owned firms succeed and grow advances our goal of helping veterans transition successfully to the civilian workforce, and we spent \$328 million with veteran-owned firms in 2018.

Our downstream products consist predominately of services rendered to U.S. government entities within the areas of defense and intelligence, civil services and infrastructure, healthcare, 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 mix of people, leadership practices and 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 Agency (DCMA) approved purchasing 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 clauses that address:

- ▶ Gratuities
- ▶ Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity
- ▶ Price or Fee Adjustment for Illegal or Improper Activity
- ▶ Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009
- ▶ Utilization of Small Business Concerns
- ▶ Notice to the Government of Labor Disputes
- ▶ Equal Opportunity (Only Paragraphs (b)(1) through (c)(11)
- ▶ Combating Trafficking in Persons
- ▶ Hazardous Material Identification and Material Safety Data
- ▶ Contractor Policy to Ban Text Messaging While Driving
- ▶ Conflict Minerals Policy

Leidos is regularly solicited by our customers to complete supplier questionnaires. These questionnaires are part of supply chain 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 suppliers that offer strategic and competitive pricing, quality products and services, focus on continuous improvement and commitment to performance in delivery of goods or services.

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 proactive and meaningful ethics and compliance programs within their organizations. We want our suppliers to understand, foster, 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 engineering, 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.

To manage our mutually beneficial external partnerships that support our Group and Functional strategies, we manage executive relationships with Leidos' major suppliers, subcontractors and strategic partners, which includes the establishment of the recently launched Leidos Alliance Partner Network (LAPN). Additionally, our sourcing program maximizes leverage and utility of our Strategic University Alliances to ensure we bring in the best and brightest talent for our program, leads the annual Leidos Supplier Symposium, and continually works to cultivate relationships with private equity and venture capital firms to gain access to emerging technologies.

These initiatives also complement our goals of delivering exceptional service, value and expertise to our internal stakeholders through efficient and compliant processes, as well as helping to establish a high performing, innovative and diverse supply base.

## SMALL BUSINESSES

Leidos has a proud history of providing maximum opportunities for small businesses to engage with us as we support our customers in the vital areas of National Security, Health, and Engineering. The commitments we have made to our customers in supporting the Nation's small business program are key to distinguishing us as a small business advocacy leader.

We work closely with all categories of small businesses, including small disadvantaged, women-owned, veteran-owned, service-disabled veteran-owned and historically underutilized business zone (HUBZone) companies, as well as historically black colleges and universities and minority institutions (HBCU/MIs). We continue to exceed the statutory goals for small disadvantaged, women-owned and service-disabled veteran-owned small businesses, as we believe that our success is strengthened by our legacy of commitment to small business engagement.

During government fiscal year 2018, Leidos awarded over \$1.6 billion in contracts to small businesses. The Leidos Inc. Small Business Program holds a rating of "Satisfactory" from the Defense Contract Management Agency

# Supplier and Small Business Relationships (continued)

(DCMA), and Leidos Innovations' Small Business Program holds a DCMA rating of "Very Good". These statistics illustrate the importance of small businesses to Leidos success, customer success and the dedication of Leidos Small Business Development Program to promoting strategic teaming with a variety of small businesses.

Leidos small business approach has three main areas of focus:

- ▶ Performing proactive marketing and outreach activities through our Small Business Development Program
- ▶ Fostering strategic relationships with small businesses that lead to subcontracting and prime contracting opportunities
- ▶ Providing training and business development assistance to small businesses - particularly minority-, women- and veteran-owned small businesses - to help them acquire the tools to grow and succeed

Leidos has been recognized for well over a decade for its outstanding efforts and work with small businesses of all categories. We have received notable recognition from the Small Business Administration in recent years, and received further recognition in 2018 that included the National Veterans Small Business Coalition's Veterans Champion Award, The DoD NUNN Perry award recognition for Excellence in the DoD Mentor Protégé Program, and The Reston Chamber of Commerce Member of the Year Award.

Award	Sponsor	Year(s)	Recognition
Eisenhower Award	Small Business Administration (SBA)	2011, 2007, 2001	Recognition of Leidos' excellence in working with small businesses.
Nunn-Perry Mentor-Protégé Award	Department of Defense (DoD)	2018, 2014, 2012, 2011, 2008, 2007*, 2006*, 2004*, 2003, 2002, 2000, 1999, and 1997 *In 2004, 2006 and 2007, Leidos was a multiple award winner recognized for outstanding performance under two separate agreements, 1999, and 1997	Recognition of Leidos' exemplary performance in mentor/protégé arrangements under DoD program.
Champions of Veterans Enterprise Award	National Veteran Small Business Coalition (NVSBC)	2018, 2014, 2013, 2012, 2011	Honored 25 companies for exemplary commitment to working with veteran-owned SB's. Leidos exceeded the 3% mandated subcontracting goal for service-disabled veteran-owned small businesses.
Best Corporations for Veteran-Owned Businesses	National Veteran-Owned Business Associations (NaVOBA)	2014, 2012, 2010, 2008, 2007, 2006, 2005	Recognition of Leidos' commitment in working with veteran-owned small businesses.
Large Business Prime Contractor of the Year	NASA Marshall Space Flight Center	2012, 2011, 2008	Recognition for significant contributions to NASA's small business program.
Member of the Year	Reston Chamber of Commerce	2018	Recognition of Leidos' business impact in the greater Reston, VA area.

## OUTREACH ACTIVITIES

Leidos participates in a variety of outreach programs that provide opportunities to introduce to 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 similar 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, we have participated in numerous events and forums sponsored by various federal agencies, including the Department of Defense, the SBA, and industry associations such as the National Defense Industrial Associate (NDIA), Armed Forces Electronics Association (AFCEA) and others.

## 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 participants in the federal agency program, and we currently maintain 8 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 for whole programs in Network+, Ethical Hacker, and Security+
- ▶ Assistance and support for our small business partners in preparing for the DCAA audit process

In addition to formal agreements, Leidos informally mentors many small businesses by providing assistance in the areas of joint marketing, task order response, human resources (HR), technology transfer, and administrative efforts. This approach helps develop our small business teammates while ensuring the highest levels of technical and programmatic performance.

## VETERAN-OWNED SMALL BUSINESSES

Leidos is an active supporter and sponsor of numerous veteran targeted events, which is not surprising considering more than 20% of Leidos' employees are veterans themselves. Leidos maintains a program aimed at enhancing the growth of Veteran-Owned Small Businesses (VOSBs) of all types in the government contracting arena through cooperative efforts with veteran advocacy bodies, and we directly supported VOSBs with approximately \$324 million in spending in 2018.



# About our Reporting

**Our reporting process is evolving along with our approach to corporate responsibility.**

Learn how efforts to empower our employees, improve our communities, and preserve the environment shape the way we do business.



# About our Reporting

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 tenth, covering calendar year 2018. 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.

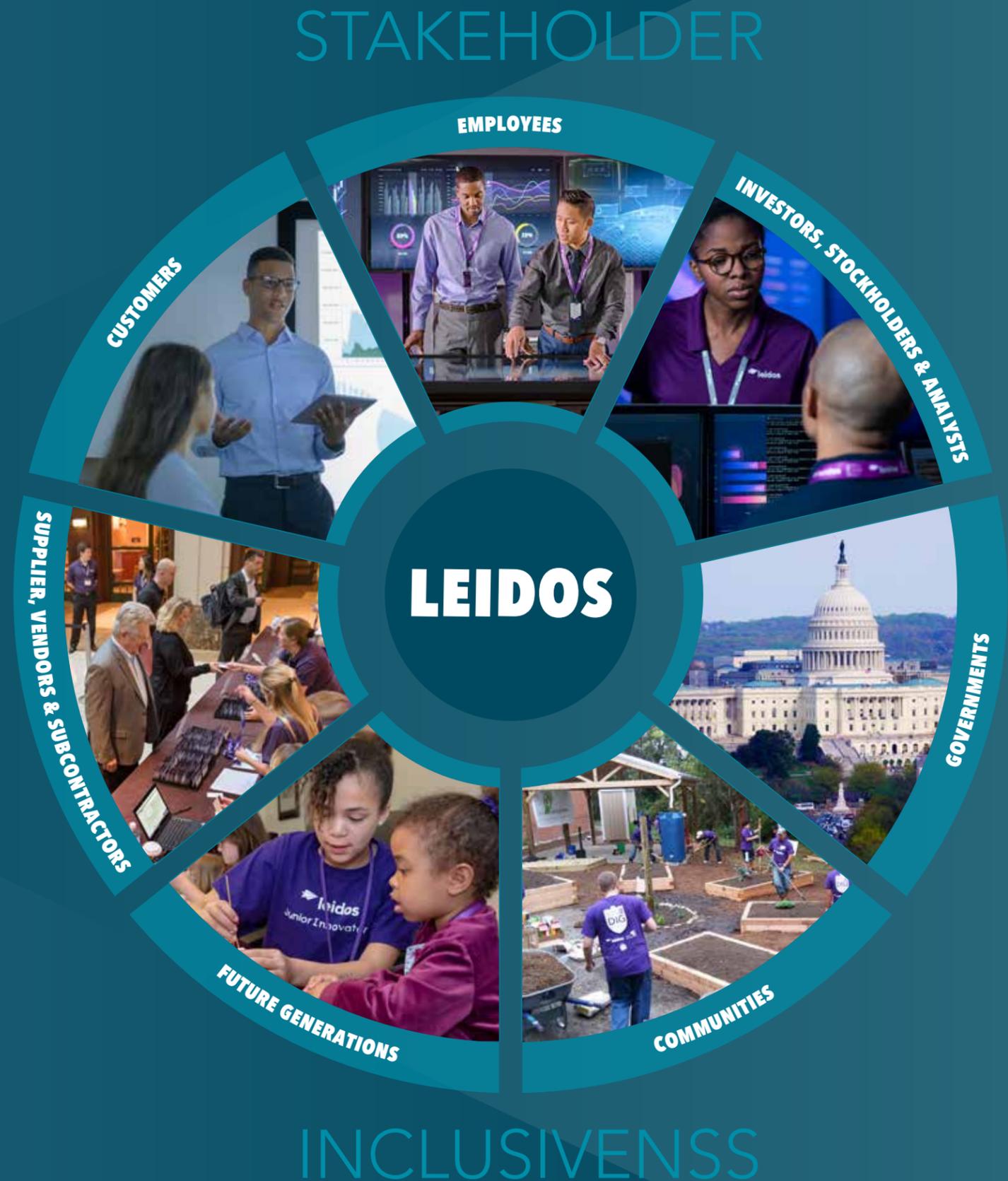
## PROCESS

The CR Report is generated by a core group of individuals representing the Leidos Corporate Social Responsibility and Sustainability functions and a network of Subject Matter Experts (SMEs) throughout the company. To identify topics for inclusion in the report, we carefully examined the full list of topics presented in the GRI™ Standards and Guidance documents and determined which were material to Leidos and its stakeholders. We consulted with company SMEs to verify the significance of individual topics, evaluate data availability, and establish appropriate boundaries. Boundaries are discussed in our management approach disclosures for each material topic, but are generally limited to the stakeholders that are directly impacted or influenced by the topic in question. All topics judged to be material are included in this report.

## STAKEHOLDER INCLUSIVENESS

We engage with our employees, communities, clients, industry teammates, government leadership and corporate responsibility thought leaders based on shared values. Our goal is to establish and nurture effective and productive relationships that align with our mission and values.

Leidos is a relatively new company, yet one with nearly 50 years of history. We strive for continuous improvement, alignment with industry best practices, and leadership in corporate sustainability and responsibility. As a result, we periodically re-evaluate and update our sustainability and corporate responsibility programs and the ways in which we share our progress with stakeholders.



# GRI™ Index

The Leidos Corporate Responsibility Report is published in accordance with the GRI™ G4 Sustainability Reporting Framework (Core option). GRI is an independent international organization that has pioneered sustainability reporting since 1997.



# GRI™ Standards Index

This report has been prepared in accordance with the GRI Standards: Core option. The GRI Standards emphasize materiality and focus 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 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.

STRATEGY		
Disclosure No.	Disclosure Title & Requirements	2018 Response
102-14	A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.	CEO Message
102-15	Provide a description of key impacts, risks, and opportunities.	Executive Summary

ORGANIZATIONAL PROFILE		
Disclosure No.	Disclosure Title & Requirements	2018 Response
102-1	Name of the organization.	Leidos
102-2	Report the primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	<p>During 2018, Leidos business was aligned into four segments:</p> <ul style="list-style-type: none"> <li>▶ National Security Solutions (Surveillance &amp; Reconnaissance; Integrated Systems; Global Services)</li> <li>▶ Information Systems &amp; Global Solutions (Enterprise IT Services; Software Development &amp; Integrated Systems; Cybersecurity; Data Analytics; Air Traffic Management; Health Management Services; Energy Management &amp; Operations; Acquisition, Program Management &amp; Logistics)</li> <li>▶ Health (Federal Health; Commercial Health; Life Sciences) and Infrastructure (Security Products; Power Grid Engineering; Federal Environmental &amp; Engineering; Transaction &amp; Valuation Consulting)</li> <li>▶ Corporate and Other</li> </ul>

ORGANIZATIONAL PROFILE (cont'd)		
Disclosure No.	Disclosure Title & Requirements	2018 Response
102-3	Location of the organization's headquarters.	11955 Freedom Drive Reston, VA 20190
102-4	Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	People > Employee Demographics and Statistics
102-5	Nature of ownership and legal form.	Corporation (LDOS)
102-6	Markets served, including: Geographic locations where products and services are offered Sectors served Types of customers and beneficiaries.	2018 Annual Report, Part II
102-7	Scale of the organization, including: Total number of employees; Total number of operations; Net sales (for private sector organizations) or net revenues (for public sector organizations); Total capitalization (for private sector organizations) broken down in terms of debt and equity; Quantity of products or services provided	<p>Approximately 32,200 employees worldwide (as of the end of December 2018)</p> <p>Four reportable business segments (Advanced Solutions, Health, Civil, and Defense &amp; Intelligence).</p> <p>\$10.19B fiscal year ended December 28, 2018.</p> <p>See 2018 Annual Report</p>
102-8	Total number of employees by employment contract (permanent and temporary), by gender. Total number of employees by employment contract (permanent and temporary), by region. Total number of employees by employment type (full-time and part-time), by gender. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. Any significant variations in the numbers reported (such as seasonal variations in the tourism or agricultural industries). An explanation of how the data have been compiled, including any assumptions made.	People > Employee Demographics and Statistics
102-41	Stakeholder Engagement Percentage of total employees covered by collective bargaining agreements.	Currently, 0.8% of Leidos employees are covered by collective bargaining agreements.
102-9	A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.	Supplier and Small Business Relationships

# GRI™ Standards Index (continued)

## ORGANIZATIONAL PROFILE (cont'd)

Disclosure No.	Disclosure Title & Requirements	2018 Response
102-10	<p>Significant changes to the organization's size, structure, ownership, or supply chain, including:</p> <p>Changes in the location of, or changes in, operations, including facility openings, closings, and expansions;</p> <p>Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations);</p> <p>Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.</p>	There were no significant changes to the organization in 2018. For business and financial details, see 2018 Annual Report
102-11	Whether and how the organization applies the Precautionary Principle or approach.	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.
102-12	A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.	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.
102-13	A list of the main memberships of industry or other associations, and national or international advocacy organizations.	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 TOPICS AND BOUNDARIES

Disclosure No.	Disclosure Title & Requirements	2018 Response
102-45	<p>A list of all entities included in the organization's consolidated financial statements or equivalent documents;</p> <p>Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.</p>	See 2018 Annual Report
102-46	<p>An explanation of the process for defining the report content and the topic Boundaries;</p> <p>An explanation of how the organization has implemented the Reporting Principles for defining report content.</p>	About Our Reporting
102-47	A list of the material topics identified in the process for defining report content.	GRI Standards Index About Our Reporting
103-1	<p>Explanation of the material topic and its Boundary</p> <p>An explanation of why the topic is material;</p> <p>The Boundary for the material topic, which includes a description of where the impacts occur; the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships;</p> <p>Any specific limitation regarding the topic Boundary</p>	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 preponderance of our workforce, and may exclude certain U.S. subsidiaries. In keeping with our workforce distributions, this report highlights activities within our U.S. operations, including subsidiaries and leased facilities, while presenting selected data on our worldwide enterprise. Information about our business and financial performance, reported pursuant to our fiscal year ended December, 2018, is provided in our 2018 Annual Report
103-2	<p>The management approach and its components</p> <p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i.Policies;</p> <p>ii.Commitments;</p> <p>iii.Goals and targets;</p> <p>iv.Responsibilities;</p> <p>v.Resources;</p> <p>vi.Grievance mechanisms;</p> <p>vii.Specific actions, such as processes, projects, programs and initiatives</p>	The management approach for material topics is addressed in the introduction of the corresponding section of this report.

# GRI™ Standards Index (continued)

## IDENTIFIED MATERIAL TOPICS AND BOUNDARIES (continued)

Disclosure No.	Disclosure Title & Requirements	2018 Response
103-3	Evaluation of the management approach An explanation of how the organization evaluates the management approach, including: i.the mechanisms for evaluating the effectiveness of the management approach; ii.the results of the evaluation of the management approach; iii.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 2018.
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

Disclosure No.	Disclosure Title & Requirements	2018 Response
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
102-44	Key topics and concerns that have been raised through stakeholder engagement, including: How the organization has responded to those key topics and concerns, including through its reporting; The stakeholder groups that raised each of the key topics and concerns..	This is addressed with the relevant Topics reported.

## REPORT PROFILE

Disclosure No.	Disclosure Title & Requirements	2018 Response
102-50	Reporting period for the information provided.	Calendar year 2018.
102-51	If applicable, the date of the most recent previous report.	Fall, 2018 (covering the period calendar year 2017).
102-52	Reporting cycle.	Annual.
102-53	The contact point for questions regarding the report or its content.	Michael P. Coogan, Vice President, Director, Corporate Responsibility.
102-54	The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either:  'This report has been prepared in accordance with the GRI Standards: Core option';  'This report has been prepared in accordance with the GRI Standards: Comprehensive option'.	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report.  For each disclosure, the content index shall include:  The number of the disclosure (for disclosures covered by the GRI Standards);  The page number(s) or URL(s) where the information can be found, either within the report or in other published materials;  If applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.	GRI Standards Index
102-56	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, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process;  The relationship between the organization and the assurance provider;  Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report.	Leidos GRI reports are not currently externally assured. However, our greenhouse gas emissions data are externally assured by a third party.

# GRI™ Standards Index (continued)

## GOVERNANCE

Disclosure No.	Disclosure Title & Requirements	2018 Response
102-18	Governance structure of the organization, including committees of the highest governance body. 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, chartered 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 activity.

## ETHICS AND INTEGRITY

Disclosure No.	Disclosure Title & Requirements	2018 Response
102-16	A description of the organization's values, principles, standards, and norms of behavior.	Ethics and Compliance
102-17	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.

## Economic

### ECONOMIC PERFORMANCE

Disclosure No.	Disclosure Title & Requirements	2018 Response
201-1	Direct economic value generated and distributed  Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:  Direct economic value generated: revenues;  Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;  Economic value retained: "direct economic value generated" less "economic value distributed".  Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.	See 2018 Annual Report  Community > Corporate Philanthropy
201-2	Financial implications and other risks and opportunities due to climate change  Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:  A description of the risk or opportunity and its classification as either physical, regulatory, or other;  A description of the impact associated with the risk or opportunity;  The financial implications of the risk or opportunity before action is taken;  The methods used to manage the risk or opportunity;  The costs of actions taken to manage the risk or opportunity	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.

# GRI™ Standards Index (continued)

## ECONOMIC PERFORMANCE (continued)

Disclosure No.	Disclosure Title & Requirements	2018 Response
201-3	<p>Defined benefit plan obligations and other retirement plans</p> <p>If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities.</p> <p>If a separate fund exists to pay the plan's pension liabilities:</p> <p>The extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them;</p> <p>The basis on which that estimate has been arrived at;</p> <p>When that estimate was made.</p> <p>If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.</p> <p>Percentage of salary contributed by employee or employer.</p> <p>Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.</p>	<p>As of January 1, 2018, the Leidos Biomedical Research plan has 689 active participants, 539 deferred vested participants and 581 receiving pensions. This plan is approximately 99 percent funded as of January 1, 2018, on a stabilized funding basis. This plan was fully frozen on August 30, 2019. All participant accruals are fully frozen.</p> <p>As of January 1, 2019, the Leidos Biomedical Research plan has 645 active participants, 532 deferred vested participants and 623 receiving pensions. This plan is approximately 99 percent funded as of January 1, 2019, on a stabilized funding basis. This plan was fully frozen on August 30, 2019. All participant accruals are fully frozen.</p> <p>The second plan includes, as of 31 March 2018: 172 deferred members, 69 pensioner members (including 5 dependent pensioner members) and funding level of 94%. It is also closed to future participants, is sponsored by the Calanais Pension Trustee Co., Ltd., and is approximately 85 percent funded.</p> <p>As of 31 March 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%.</p>

## Environmental

### ENERGY

Disclosure No.	Disclosure Title & Requirements	2018 Response
302-1	<p>Energy consumption within the organization:</p> <ol style="list-style-type: none"> <li>Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.</li> <li>Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.</li> <li>In joules, watt-hours or multiples, the total:               <ol style="list-style-type: none"> <li>electricity consumption</li> <li>heating consumption</li> <li>cooling consumption</li> <li>steam consumption</li> </ol> </li> <li>In joules, watt-hours or multiples, the total:               <ol style="list-style-type: none"> <li>electricity sold</li> <li>heating sold</li> <li>cooling sold</li> <li>steam sold</li> </ol> </li> <li>Total energy consumption within the organization, in joules or multiples.</li> <li>Standards, methodologies, assumptions, and/or calculation tools used.</li> <li>Source of the conversion factors used.</li> </ol>	Environment > Corporate Footprint and Environmental Stewardship
302-2	<p>Energy consumption outside of the organization:</p> <ol style="list-style-type: none"> <li>Total energy consumption within the organization, in joules or multiples.</li> <li>Standards, methodologies, assumptions, and/or calculation tools used.</li> <li>Source of the conversion factors used.</li> </ol>	Environment > Corporate Footprint and Environmental Stewardship
302-3	<p>Energy intensity:</p> <ol style="list-style-type: none"> <li>Energy intensity ratio for the organization.</li> <li>Organization-specific metric (the denominator) chosen to calculate the ratio.</li> <li>Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.</li> <li>Whether the ratio uses energy consumption within the organization, outside of it, or both.</li> </ol>	<ol style="list-style-type: none"> <li>97.5 kBtu/ft2 (buildings energy only, fleet vehicle energy excluded)</li> <li>Total owned and lease floor area is 6,804,316 ft2 (Leidos-occupied floor area only, subleased floor area excluded)</li> <li>Natural gas and electricity consumption in owned and leased buildings. Leidos does not purchase heating, cooling, steam, or any other fuels. Fleet vehicle fuel consumption is not captured because the base metric of the intensity ratio is floor area of buildings. Note that fleet vehicle fuel consumption accounts for less than 2% of total energy.</li> <li>All reported energy is consumed within the organization.</li> </ol>

# GRI™ Standards Index (continued)

ENERGY		
Disclosure No.	Disclosure Title & Requirements	2018 Response
302-4	<p>Reduction of energy consumption:</p> <ol style="list-style-type: none"> <li>Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.</li> <li>Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.</li> <li>Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.</li> <li>Standards, methodologies, assumptions, and/or calculation tools used.</li> </ol>	Environment > Corporate Footprint and Environmental Stewardship

EMISSIONS		
Disclosure No.	Disclosure Title & Requirements	2018 Response
305-1	<p><b>Direct (Scope 1) GHG emissions:</b></p> <ol style="list-style-type: none"> <li>Gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent.</li> <li>Gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.</li> <li>Biogenic CO2 emissions in metric tons of CO2 equivalent.</li> <li>Base year for the calculation, if applicable, including: <ol style="list-style-type: none"> <li>the rationale for choosing it;</li> <li>emissions in the base year;</li> <li>the context for any significant changes in emissions that triggered recalculations of base year emissions.</li> </ol> </li> <li>Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</li> <li>Consolidation approach for emissions; whether equity share, financial control, or operational control.</li> <li>Standards, methodologies, assumptions, and/or calculation tools used.</li> </ol>	Environment > Corporate Footprint and Environmental Stewardship

EMISSIONS (continued)		
Disclosure No.	Disclosure Title & Requirements	2018 Response
305-2	<p><b>Energy indirect (Scope 2) GHG emissions:</b></p> <ol style="list-style-type: none"> <li>Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.</li> <li>If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.</li> <li>If available, the gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.</li> <li>Base year for the calculation, if applicable, including: <ol style="list-style-type: none"> <li>the rationale for choosing it;</li> <li>emissions in the base year;</li> <li>the context for any significant changes in emissions that triggered recalculations of base year emissions.</li> </ol> </li> <li>Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</li> <li>Consolidation approach for emissions; whether equity share, financial control, or operational control.</li> <li>Standards, methodologies, assumptions, and/or calculation tools used.</li> </ol>	Environment > Corporate Footprint and Environmental Stewardship
305-3	<p><b>Other indirect (Scope 3) GHG emissions:</b></p> <ol style="list-style-type: none"> <li>Gross other indirect (Scope 3) GHG emissions in metric tons of CO2 equivalent.</li> <li>If available, the gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.</li> <li>Biogenic CO2 emissions in metric tons of CO2 equivalent.</li> <li>Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.</li> <li>Base year for the calculation, if applicable, including: <ol style="list-style-type: none"> <li>the rationale for choosing it;</li> <li>emissions in the base year;</li> <li>the context for any significant changes in emissions that triggered recalculations of base year emissions.</li> </ol> </li> <li>Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</li> <li>Standards, methodologies, assumptions, and/or calculation tools used.</li> </ol>	Environment > Corporate Footprint and Environmental Stewardship

# GRI™ Standards Index (continued)

EMISSIONS (continued)		
Disclosure No.	Disclosure Title & Requirements	2018 Response
305-4	<b>GHG emissions intensity:</b> 1. GHG emissions intensity ratio for the organization. 2. Organization-specific metric (the denominator) chosen to calculate the ratio. 3. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). 4. Gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.	1. 8.4 kgCO2e/ft2 (market-based) 2. Total owned and lease floor area is 6,804,316 ft2 (Leidos-occupied floor area only, subleased floor area excluded) 3. INCLUDED: Scope 1 GHG emissions from natural gas combustion for heating, diesel fuel combustion in generators, and fugitive refrigerants from owned large air conditioning and refrigeration equipment. Also, market-based Scope 2 GHG emissions from purchased electricity and purchased natural gas heating in full service leases. 4. EXCLUDED: Scope 1 GHG emissions from fleet vehicles and Scope 3 GHG emissions from employee commuting and business travel are not captured in the emissions intensity ratio, because the base metric is building floor area. 5. All gases are included; however, Leidos activities do not generate any PFCs, SF6, NF3.
305-5	<b>Reduction of GHG emissions:</b> 1. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO2 equivalent. 2. Gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all. 3. Base year or baseline, including the rationale for choosing it. 4. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). 5. Standards, methodologies, assumptions, and/or calculation tools used.	1. 12,763 mtCO2e 2. CO2, CH4, N2O. Reduction initiatives did not affect any other GHGs. 3. 2017 was selected as the base year for GHG reductions reported in this section to evaluate year-over-year improvements. 4. Scope 1 and Scope 2 only. 5. GHG emissions were reduced as a direct result of three initiatives: elimination of under-performing real estate assets, renewable energy purchases, and energy efficiency improvements. 6. The GHG reduction from eliminated real estate was assumed proportional to the reduction of Leidos-occupied floor area from 2017 to 2018 (-6.3%). 7. The GHG reduction from increased renewable energy purchases were determined by multiplying increase in renewable purchases (in kWh) from 2017 to 2018 by the eGRID emission factors for the sub-region in which the purchasing facilities operate. 8. The GHG reduction from energy efficiency improvements were determined by multiplying the projected annual energy savings (in kWh) of each project by the eGRID emission factors for the sub-region in which each project was completed.

EFFLUENTS AND WASTE		
Disclosure No.	Disclosure Title & Requirements	2018 Response
305-4	Waste by type and disposal method: Report the total weight of hazardous and non-hazardous waste, by the following disposal methods: ▶ Reuse ▶ Recycling ▶ Composting ▶ Recovery, including energy recovery ▶ Incineration (mass burn) ▶ Deep well injection ▶ Landfill ▶ On-site storage ▶ Other (to be specified by the organization) Total weight of non-hazardous waste, with a breakdown by the following disposal methods where applicable: ▶ Reuse ▶ Recycling ▶ Composting ▶ Recovery, including energy recovery ▶ Incineration (mass burn) ▶ Deep well injection ▶ Landfill ▶ On-site storage ▶ Other (to be specified by the organization) How the waste disposal method has been determined: ▶ Disposed of directly by the organization, or otherwise directly confirmed ▶ Information provided by the waste disposal contractor ▶ Organizational defaults of the waste disposal contractor	Leidos has national contracts with professional waste management companies for recycling and waste disposal at all owned (not leased) facilities. Total recycling and compost waste details are provided in the Environment > Corporate Footprint and Environmental Stewardship section.  Leidos disposes of hazardous waste using Clean Harbors Environmental Services. In all cases, we are considered a small quantity generator per US EPA (less than 1,000 kilograms of hazardous waste per month). The waste is generally landfilled or incinerated at an EPA-permitted hazardous waste Treatment Storage and Disposal Facility (TSDF), as reported to Leidos by Clean Harbors Environmental Services.

# GRI™ Standards Index (continued)

## SUPPLIER ENVIRONMENTAL ASSESSMENT

Disclosure No.	Disclosure Title & Requirements	2018 Response
308-1	<p>New suppliers that were screened using environmental criteria</p> <p>Percentage of new suppliers that were screened using environmental criteria.</p>	Leidos did not screen suppliers for environmental criteria in 2018.
308-2	<p><b>Negative environmental impacts in the supply chain and actions taken:</b></p> <ol style="list-style-type: none"> <li>Number of suppliers assessed for environmental impacts.</li> <li>Number of suppliers identified as having significant actual and potential negative environmental impacts.</li> <li>Significant actual and potential negative environmental impacts identified in the supply chain.</li> <li>Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment.</li> <li>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.</li> </ol>	<ol style="list-style-type: none"> <li>None</li> <li>None</li> <li>None</li> <li>0%</li> <li>0%</li> </ol>

## Environmental

### OCCUPATIONAL HEALTH AND SAFETY

Disclosure No.	Disclosure Title & Requirements	2018 Response
403-2	<p>Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities:</p> <ol style="list-style-type: none"> <li>Types of injury, injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate (AR), and work-related fatalities, for all employees, with a breakdown by:               <ol style="list-style-type: none"> <li>region;</li> <li>gender.</li> </ol> </li> <li>Types of injury, injury rate (IR), and work-related fatalities, for all workers (excluding employees) whose work, or workplace, is controlled by the organization, with a breakdown by:               <ol style="list-style-type: none"> <li>region;</li> <li>gender.</li> </ol> </li> <li>The system of rules applied in recording and reporting accident statistics.</li> </ol>	<p>Leidos reports for the company's overall injury rate by total workforce only (vs. by gender or region).</p> <p>Environment &gt; Environmental-health-and-safety</p>

### TRAINING AND EDUCATION

Disclosure No.	Disclosure Title & Requirements	2018 Response
404-2	<p>Programs for upgrading employee skills and transition assistance programs:</p> <ol style="list-style-type: none"> <li>Type and scope of programs implemented and assistance provided to upgrade employee skills.</li> <li>Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.</li> </ol>	People > Professional and Career Development

# GRI™ Standards Index (continued)

## DIVERSITY AND EQUAL OPPORTUNITY

Disclosure No.	Disclosure Title & Requirements	2018 Response
405-1	<p>Diversity of governance bodies and employees:</p> <p>a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:</p> <ul style="list-style-type: none"> <li>i. Gender;</li> <li>ii. Age group: under 30 years old, 30-50 years old, over 50 years old;</li> <li>iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).</li> </ul> <p>b. Percentage of employees per employee category in each of the following diversity categories:</p> <ul style="list-style-type: none"> <li>i. Gender;</li> <li>ii. Age group: under 30 years old, 30-50 years old, over 50 years old;</li> <li>iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).</li> </ul>	<p>For governance composition, see 102-18 response.</p> <p>People &gt; Employee Demographics and Statistics</p>

## SUPPLIER SOCIAL ASSESSMENT

Disclosure No.	Disclosure Title & Requirements	2018 Response
414-1	<p>New suppliers that were screened using social criteria</p> <p>Percentage of new suppliers that were screened using social criteria.</p>	Supplier and Small Business Relationships

414-2	<p>Negative social impacts in the supply chain and actions taken:</p> <ul style="list-style-type: none"> <li>a. Number of suppliers assessed for social impacts.</li> <li>b. Number of suppliers identified as having significant actual and potential negative social impacts.</li> <li>c. Significant actual and potential negative social impacts identified in the supply chain.</li> <li>d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.</li> <li>e. 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.</li> </ul>	Supplier and Small Business Relationships Ethics and Compliance
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## Social | Society

### LOCAL COMMUNITIES

Disclosure No.	Disclosure Title & Requirements	2018 Response
413-1	<p>Operations with local community engagement, impact assessments, and development programs:</p> <ul style="list-style-type: none"> <li>▶ Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of: <ul style="list-style-type: none"> <li>i. social impact assessments, including gender impact assessments, based on participatory processes;</li> <li>ii. environmental impact assessments and ongoing monitoring;</li> <li>iii. public disclosure of results of environmental and social impact assessments;</li> <li>iv. local community development programs based on local communities' needs;</li> <li>v. stakeholder engagement plans based on stakeholder mapping;</li> <li>vi. broad based local community consultation committees and processes that include vulnerable groups;</li> <li>vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts;</li> <li>viii. formal local community grievance processes.</li> </ul> </li> </ul>	<p>Leidos reports for the company's overall injury rate by total workforce only (vs. by gender or region).</p> <p>Environment &gt; Environmental-health-and-safety</p>

### ANTI-CORRUPTION

Disclosure No.	Disclosure Title & Requirements	2018 Response
205-1	<p><b>Operations assessed for risks related to corruption:</b></p> <ul style="list-style-type: none"> <li>a. Total number and percentage of operations assessed for risks related to corruption.</li> <li>b. Significant risks related to corruption identified through the risk assessment..</li> </ul>	<p>The Leidos Internal Audit department has a multi-year risk based Audit Plan. The Audit Plan focuses on Financial, Business Operations, Corporate Functions, Information Technology &amp; Security controls to ensure compliance with Leidos policies and procedures. Risks are continuously monitored and the Audit Plan is adjusted accordingly. The multi-year Audit Plan covers U.S. as well as international operations.</p>

# GRI™ Standards Index (continued)

## ANTI-CORRUPTION (continued)

Disclosure No.	Disclosure Title & Requirements	2018 Response
205-2	<p><b>Communication and training about anti-corruption policies and procedures:</b></p> <p>a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.</p> <p>b. 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.</p> <p>c. 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 any other persons or organizations.</p> <p>d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region.</p> <p>e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region..</p>	Ethics and Compliance
205-3	<p><b>Confirmed incidents of corruption and actions taken:</b></p> <ul style="list-style-type: none"> <li>▶ Total number and nature of confirmed incidents of corruption.</li> <li>▶ Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.</li> <li>▶ Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.</li> <li>▶ Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.</li> </ul>	None

## PUBLIC POLICY

Disclosure No.	Disclosure Title & Requirements	2018 Response
415-1	<p><b>Political contributions:</b></p> <p>a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.</p> <p>b. If applicable, how the monetary value of in-kind contributions was estimated.</p>	The Leidos Internal Audit department has a multi-year risk based Audit Plan. The Audit Plan focuses on Financial, Business Operations, Corporate Functions, Information Technology & Security controls to ensure compliance with Leidos policies and procedures. Risks are continuously monitored and the Audit Plan is adjusted accordingly. The multi-year Audit Plan covers U.S. as well as international operations.

## ANTI-COMPETITIVE BEHAVIOR

Disclosure No.	Disclosure Title & Requirements	2018 Response
206-1	<p><b>Legal actions for anti-competitive behavior, anti-trust, and monopoly practices:</b></p> <p>a. Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.</p> <p>b. Main outcomes of completed legal actions, including any decisions or judgments.</p>	None

## COMPLIANCE

Disclosure No.	Disclosure Title & Requirements	2018 Response
206-1	<p><b>Non-compliance with laws and regulations in the social and economic area:</b></p> <p>a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:</p> <ul style="list-style-type: none"> <li>i. total monetary value of significant fines;</li> <li>ii. total number of non-monetary sanctions;</li> <li>iii. cases brought through dispute resolution mechanisms.</li> </ul> <p>b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.</p> <p>c. The context against which significant fines and non-monetary sanctions were incurred.</p>	None Ethics and Compliance

# GRI™ Standards Index (continued)

## CUSTOMER PRIVACY

Disclosure No.	Disclosure Title & Requirements	2018 Response
418-1	<p>Substantiated complaints concerning breaches of customer privacy and losses of customer data:</p> <p>a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by:</p> <p>i. complaints received from outside parties and substantiated by the organization;</p> <p>ii. complaints from regulatory bodies.</p> <p>b. Total number of identified leaks, thefts, or losses of customer data.</p> <p>c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.</p>	<p>None</p> <p>Ethics and Compliance</p>



# 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 and Policy

## Conflict Minerals Report -Page 1

3/13/2017

Exhibit

EX-1.01 2 formsdex101.htm EXHIBIT 1.01

### Exhibit 1.01

#### Conflict Minerals Report of Leidos Holdings, Inc. for the Year Ending December 31, 2015

The following should be read in conjunction with the definitions contained in the Securities and Exchange Commission (“SEC”) instructions to Form SD and related rules.

This report for the year ended December 31, 2015 is presented by Leidos Holding, Inc. and our wholly-owned subsidiary, Leidos, Inc., (collectively, “Leidos” or “we,” “us” or “our”) to comply with Rule 13p-1 of the Securities Exchange Act of 1934. The rule was adopted by the SEC as directed by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 to implement reporting and disclosure requirements related to the cassiterite, columbite-tantalite, gold, wolframite and their derivatives, tin, tantalum and tungsten (“3TG Minerals”) necessary to the functionality or production of products manufactured by registrants.

Leidos is an applied technology company delivering services and solutions to customers in the national security, health and infrastructure markets. Being a solutions provider occasionally requires the development of one-of-a-kind products or components under customer-funded contracts. Typically, our products fall into the category of very low production numbers of special purpose products for government customers. Substantially all of our products are assembled from widely available component parts. We provide sensor systems, intelligence processing systems and communications/dissemination systems for the United States government for air, ground and maritime applications. We also provide information technology systems for a variety of commercial and government customers. However, in some cases, we produce standard products for customers. For customers in the security industry, we deliver and deploy radiation detection systems, radiation sensor panels, VACIS® cargo and vehicle inspection systems, hand-held, mobile and airborne spectroscopy systems and advanced air particle detector systems.

#### Reasonable Country of Origin Inquiry

We do not directly source minerals from smelters, refiners or mines, nor do we have direct knowledge of the country of origin and chain of custody of our 3TG Minerals or whether our 3TG Minerals have directly or indirectly financed or benefited armed groups in the Democratic Republic of the Congo or adjoining countries (the “Covered Countries”). Our supply chain is complex and there are many intermediaries between us and the mine. As a result, our ability to identify the origin and chain of custody of our 3TG Minerals and determine whether they directly or indirectly financed or benefited armed groups in any Covered Country (the “Conflict Status”), is limited. We must rely on our direct vendors and suppliers for information relating to the 3TG Minerals in the parts and materials we source from them, who in turn often similarly rely on their own vendors and suppliers as they too are far removed from the actual source of any 3TG Minerals.

With respect to the 3TG Minerals necessary to the functionality or production of products manufactured by us, or contracted by us to be manufactured, we conducted in good faith a country of origin inquiry that we believe was reasonably designed to determine whether any of our 3TG Minerals originated in the Covered Countries or were from recycled or scrap sources. For a description of our country of origin

<https://www.sec.gov/Archives/edgar/data/353394/000133692016000094/formsdex101.htm>

1/3

## Conflict Minerals Report - Page 2

3/13/2017

Exhibit

inquiry, please see the discussion below of the measures we took to exercise due diligence (of which such inquiry was a part).

To the extent we determined that our 3TG Minerals originated (or may have originated) in the Covered Countries and may not have been from recycled or scrap sources, we exercised the required due diligence, but were unable to determine whether they financed or benefitted armed groups.

#### Design of Due Diligence Measures

To better manage our supply-chain and facilitate the 3TG Minerals origin, chain of custody and Conflict Status due diligence and disclosure required by the SEC, we established management systems and due diligence procedures (our “3TG Minerals Due Diligence Process”) based on guidance from the Organisation for Economic Co-operation and Development’s *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-affected and High-Risk Areas*. The design of our 3TG Minerals Due Diligence Process included the following:

- Adopting a 3TG minerals policy, which is available on our web site at [www.leidos.com](http://www.leidos.com).
- Analyzing contract data and revenue recognition methodology to identify contracts and programs in which we manufactured or contracted to manufacture a product, and developing a list of vendors and suppliers associated with each such program and contract.
- Sending surveys to various vendors and suppliers inquiring whether 3TG minerals were used in the provided parts and materials and, if so, the source of any such parts and materials. The surveys were based on the Electronic Industry Citizenship Coalition and Global e-Sustainability Initiative (the “EICC-GeSI”) Conflict Minerals Reporting Template.
- Sending follow-up survey questionnaires to each vendor/supplier that indicated they had supplied materials containing 3TG Minerals to better understand the process they executed in determining that the minerals did not originate in any of the Covered Countries.
- Assessing and managing the conflict risk identified through the process outlined above.
- Providing a mechanism for vendors and suppliers to communicate their concerns with respect to our 3TG Mineral Due Diligence Process.
- Publicly reporting the results of our due diligence.

To gain further insight into the country of origin, chain of custody and Conflict Status of our 3TG Minerals we continued our membership and relied upon the Conflict Free Smelter Assessment Program (the “CFSP”) of the EICC-GeSI’s Extractives Work Group. As described by the EICC-GeSI, the CFSP is a voluntary program in which an independent third party evaluates smelter and refinery procurement activities and determines whether the smelter or refinery demonstrated that all the materials they processed originated from conflict-free sources.

#### Due Diligence Measures Taken

3

<https://www.sec.gov/Archives/edgar/data/353394/000133692016000094/formsdex101.htm>

2/3

# Conflict Minerals Report and Policy

## Conflict Minerals Report - Page 3

## Conflict Minerals Policy

3/13/2017

Exhibit

Throughout 2015 we sought representations from each of our vendors and suppliers to determine the status of 3TG Minerals used in the supplied materials and the source of any 3TG Minerals identified. Through these efforts, we received information from vendors and suppliers representing a substantial portion of the 3TG Minerals supplied directly to us or contained in products that we contracted to be manufactured by third parties. We analyzed the responses for completeness and internal consistency and made followed up inquiries in effort to resolve any deficiencies we identified. We relied on representations from vendors and suppliers that we considered reasonable. We considered warning signs or other circumstances that, in our view, indicated the responses were unreliable or that the 3TG Minerals (i) came from a Covered Country and (ii) were not from recycled or scrap sources. We compared the smelter and refinery information provided by our vendors and suppliers with the data made available by the CSFP concerning the country of origin of the 3TG Minerals processed by those facilities and their Conflict Status.

### Diligence Results

With respect to each of our products, despite the implementation of the 3TG Minerals Due Diligence Process outlined above, we either (i) were unable to obtain sufficient information to identify the county of origin of the 3TG Minerals contained the product, or (ii) were unable to determine whether a products 3TG Minerals identified as having originated from one of the Covered Countries directly or indirectly financed armed conflict.

### Other Steps

We have taken, or will undertake, the following steps since the period covered by this Report to mitigate the risk that our 3TG Minerals financed or benefitted armed groups in the Covered Countries:

- Continue to make our vendors and suppliers aware of our policy on 3TG Minerals; and
- Attempt to increase the response rate of our vendors and suppliers to our information requests.

We will maintain our efforts to address the ongoing issue of 3TG Minerals in the global supply chain by endeavoring to employ best practices in the design and implementation of our 3TG Minerals Due Diligence Process.

4

<https://www.sec.gov/Archives/edgar/data/353394/000133692016000094/formsdex101.htm>

3/3

Leidos Holdings, Inc.

Leidos, Inc.

### Conflict Minerals Policy Statement

Leidos Holdings, Inc. and Leidos, Inc. (collectively, "Leidos") fully support the goals and objectives of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "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 (DRC) or adjoining countries (as defined in the Act). "Conflict Minerals" currently include: columbite-tantalite (coltan), cassiterite, gold, wolframite, or their derivatives (tantalum, tin and tungsten).

Leidos is committed to avoiding the use of Conflict Minerals that directly or indirectly finance or benefit armed groups in the DRC or adjoining countries. Leidos is also committed to complying with the reporting obligations required under Section 1502 of the Act, as well as the related rules and regulations issued by the U.S. Securities and Exchange Commission (SEC).

Leidos has designed its due diligence framework to conform in all material respects to the disclosure requirements adopted under Section 13(p) of the Exchange Act, with the framework provided by The Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, an internationally-recognized due diligence framework. Among other things, Leidos seeks to have its suppliers complete the Electronic Industry Citizenship Coalition and Global e-Sustainability Initiative (EICC-GeSI) Conflict Minerals Reporting Template.

We have the following expectations of our suppliers and their suppliers which we are working diligently to fully implement:

- Suppliers should not supply us with any products or other materials that directly or indirectly finance or benefit armed groups in the DRC or adjoining countries.
- Suppliers are expected to source Conflict Minerals only from sources that are identified as DRC Conflict Free.
- Suppliers should develop policies, procedures, due diligence processes and management systems that are reasonably designed to prevent products or minerals that are not DRC Conflict Free from entering our supply chain and to provide transparency as to the source of any Conflict Minerals.
- Suppliers are expected to take steps to identify the steps in the supply chain through which Conflict Minerals are introduced, and to undertake all due diligence efforts necessary to identify the smelter, refiner and/or mine from which Conflict Minerals originate, including requiring direct or indirect suppliers to our suppliers to cooperate in diligence efforts and to provide any information necessary to facilitate our compliance efforts with respect to the Conflict Minerals Rules.
- Suppliers are expected to pass on these requirements on to their supply chain partners who supply them with products containing any Conflict Mineral.

We evaluate our relationship with our suppliers on an ongoing basis, and we will consider the extent to which a supplier has failed to reasonably comply with this Conflict Minerals Policy. If we determine that a supplier's efforts are deficient, we may take any appropriate action, including terminating our relationship with the supplier.

1

## 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 32,000 employees support vital missions for government and commercial customers. Headquartered in Reston, Virginia, Leidos reported annual revenues of approximately \$10.17 billion for the fiscal year ended December 29, 2018.

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