

No: Y10-207INS

Title: Ethics and Business Conduct

Rev. Date: 11/01/2000

BWXT Y-12, L. L. C. will conduct its business with honesty and integrity and in compliance with both the letter and the spirit of the laws, regulations and rules of the places where it does business (except to the extent compliance would be. . .

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REVISION LOG
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Revision Date	Description of Change	Pages Affected
08/16/00	DM/R Number 00-ET-01 New instruction to implement the requirements of Lockheed Martin Corporation CPS-001, <i>Business Conduct</i> . This instruction supersedes GP-1, <i>Business Conduct</i> , dated 10/31/86, and LE-4, <i>Business Relationships and Conduct</i> , dated 02/09/90.	All

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A. ETHICS AND BUSINESS CONDUCT BUSINESS RULES

- 1.0 Lockheed Martin Energy Systems (LMES) will conduct its business with honesty and integrity and in compliance with both the letter and the spirit of the laws, regulations and rules of the places where it does business (except to the extent compliance would be inconsistent with US law). The Company is committed to the highest standards of ethical conduct in its dealings with its constituencies (employees, customers, communities, suppliers, and stakeholders) and will rigorously enforce compliance with its policies and procedures in accordance with Lockheed Martin Corporate CPS-001, *Ethics and Business Conduct*, and the Lockheed Martin Corporate Code of Ethics and Business Conduct, *Setting the Standard* ("the Code").
- 2.0 LMES will foster a free and open atmosphere that allows and encourages employees and other constituents to make inquiries, express work-related personal concerns regarding ethics issues, or report business ethics violations or violations of laws, regulations, the Code, policies or procedures, without fear of retribution or retaliation for making such reports or inquiries.

B. THE ETHICS AND BUSINESS CONDUCT PROGRAM

The LMES Ethics and Business Conduct program comprises the following:

- 1.0 *Code of Ethics and Business Conduct.* LMES management has adopted the Code of Ethics and Business Conduct, *Setting the Standard*, which sets forth the principles by which LMES maintains its commitment to ethical business practices. The Code will be distributed to all employees and others as determined by the President.
- 2.0 *Ethics Office and Ethics Officer.* The Ethics Office reports directly to the LMES Executive Office and to the Audit and Ethics Committee and is responsible for the overall administration of the Company's ethics and business conduct program. The Ethics Officer is charged with implementing the objectives of this program. The Ethics Officer is appointed by the LMES President following consultation with the Corporate Office of Ethics and Business Conduct. Any deviation from this requirement must be approved by the Corporate Vice President of Ethics and Business Conduct.

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B. THE ETHICS AND BUSINESS CONDUCT PROGRAM (cont.)

- 3.0 *Audit and Ethics Committee:* The LMES Audit and Ethics Committee oversees the Company's ethics and business conduct program, including authorization of the corporate-wide ethics awareness and compliance training programs; ethics HelpLine statistics, trends, and employee survey data; and review and adjudication of specific matters referred to the Committee, including but not limited to proposed policy matters and disposition of misconduct issues. The Committee is chaired by the LMES President and meets quarterly or on a more frequent basis as needed. Other members of the Committee include the General Manager, Chief Financial Officer, General Counsel, Director of Human Resources, Manager of Internal Audit, and Ethics Officer.
- 4.0 *Inquiries and Reporting of Violations.* Employees are encouraged to direct inquiries and to report business ethics violations or violations of law, regulations, the Code, policies or procedures, directly to their respective supervisors or local management. Questions, concerns or reports also may be addressed by any employee or stakeholder to the Ethics Officer through one of the following ways:
- Calling the HelpLine at 576-9000;
 - Calling the Ethics Officer at 576-1900;
 - Sending a fax to 574-9537;
 - Writing to Ethics Office, 111A Union Valley Road, Oak Ridge, Tennessee 37831-8241.

In addition, one may reach the Corporate Office of Ethics and Business Conduct by:

- Calling toll free: 800-LM ETHICS (i.e., 800-563-8442).
The telephone number for the hearing or speech impaired is 800-441-7457 (TDD);
- Sending a fax to 301-897-6442;
- Writing to PO Box 34143, Bethesda, MD, 20827-0143; or
- Sending e-mail to **Corporate.Ethics@lmco.com**.

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B. THE ETHICS AND BUSINESS CONDUCT PROGRAM (cont.)4.0 *Inquiries and Reporting of Violations (cont.)*

Should an employee become aware of or suspect an attempt to defraud the company or the federal government, he or she should contact Internal Auditing which serves as the focal point for all such incidents. Internal Auditing will perform the preliminary inquiry necessary to establish the probability of a violation which would require involvement of other organizations or notification of DOE. Upon determination of a probable violation, Auditing will notify the appropriate company officer and request assistance from company security, legal, or other organizations as needed.

Issues that need to be brought to the attention of Internal Auditing can be raised by:

- Calling Internal Auditing at 576-2158;
- Sending a fax to 576-8055.

No employee will suffer retaliation because of a report he or she makes. Reports will be handled with the highest degree of confidentiality possible, except, for example, where disclosure is required by law, regulation, or legal process, or is necessary to allow investigation of the complaint.

5.0 *Ethics Awareness and Compliance Training.* LMES will maintain ethics awareness and compliance training programs:

5.1 *An ethics awareness and communication program* designed to ensure that employees are aware of their personal responsibilities with regard to ethical behavior in the conduct of Lockheed Martin business. The corporate Office of Ethics and Business Conduct will provide central oversight and direction for this program, including the development and distribution of training and other materials, to be administered by LMES.

5.2 *A compliance training program* designed to provide employees with knowledge sufficient to comply with the standards of business conduct that pertain to their jobs, and to understand the potential consequences of any violations. Guidance from the corporate Office of Ethics and Business Conduct will be followed by LMES for developing, updating, and publishing compliance training plans.

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B. THE ETHICS AND BUSINESS CONDUCT PROGRAM (cont.)

5.0 Ethics Awareness and Compliance Training (cont.)

The requirement to receive ethics and compliance training will also apply to certain non-employees when so determined by the corporate Office of Ethics and Business Conduct.

C. WHAT TO DO

Responsibilities

President

1. Design, develop, and manage the LMES Ethics and Business Conduct program.

Ethics Officer

2. Administer the Company's Ethics and Business Conduct program.

Audit & Ethics Committee

3. Support the Company's Ethics and Business Conduct program, as appropriate.

Management

4. Foster an atmosphere, free from retribution, that encourages high standards of ethical behavior.
5. Ensure that individuals under their supervision receive appropriate ethics training.

Employee

6. Acknowledge receipt of, read, and abide by the Code.

Violations of the Code or any of the Corporation's or Company's policies or procedures may result in disciplinary action, up to and including dismissal.

Questions may be referred to the cognizant Ethics Officer or the corporate Office of Ethics and Business Conduct.

Internal Auditing

7. Perform the preliminary inquiry necessary to establish the probability of a violation which would require involvement of other organizations or notification to DOE.