



2016

CORPORATE RESPONSIBILITY REPORT



Corporate Responsibility

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.

Table of Contents

CEO Message	1
Executive Summary	2
Community.....	4
Corporate Philanthropy	5
Strategic University Alliances	7
Environment.....	8
Environmental Services and Performance.....	9
Corporate Footprint and Environmental Stewardship.....	11
Environmental Health and Safety	18
Ethics and Compliance	19
History of Ethics.....	20
Ethics Program Structure	21
Data Privacy	24
People	25
Professional and Career Development	26
Diversity and Inclusion	28
Veteran Hiring.....	32
Employee Demographics and Statistics	33
Suppliers and Small Business Relationships.....	36
About Our Reporting	42
Global Reporting Initiative (GRI™) G4 Index	44



Message from **Roger Krone** CHAIRMAN AND CEO

By exploring our eighth annual sustainability report you will learn more about how Leidos is committed to sustaining our employees, our communities, and our world.

2016 marked a transformative year for Leidos when we acquired Lockheed Martin Information Systems & Global Solutions. The transaction doubled the size of the company and created a thriving enterprise focused on providing solutions for the world's most complex problems.

The new Leidos is a company with exceptional talent and leadership, a keen ability to adjust to challenges and opportunities, a deep commitment to ethics and integrity, and a passion for customer success. Operating sustainably is a pillar of the company's culture and we are proud of our efforts to empower our people, support the communities where we live and work, emphasize diversity and inclusion in our workforce, and protect the environment.

Employees lead our sustainability initiatives, supported by a team of subject matter experts from across the enterprise. But we could not do this work without the support of our business and community partners, suppliers, and other stakeholders. Thanks to them, Leidos accomplishes more than it could do alone.

Our annual report takes stock of the progress and impact of the company across multiple areas that the company deems 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, enhances its robust ethics program, and expands its engagement in the community.

To support our communities in 2016, we made over \$2.0 million in charitable donations. Our employees, who inspire me with their unwavering commitment to improve the world around us, contributed over 18,000 hours of their talent to a wide variety of company-sponsored causes. Focus areas included STEM education, basic needs and wellness, ethics and leadership, and the needs of our military and intelligence personnel and their families.

Working with our operations across the country, I am equally privileged to see firsthand how our employees achieve results the right way, operating with the highest standards of ethics and integrity. Our ethics program and practices are critical to our culture and the sustainability of our company and is a source of pride for all of us.

At Leidos, we set a goal to reduce GHG emissions by 25 percent no later than 2020 relative to a 2010 baseline – I'm proud that we achieved this goal six years ahead of schedule, largely due to restructuring and real estate reductions, but also the concerted efforts of our employees. As part of our continuous improvement efforts, we expect to further reduce our emissions and remain focused on efforts to minimize our overall environmental impact.

Moving forward, we realize that corporate responsibility is a continuous journey, not a fixed destination. We remain deeply committed to thinking forward on behalf of our families, our communities, and our world.



Executive Summary

Exceptional change and strong progress characterized 2016.

Each year, the Leidos Corporate Responsibility Report takes stock of the progress and impact of our company across multiple areas that we deem important to our growth and sustainability. In 2016, in addition to strengthening our exceptional workforce (including hiring veterans and wounded warriors), strengthening our commitment to operating ethically, and supporting the communities where we live and work, Leidos doubled in size by acquiring Lockheed Martin Information Systems and Global Solutions.

The highlights below are just a few of our key accomplishments and successes in major focus areas during calendar year 2016.

GRI™ G4 Indicators
reported in this section:

General Standard
Disclosures 2, 13

OUR COMMUNITIES

- ▶ We made over \$2.0 million in charitable donations and our employees contributed over 18,000 hours of their talent 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.
- ▶ Spanning eight years, Leidos donations to STEM education programs total nearly three million dollars and our employees logged close to 8,000 volunteer hours alone to this cause in 2016. Leidos employees continue to help foster America's next generation of technical professionals.
- ▶ Leidos again facilitated "Community Days," where twenty-two offices from the company's Commercial Energy Solutions and Federal Energy, Environment and Commerce business worked to generate goodwill in the community and increase employee camaraderie. A little friendly competition resulted in 1,500 volunteer hours and raised over \$76,000 for myriad local charities.

OUR ENVIRONMENT

- ▶ Since announced in 2011, we reduced our absolute GHG emissions by 25 percent from a 2010 baseline.
- ▶ In calendar year 2016 alone, Leidos reduced GHG emissions from North American sources by over 16% through real estate restructuring as well as through improved efficiency programs and increased use of renewable energy.
- ▶ Out of 32,000 Leidos employees, more than 1,000 are dedicated to energy, environmental science, and engineering.
- ▶ Engineering News-Record ranked Leidos as among the Top 10 federal environmental firms and Top 20 environmental firms nationwide.
- ▶ Leidos has received more than 40 National Safety Council awards for Occupational Excellence and Perfect Safety Records for the past 20 years.

Executive Summary

OUR PEOPLE

- ▶ The talent needed to grow our business depends on cultivating a workforce rich in diversity of thought, experience and culture. We increased our diversity and inclusion efforts in 2016 by continuing to add Employee Resource Groups (ERGs) to our portfolio while emphasizing the establishment of leadership structures and operations. ERGs are company-sponsored affinity organizations composed of employees who join together based on shared characteristics or life experiences.
- ▶ We expanded our development opportunities for employees by enhancing our very successful Massive Open Online Courses (MOOCs). We offer a range of MOOCs including supervisor responsibilities, PMP® certification preparation, Innovation Awareness, and System Engineer Certification Training. Leidos continues to offer more than 3,000 online courses at no cost to employees or their organizations on topics such as business, management and information technology.
- ▶ More than 20 percent of our workforce are veterans, illustrating a strong affinity with the military both in our lines of business and our workforce. Since 2015, we have hired over 3,000 veterans. For our Operation Military Veteran Program (MVP) efforts, we ranked #22 on the Military Times “Best for Vets” Employers for 2017, based on 2016 data and we remain focused on hiring veterans, including wounded warriors.

We have a lot to be proud of when looking back on 2016. Our corporate responsibility report outlines the actions we pursued to help our company grow and become more sustainable. The report complies with the Global Reporting Initiative™ G4 Reporting Framework.



COMMUNITY

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

Leidos actively supports the communities where we live and work, providing some of the most inspired and passionate examples of how we are forward thinking as a company. Through our philanthropic efforts, we are striving to create a sustainable future, including working side-by-side with community organizations that provide critically important services and opportunities to those most in need. United with our partners, our efforts help individuals and families to succeed today and position 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:

1. **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.
2. **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.
3. **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.
4. **Ethics/leadership:** We collaborate with chambers of commerce and schools to develop ethics and leadership programs for the next generation workforce.

GRI™ G4 Indicators
reported in this section:

Specific Standard
Disclosures

EC: 1

SO: 1



Community

CORPORATE PHILANTHROPY

At Leidos, our corporate philanthropy serves the communities where we operate as well as aligns with our business objectives.

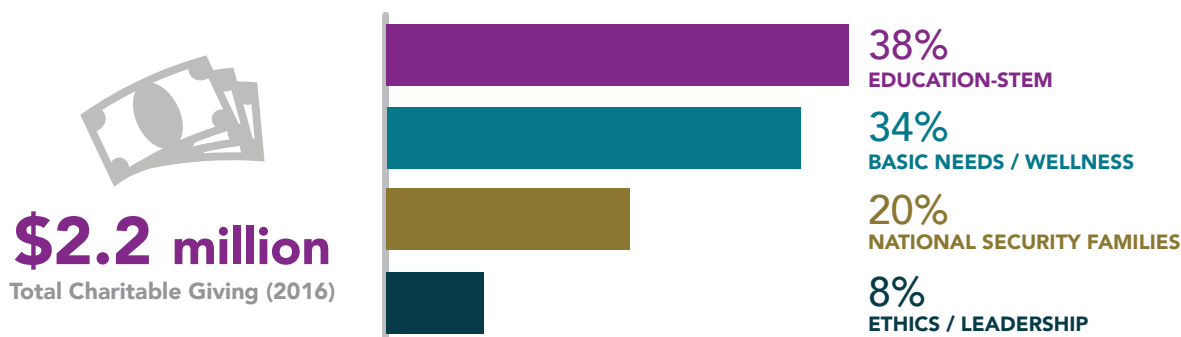
Our philanthropy improves the lives of our employees and residents of the communities where we live and work. Marshaling resources to this aim, we identify causes and organizations that align with our specific priorities and the unique needs of the communities where Leidos does business.

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

During calendar year 2016, we donated over \$2 million to charitable organizations. The graph below illustrates the distribution of our enterprise-wide charitable giving by emphasis area and is consistent with our prior year spending on a percentage basis. In 2017, we expect to see an approximate doubling of our charitable spending, in keeping with the scale of the company resulting from an acquisition of Lockheed Martin Information Systems and Global Solutions (IS&GS) in August, 2016.



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

Community

CORPORATE PHILANTHROPY

VOLUNTEER OUTREACH

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 18,000 hours to company-sponsored outreach activities in 2016 (shown below), a consistent increase over prior calendar years. In addition to supporting company-sponsored efforts, Leidos employees also pursue numerous other cause areas, reflecting their varied passions and interests.



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

Community

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 have 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 include fifteen university partners. All schools are chosen 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 time and resources are combined 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 has 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.

The following higher learning institutions are key partners with Leidos in building academic, research, and recruiting programs:





Environment

Our passion for environmental stewardship has never been stronger.

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 all possible 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 and real estate reductions as well as 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.

GRI™ G4 Indicators
reported in this section:

Specific Standard
Disclosures
EN: 3, 6, 15-16, 23
LA: 6



Environment

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 nation's 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.

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 20 environmental firms nationwide
- ▶ Completed more than 1,200 National Environmental Policy Act (NEPA) studies for complex and politically sensitive projects in wilderness, rural and urban environments
- ▶ Completed more than 8,300 environmental restoration projects; 450 environment, health, and safety compliance and verification studies; and 550 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

Our energy solutions are equally notable. Leidos has:

- ▶ Been ranked by *Engineering News-Record* as a Top 10 Program Management Firm
- ▶ 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 four decades.

Environment

ENVIRONMENTAL SERVICES AND PERFORMANCE

ENERGY EFFICIENCY



**ActOnEnergy®
Business Energy-
Efficiency Program**

Ameren Illinois



**Statewide Energy
Efficiency and
Renewable Resource
Program**

**State of Wisconsin
Focus on Energy**



**Enterprise-Wide,
Real-Time Energy
Commissioning
Services**

General Motors



**Reducing Hawaii's
Energy Use - Hawaii
Energy Program**

**Hawaii Public Utilities
Commission**

ENVIRONMENTAL REMEDIATION/ASSESSMENT



**Legacy Mining
Contamination**

Navajo Nation



**Energy Consumption
Data**

**Energy Information
Administration**



**Community Outreach
and Environmental
Assessments**

**West Tennessee
Solar Farm**



**Integrated Natural
Resource Management
and Support**

**U.S. Air Force Base
Eglin**

INDUSTRY RECOGNITION

Leidos, and the solutions we deliver, are consistently recognized by customers and the media. Learn more by visiting <https://www.leidos.com/about/rankings-awards>.

Environment

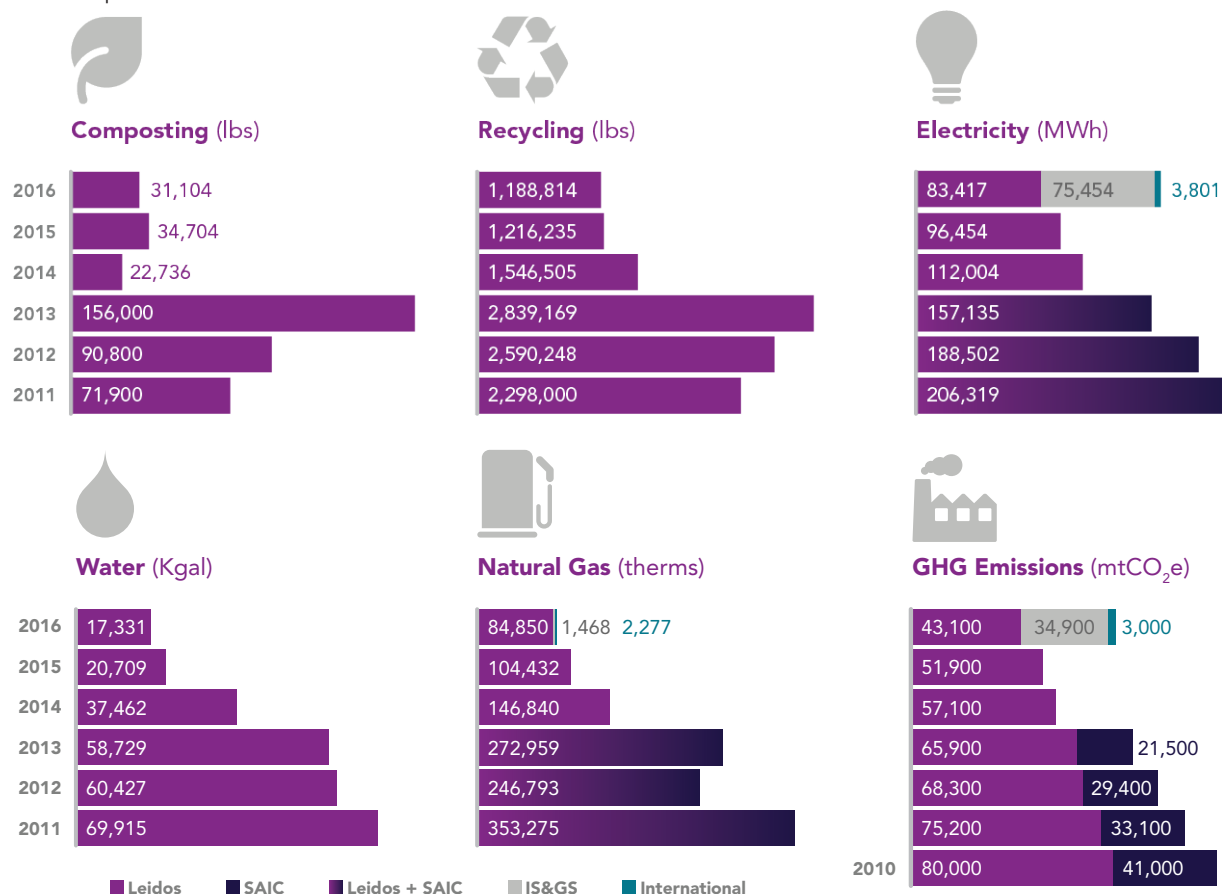
CORPORATE FOOTPRINT AND ENVIRONMENTAL STEWARDSHIP

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 2015 and 2016, 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. Continued improvements to the power grid (e.g. increased efficiency and use of cleaner fuels) have also contributed to 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 table below illustrates the primary metrics that we track and manage, including GHG emissions, energy consumption, waste generation, and water use. We are also monitoring transportation and material consumption.



Notes:

- 2014-2015 data reflects Leidos only
- 2016 data reflects combined, new company (Leidos and IS&GS) for the full calendar year and also includes international assets
- 2016 GHG emissions are calculated, but not yet verified
- Electricity (MWh) includes all owned and leased real estate.
- Natural gas (therms) includes owned and leased real estate where utility bills are paid for by Leidos (i.e., scope 1 only)
- Leidos is currently undergoing a GHG baseline update as well as revisions to future GHG targets that will take into account the additional emissions from the IS&GS acquisition and international assets.

Environment

CORPORATE FOOTPRINT AND ENVIRONMENTAL STEWARDSHIP

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 North American real estate portfolio and vehicle fleet are measured, publicly reported to The Climate Registry (TCR), and verified by a third party. Since we announced our commitment to reduce GHG emissions in 2011, we have met our target of a 25 percent absolute reduction from a 2010 baseline. In calendar year 2016, Leidos reduced GHG emissions from North American sources by over 16%.

Beginning in calendar year 2016, emissions from international sources are included in our GHG inventory. In addition, Leidos successfully completed the acquisition of Lockheed Martin's Information Systems & Global Solutions (IS&GS) business in August 2016. This change to the organization resulted in the transfer of emissions-generating activities from Lockheed Martin to Leidos. It is important to note that this change represents a transfer of emissions from one company to another and not an increase of emissions released to the atmosphere. Leidos is in the process of calculating the impact of this change on our energy consumption and emissions. Preliminary results can be seen in the "Footprint at a Glance" tables in this section. Note that this represents the impact to Leidos for the entire calendar year 2016, as required by the GHG Protocol. Leidos is also undergoing a recalculation of base year emissions in order to provide a comparable assessment of past emissions and maintain consistency in tracking progress toward GHG targets.

GHG INVENTORY OVERVIEW

REPORTING REQUIREMENT	DIRECT GHG EMISSIONS (SCOPE 1)	ENERGY INDIRECT GHG EMISSIONS (SCOPE 2)
2015 GHG Emissions (MTCO ₂ e) ^{1, 2}	1,700	79,300
Gases included in calculation	CO ₂ , CH ₄ , N ₂ O, HFCs	CO ₂ , CH ₄ , N ₂ O, HFCs
Base Year	2010	2010
Base Year Emission (MTCO ₂ e) ³	3,000	117,900
Base Year Rationale	2010 is considered the base year, because it was the first year that SAIC/Leidos began developing a GHG inventory and reporting GHG emissions to The Climate Registry.	
Standard, Methodologies and Assumptions	Leidos uses standards, methodologies and assumptions from The Climate Registry's (TCR) General Reporting Protocol. ⁴	
Consolidation Approach	Operational Control	

1 Reported values include global Leidos and IS&GS emission sources for the full calendar year.

2 2016 GHG emissions results have not yet been third-party verified.

3 Base year emissions are being updated to reflect the current organizational structure; Reported values are for the original baseline calculated in 2011 and include Leidos and SAIC emission sources.

4 TCR's General Reporting Protocol & Conversion Factors can be found on their web site.

Environment

CORPORATE FOOTPRINT AND ENVIRONMENTAL STEWARDSHIP

Leidos pursued several emissions reduction strategies to achieve the GHG target, 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.

ENERGY

In 2013, we began to institute energy savings opportunities identified in our Strategic Energy Management Plan. We continue to drive savings through standardized operating procedures and design practices. The tables below detail additional energy consumption and reduction results within the organization.

Total fuel consumption from non-renewable sources, including fuel types used (joules or multiples)

	FUEL TYPE	2015 CONSUMPTION
BUILDING	Natural Gas (scope 1)	8,859 (MMBtu)
	Natural Gas (scope 2)	152,871 (MMBtu)
	Diesel & Fuel Oil #2	7,067 (gal)
	Gasoline	1,540 (gal)
FLEET	Gasoline	65,716 (gal)
	Diesel	15,934 (gal)
	E100	13,971 (gal)

Environment

CORPORATE FOOTPRINT AND ENVIRONMENTAL STEWARDSHIP

Total energy consumption (Gigajoules)¹

	FUEL TYPE	2015 CONSUMPTION
BUILDING	Electricity	592,255
	Natural Gas (scope 1)	9,347
	Natural Gas (scope 2)	161,283
	Diesel & Fuel Oil #2	1,044
	Gasoline	211
FLEET	Gasoline	9,013
	Diesel - Fleet	2,354
	E100	1,238
	TOTAL	776,745

Overall reduction in energy consumption achieved through conservation and efficiency initiatives

	FUEL TYPE	CHANGE FROM 2014 - 2015
BUILDING	Electricity	-13,037 (MWh)
	Natural Gas (scope 1)	-1,958 (MMBtu)
	Natural Gas (scope 2)	-27,987 (MMBtu)
	Diesel & Fuel Oil #2	-114 (gal)
FLEET	Gasoline	-30,246 (gal)
	Diesel - Fleet	-5,998 (gal)
	E100	998 (gal)
	TOTAL ENERGY (GJ)	-84,020
	TOTAL ENERGY (%)	-17%

The changes reflected above are for Leidos assets only. 2016 Consumption from IS&GS assets was removed before the changes were calculated.

Environment

CORPORATE FOOTPRINT AND ENVIRONMENTAL STEWARDSHIP

STANDARDS, METHODOLOGIES, AND ASSUMPTIONS USED FOR ENERGY CALCULATIONS

To the extent possible, The Climate Registry's General Reporting Protocol was followed for data collection and calculation standards, methodologies, and assumptions.

BUILDING-SPECIFIC ASSUMPTIONS

- ▶ For owned buildings and leased buildings where Leidos is responsible for paying utility bills, electricity, natural gas, and propane data were collected from utility billing information.
- ▶ For leased buildings where Leidos is not responsible for paying utility bills, 2016 electricity consumption was estimated by multiplying the square footage of each lease by an assumed electricity intensity factor based on building type (see table below). The resulting consumption was prorated based on the fraction of the year for which Leidos occupied each lease. Natural gas consumption was not estimated for these facilities, since data is not available on which facilities are using natural gas and which facilities are not.
- ▶ Diesel fuel use for generators at owned facilities was estimated by multiplying the number of hours each generator was in use during 2016 by the fuel consumption rate (gallons per hour) specific to each generator model.

Electricity and Natural Gas consumption by building type

BUILDING TYPE	ELECTRICITY INTENSITY FACTORS (KWH/FT2/YR)	NATURAL GAS INTENSITY FACTORS (KBTU/FT2/YR)
Office	15.9	27.4
Warehouse / Storage	6.6	19.9
Lab / R&D / Other	28.3	58.6

Source: 2012 Commercial Buildings Energy Consumption Survey (CBECS), Energy Information Administration.

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 assumed to have been used for the entire calendar year.

Type of energy included (fuel, electricity, heating, cooling, steam, or all): All, however, only fuel and electricity are used by Leidos (no heating, cooling, or steam energy is purchased by Leidos).

Base year and rationale: 2010 is the base year, because it was the first year that SAIC/Leidos began reporting GHG emissions to the TCR. Since most GHG emissions in the SAIC/Leidos inventory result from energy, this is the logical baseline for energy reduction comparisons.

Conversion factors: Leidos uses conversion factors from The Climate Registry's General Reporting Protocol. These factors generally come from the U.S. Environmental Protection Agency, the Intergovernmental Panel on Climate Change, and the U.S. Department of Energy.

Environment

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.

Paper

- ▶ 30% recycled content
21,023,000 sheets
- ▶ 50% recycled content
860,500 sheets
- ▶ 100% recycled content
775,000 sheets

Computer Equipment

- ▶ 39,058 refurbished
- ▶ 172,909 lbs. recycled
- ▶ Landfill Avoidance: 96 Tons



Secure Shred

More than 234 short (US) ton(s)

- ▶ 339,878.904 lbs of CO2 emissions avoided =
32.861 cars off the road per year
- ▶ 1,173.615 Cubic Yards of landfill space
conserved

Coffee

- ▶ 183,211 Flavia freshpacks

Environment

CORPORATE FOOTPRINT AND ENVIRONMENTAL STEWARDSHIP

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.

TRANSPORTATION

Reducing the environmental impact of commuting is important to Leidos. We continue to encourage and support commuting alternatives to single-rider 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.

BUSINESS TRAVEL

Business travel, both internally and in support of customer requirements, amounts to a considerable portion of our environmental impact. Airline travel and rental car reservations continue to decline across the company due to more efficient business processes. We will continue to track travel data and look at mechanisms to measure the associated Scope 3 GHG emissions. Our headquarters in Reston, Virginia, has been outfitted with advanced technology to encourage video-conferencing and reduced business travel across the Enterprise.


RENTAL CAR RESERVATIONS
(average of just over four days per reservation)




DOMESTIC AND INTERNATIONAL TRIPS



FLEX WORK

Leidos promotes flexible work environments to improve employee work-life balance, promote a high-performance culture, and help reduce the company's environmental impact. 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.

Environment

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.

2016 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.

RATES	2012	2013	2014	2015	2016
Injury Cases (OSHA 300 Col. M1)	0.5	0.5	0.3	0.3	0.2
Illness Cases (Occupational Diseases) (OSHA 300 Col. M2-M6)	0.05	0.05	0.04	0.01	0.02
Days Away From Work Cases (Lost Days) (OSHA 300 Col. H)	0.2	0.2	0.1	0.1	0.1
Fatalities (OSHA 300 Col. G)	0	0	0	0	0

* Leidos Injury and Illness Case Rates for 2012-2016 are based on locations, excluding subsidiaries, reporting to the U.S. Bureau of Labor Statistics (BLS). Post 2012, rates are not limited to locations reporting to BLS, though are still excluded.



Ethics and Compliance

We set the highest professional and personal expectations.

Leidos is known throughout industry for maintaining the highest standards of integrity and ethical behavior. The combination of robust policies, procedures, training and communications creates a comprehensive program, touching every aspect of employee conduct.

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

GRI™ G4 Indicators reported in this section:

General Standard Disclosures
56-58

Specific Standard Disclosures

LA: 15-16

SO: 4, 8

PR: 8

REPORT AN ETHICS CONCERN

At Leidos, we take every report seriously and have zero tolerance for retaliation of any kind against individuals who, in good faith, raise questions or report concerns.



Ethics and Compliance

HISTORY OF ETHICS

Leidos has placed ethics at the forefront since 1969.

Since 1969, ethical business conduct is a hallmark of our business. We established ethics and compliance as a cornerstone of employee behavior with the inception of the Employee Ethics Council in 1984. Made up of ethics ambassadors from each business organization, as well as key corporate functions, the council continues today in its role as the company's conscience.

Leidos pioneered a number of industry best practices in developing our Ethics and Compliance Program. We were one of the early signatories to the Defense Industry Initiative on Business Ethics and Conduct (DII), and Leidos is now considered a leader among the 74 companies that comprise the DII. We created the Ethics and Corporate Responsibility Committee (ECRC) of the Board of Directors in 1988 and a senior management position to oversee the ethics and compliance program in 2005. Today, the Senior Vice President, Chief Ethics & Compliance Officer, reports directly to our CEO and the Chair of the ECRC. Through comprehensive training, continuous communication and leadership by example, these actions have helped to embed our values-based program into everyday activity across the enterprise.

1980 – 1999

Formed Employee Ethics Council (EEC) - ethics officers responsible for communications, training, and case management to embed ethics into the business culture.

Early signatory to Defense Industry Initiative on Business Ethics and Conduct, committing to self-governance in accordance with the highest standards.

Pioneered board-level oversight by creating the Ethics and Corporate Responsibility Committee.

2000 – 2009

Created the position of senior vice president of ethics and compliance (SVP E&C) in response to revised federal sentencing guidelines. Federal government ethics officers applaud Leidos (legacy SAIC) case resolution process as a best practice. At Leidos (legacy SAIC), ethics cases are assigned and independent case manager and subject matter expert investigator and reviewed by an experienced quality assurance team to ensure thoroughness and objectivity.

Launched the Targeted Compliance Training Program to supplement the Ethics Awareness Program.

Reconstituted the EEC, which consists of an ethics officer from every business unit and a key corporate functions, as a representative ethics body.

Recognized by Ethisphere as one of the "World's Most Ethical Companies" in the aerospace and defense industry.

Created the Ethics Review Board, which consists of the CEO and an executive team and meets quarterly to review cases, trends, and policies.

2010 – 2017

Elevated SVP of Ethics & Compliance (E&C) to report directly to CEO, strengthening commitment to ethics.

Launched independent, third-party ethics hotline to further enhance reporting confidentiality.

Launched an Enterprise Case Management System as a customized central data repository allowing for automated workflow processing, enhanced analytical capability, and more cross-functional collaboration.

Expanded Ethics and Compliance Program to include group ethics directors, senior investigators, and a dedicated communications lead.

Strengthened forensic capabilities to better investigate reported cases.

Implemented root cause analysis as part of every substantiated investigation.

Created international hotline numbers and ability callers to request a translator to support an expanded international presence.

Launched an enterprise-wide campaign supporting the company's values-based culture and emphasizing that ethics is not only the responsibility of the (E&C) Office, but also the responsibility of every employee – every employee is an ethics officer at Leidos.

Promoted quality control and coordinated investigations through bi-weekly meetings with investigators from all investigative functions: Ethics and Compliance, Legal, Internal Audit, Security and Human Resources.

Created a Manager Toolkit that provides managers with training on a range of topics and also includes resources to enable managers to facilitate team discussions on ethics and compliance-related topics.

Ethics and Compliance

ETHICS PROGRAM STRUCTURE

The Leidos Ethics and Compliance Program seeks to continuously strengthen our culture of uncompromising integrity by promoting ethics through a variety of initiatives.

Combining policies, procedures, training and communications, the Leidos Ethics and Compliance Program is comprehensive and touches every aspect of employee conduct. Current employees stand on the shoulders of those who founded the company in 1969 and who established its solid reputation over the decades. The company's continued success stems from a culture that recruits and retains outstanding individuals committed to preserving our reputation.

POLICIES AND PROCEDURES

The Code of Conduct is the basis of Leidos corporate policies and practices and is designed to promote ethical business conduct and compliance with the law. All employees are required to conduct all business affairs ethically and to comply with the Code. The Leidos core values of integrity, innovation, agility, collaboration, and commitment are emphasized in the Code and are the foundation of our culture.

The Standards of Business Ethics and Conduct at Leidos is the foundational policy of the Ethics and Compliance Program. The Ethics Review Board (ERB), an executive management committee, meets quarterly in conjunction with an Audit Review Board and Enterprise Risk Management Committee, to review significant enterprise ethics and compliance matters and strengthen the ability to review risks across the company.

The Chief Ethics and Compliance Officer reports to the ERB on a range of issues, including significant ethics cases, trends, disciplinary actions, remedial measures, compliance risks, policy issues, training, communications, and new developments and initiatives. Members of the ERB include the CEO, Chief Financial Officer, General Counsel, Chief Ethics and Compliance Officer, Chief Human Resources Executive, Group Presidents and corporate functional executives

ETHICS AND CORPORATE RESPONSIBILITY COMMITTEE

The Chief Ethics and Compliance Officer reports quarterly to the Ethics and Corporate Responsibility Committee (ECRC), a long-standing Leidos Board of Directors committee. The ECRC charter establishes its oversight of ethics policies and practices, including ethics training, case trends disciplinary actions, and conflicts of interest. In order to provide effective oversight, the ECRC keeps itself knowledgeable about ethics and compliance conditions and trends in the broader industry and within Leidos.

The ECRC also reviews policies and practices in the areas of sustainability, including the safety and protection of the environment; charitable contributions; and political, social and environmental issues that may affect the company's business operations, performance, public image or reputation.

Ethics and Compliance

ETHICS PROGRAM STRUCTURE

EMPLOYEE ETHICS COUNCIL

The Employee Ethics Council (EEC) continues to be an important resource and a strong part of the Leidos Ethics and Compliance organization. The EEC includes representatives from each group across the enterprise who work closely with line managers to identify and resolve ethics and compliance issues in their organization. EEC members also serve as one of the eight channels for employees to report violations of the Leidos Code of Conduct and other ethics concerns. The EEC discusses best practices and presents concerns of interest to the company. EEC members take their responsibilities seriously and are a key component of our overall Ethics and Compliance Program.

ETHICS COMMUNICATIONS

The Ethics and Compliance Office promotes a culture of integrity at Leidos. The office provides ethics and compliance training, communications, and guidance to create a transparent environment and informed employee population. Each year, the Ethics and Compliance Office endeavors to find new and innovative ways to underscore the importance of ethical decision-making for all employees. Using robust communications campaigns, the program routinely publishes a variety of ethics and compliance-related information by email directly to employees and also on the Leidos intranet. Articles and announcements posted to the intranet include sections for employees to provide comments and feedback.

REPORTING CHANNELS

Leidos has an established process for reporting observed or suspected misconduct that is widely advertised and promotes eight separate channels for employees and others to report a concern or simply to ask for guidance. The available reporting options are:

1. Their supervisor or other individual in the management chain.
2. Their Human Resources representative, the Workforce Solutions Director or the Chief Human Resources Officer.
3. The Employee Ethics Council.
4. The Leidos Hotline at 855-7-LEIDOS (855.753.4367), which connects employees to an independent third-party provider, EthicsPoint, or by online submission of their concern at <https://leidos.ethicspoint.com> (international hotline numbers are available to employees on our Ethics and Compliance intranet hub).
5. The General Counsel; Chief Ethics and Compliance Officer; or Chief Security Officer.
6. The CEO or Chairman of the Leidos Board.
7. The Ethics and Corporate Responsibility Committee (ECRC) Chair or the Audit Committee Chair of the Leidos Board of Directors.
8. The Board or Lead Director.

Independent case management of every assigned ethics and compliance case is crucial to the successful execution of the program's goals. This bedrock concept ensures that all issues are appropriately investigated and impartially adjudicated. Before closure, all reported cases are thoroughly reviewed by an independent and objective subject matter expert. The company has zero tolerance for retaliation in any form.

Ethics and Compliance

ETHICS PROGRAM STRUCTURE

ETHICS PROGRAM UPDATE

Ethical business conduct is the responsibility of every employee. In fact, integrity is the first of the five stated Leidos values that employees both currently emulate and also aspire to further exemplify. Leidos defines this value of integrity as “having the courage to make tough ethical decisions, taking pride in our work, being transparent with our team, and being respectful of everyone.” The Code of Conduct and annual Ethics Awareness training reinforce Leidos’ core values and provides important information related to many key compliance and risk areas. The Code and training are updated annually and Chairman and CEO, Roger Krone, delivers strong messages in both regarding ethical behavior and accountability.

Leidos has consistently achieved a Code of Conduct certification and Ethics Awareness training completion rate of 100 percent. This exceptionally high rate demonstrates the company’s focus on and prioritization of employee ethics training.

Notably, Leidos engages in an ongoing ethics and awareness campaign to focus all employees on the necessity of ethical behavior and to emphasize its commitment that ethics concerns will reach the right people, that swift corrective action will be taken in valid ethics cases, and that the company has zero tolerance for retaliation of any kind.

The campaign message is simple and clear: Protect Leidos and customer assets; foster a safe and healthy work environment; deal fairly and honestly with customers, third parties and public officials; conduct international business properly; report misconduct; and protect colleagues from retaliation. In sum, do the right thing every day. Leidos leadership and the Ethics and Compliance Office remain focused on increasing employees’ understanding of how the Code of Conduct translates into day-to-day work experiences.

Ethics and Compliance

DATA PRIVACY

We integrate privacy into our Code of Conduct and employee training programs.

We integrate privacy protection into our Code of Conduct and customer programs. Protecting information is a commitment we make to our customers and it is an essential part of doing business. Improperly handling sensitive information, even by a single individual, can have serious consequences for our employees, our company and our customers.

The Leidos Information Protection Council (IPC) includes subject matter experts from several corporate functions, including Security, Information Technology, Legal, Export Control, Program Execution, and Communications, as well as from our line businesses. The IPC promotes compliance with laws and regulations, helps protect information from unauthorized disclosure and modification, and promotes collaboration across the enterprise on information security and privacy issues. Our efforts resulted in continuous improvement programs and awareness products such as security, privacy, and Health Insurance Portability and Accountability Act (HIPAA) training modules; and an enterprise communication campaign focused on individual responsibility to protect several categories of sensitive information.



People

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

Leidos is defined by the talent, character and passion of every employee. 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 work force 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.

GRI™ G4 Indicators reported in this section:

General Standard Disclosures
6

Specific Standard Disclosures
LA: 10



People

PROFESSIONAL AND CAREER DEVELOPMENT

Leidos is 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 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.

In 2014, Leidos introduced 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 leadership development and encouraging innovation. Based on the success of this format, we added more courses in 2015 and 2016, including supervisor responsibilities, PMP® certification preparation, Innovation Awareness, 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.

People

PROFESSIONAL AND CAREER DEVELOPMENT

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 Program.

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 Program 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.

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 has averaged 35 percent.

People

DIVERSITY AND INCLUSION

We believe diversity and inclusion create cohesive and collaborative teams that drive innovative solutions.

At Leidos, we believe that a focus on diversity & 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.

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 recruit talent, both internally and externally.
- ▶ How we develop and promote a diverse talent pipeline, including mentoring diverse employees by senior company leaders and establishing diverse candidate slates for senior level positions.
- ▶ Our core values and the way we operate every day.

DIVERSITY TALENT ACQUISITION & EXTERNAL PARTNERSHIPS

Leidos has an 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 target people who are ethnically diverse, female, military personnel, and those with disabilities. 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. Listed below are just a few of our valued partners:



People

DIVERSITY AND INCLUSION

CAMPUS AND TALENT ACQUISITION 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 targets 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 ENGAGEMENT INITIATIVES

Leidos' retention and advancement pillar includes a variety of diversity & 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

EMPLOYEE RESOURCE GROUPS (ERGS)

More than 3,000 employees participate in our Employee Resource Groups (ERGs), which support onboarding, networking and professional development opportunities for our employees. Leidos ERGs are company-sponsored organizations composed of employees who join together based on shared characteristics or life experiences. 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 creating 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.



People

DIVERSITY AND INCLUSION



AFRICAN AMERICAN LEIDOS NETWORK (AALN)

Connects employees to attract, develop, and retain African American employees to achieve the company's business objectives.



PRIDE

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



HISPANO-LATINO LEIDOS ASOCIACIÓN (HOLA)

Foster professional growth and support the retention, engagement and affiliation with the Hispanic-Latino community. HoLA is our newest ERG, established in 2016.



Collaborative Outreach with Remote Employees

Serves to both enhance the employee experience for virtual, embedded and remote employees and provide Leidos with increased differentiators for our customers.



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.



WOMEN'S NETWORK

Provides a forum for learning, understanding and supporting the professional growth of women.



MILLENNIALS

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

RECOGNITION

Leidos has been recognized due to our commitment to the advancement of diversity and inclusivity by the following partners:

- ▶ Human Rights Campaign
- ▶ STEM Workforce Diversity (Top 50 Employers)
- ▶ Careers and the disabled
- ▶ Top Supporter of HBCU Engineering Programs
- ▶ National Society of Black Engineers

People

DIVERSITY AND INCLUSION

EQUAL EMPLOYMENT OPPORTUNITY (EEO) AND AFFIRMATIVE ACTION (AA)

Leidos is committed to providing employees and employee candidates the right to equal employment opportunity and a discrimination-free work environment where employment practices are based upon an individual's capabilities and qualifications without regard to sex, race, ethnicity, color, age, national origin, citizenship, religion, physical or mental disability, medical condition, genetic information, pregnancy, family structure, marital status, sexual orientation, gender identity or expression, veteran or military status, or any other basis prohibited by law. This policy of equal employment opportunity applies to all personnel policies and procedures including recruitment and hiring, promotions, transfers, and terminations, as well as compensation, benefits and other terms, conditions and privileges of employment.

Additionally, Leidos takes affirmative action to recruit, hire and promote qualified minorities, women, people with disabilities, and covered veterans pursuant to Executive Order 11246 and other statutes that proscribe government contractors from discriminating against any employee or applicant for employment because of race, color, religion, sex or national origin. Affirmative action efforts, objectives and strategies are documented in the company's Affirmative Action Plans (AAPs).

Leidos develops annual AAPs to identify any areas of underutilization of women and minorities in the workforce; and to establish good faith efforts to address any such areas.

All Leidos employees share in the responsibility for fostering a discrimination-free work environment, where employees are treated with dignity and respect. All managers and supervisors are responsible for making good faith efforts and demonstrating performance toward the implementation of company AAPs and achievement of plan objectives.

People

VETERAN HIRING

Leidos has 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 over 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 2015, we have hired over 3,500 veterans. Leidos is committed to supporting veterans 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, we have received numerous awards and recognition, including Victory Media's Military Friendly Employer and Military Spouse Friendly Employer, Military Times Best for Vets, Recruit Military Most Valuable Employers for Military, and U.S. Veteran's Magazine Best of the Best Top Veteran-Friendly Companies.

Leidos has a signed pledge supporting the ESGR (Employer Support of The Guard and Reserve), as well as ongoing national and state veteran hiring initiatives with Department of Veterans Affairs Veterans Employment Center, Virginia Values Veterans, and Maryland's Military Career Corps Connect Program (formerly Operation Hire Maryland). We will be pursuing the new Department of Labor HIRE Vets Medallion Program once the application process is open. 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. 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.

People

EMPLOYEE DEMOGRAPHICS AND STATISTICS

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

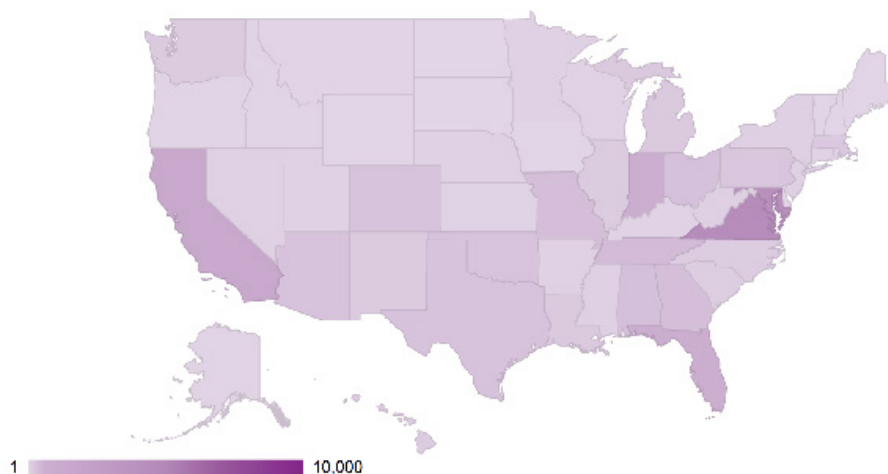
People are the foundation of everything that we do. It is our responsibility to provide opportunities for them and give them paths to grow and develop – this will help us retain our best talent. Fostering a diverse team is also critical in order to provide the best possible results for our customers.

LOCATIONS

U.S. Employees

Leidos is a global company with 31,700 employees worldwide (as of the end of December 2016). Of that population, over 29,000 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 10,700 employees in the Washington, D.C. Metropolitan area.

Our total number of employees increased substantially in 2016 due to the merger with Lockheed Martin's Information Systems and Global Solutions business (IS&GS). The merger also led to an increased global footprint for Leidos with larger populations in the United Kingdom and Australia.



Since this map does not display Washington, D.C. or U.S. territories, 838 employees working in Washington, D.C. are mapped to Virginia, and employees working in U.S. territories appear in the International Map below.

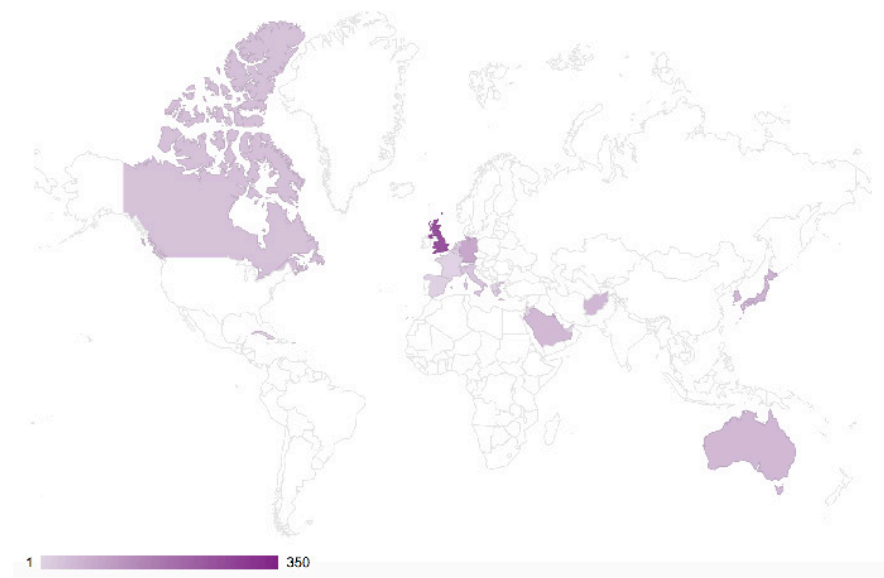
STATE	#	STATE	#	STATE	#	STATE	#	STATE	#
Alabama	463	Hawaii	192	Michigan	194	North Carolina	291	Utah	85
Alaska	46	Idaho	24	Minnesota	143	North Dakota	4	Vermont	3
Arizona	474	Illinois	524	Mississippi	150	Ohio	417	Virginia	6760
Arkansas	30	Indiana	859	Missouri	255	Oklahoma	231	Washington	359
California	2144	Iowa	9	Montana	20	Oregon	29	West Virginia	146
Colorado	783	Kansas	54	Nebraska	73	Pennsylvania	705	Wisconsin	37
Connecticut	52	Kentucky	66	Nevada	125	Rhode Island	54	Wyoming	1
Delaware	12	Louisiana	173	New Hampshire	21	South Carolina	207		
District of Columbia	838	Maine	13	New Jersey	557	South Dakota	2		
Florida	1071	Maryland	6525	New Mexico	431	Tennessee	482		
Georgia	696	Massachusetts	313	New York	156	Texas	2058		

People

EMPLOYEE DEMOGRAPHICS AND STATISTICS

INTERNATIONAL EMPLOYEES

We also have employees in more than 20 countries around the world, with the majority of international employees located in the United Kingdom and Australia.



COUNTRY	#	COUNTRY	#	COUNTRY	#	COUNTRY	#	COUNTRY	#
Afghanistan	23	Canada	47	India	1	Kuwait	76	Singapore	4
American Samoa	1	Cuba	5	Israel	5	Marshall Islands	3	Spain	5
Australia	791	France	1	Italy	19	Netherlands	11	United Arab Emirates	1
Austria	1	Germany	65	Japan	49	Puerto Rico	11	United Kingdom	1096
Bahrain	11	Greece	1	Jordan	3	Qatar	2		
Belgium	5	Guam	8	Korea, Republic of	43	Saudi Arabia	40		

People

EMPLOYEE DEMOGRAPHICS AND STATISTICS

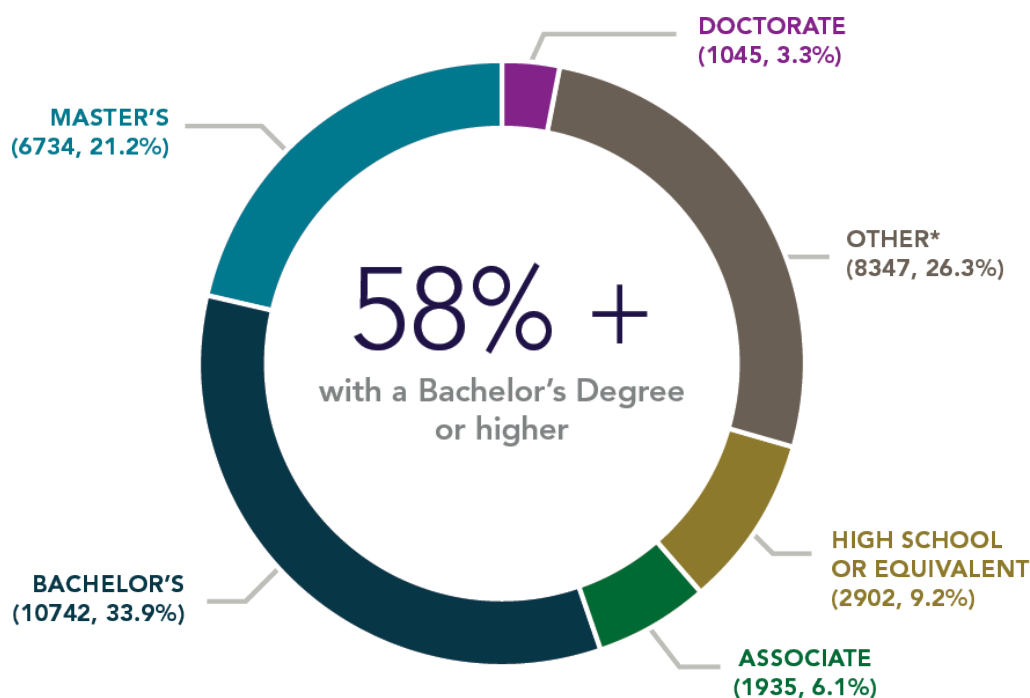
WORKFORCE COMPOSITION

The overall composition of our workforce in terms of gender has remained steady while ethnically diverse representation has increased over time. Our merger with IS&GS contributed to increasing overall workforce diversity in 2016. Leidos tracks workforce metrics regularly and participates in benchmarking studies to ensure that we are in line with industry trends and on target for our people goals. Initiatives to positively impact our diversity, such as affinity groups like our ERGs and recruiting and development efforts that focus on the advancement of our diverse workforce are ongoing. See Diversity and Inclusion for more information on these and other programs.

EMPLOYEE EDUCATION

More than three quarters 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.

Highest Degree Obtained



* These 8,329 employees 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 as of the end of 2016. Degrees are self-reported by employees



Suppliers and Small Business Relationships

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

Maintaining strong and committed relationships with approximately 12,000 suppliers, as well as continuing our award-winning small businesses advocacy programs, is essential to our mission of providing outstanding support to our customers.

GRI™ G4 Indicators reported in this section:

General Standard Disclosures 12

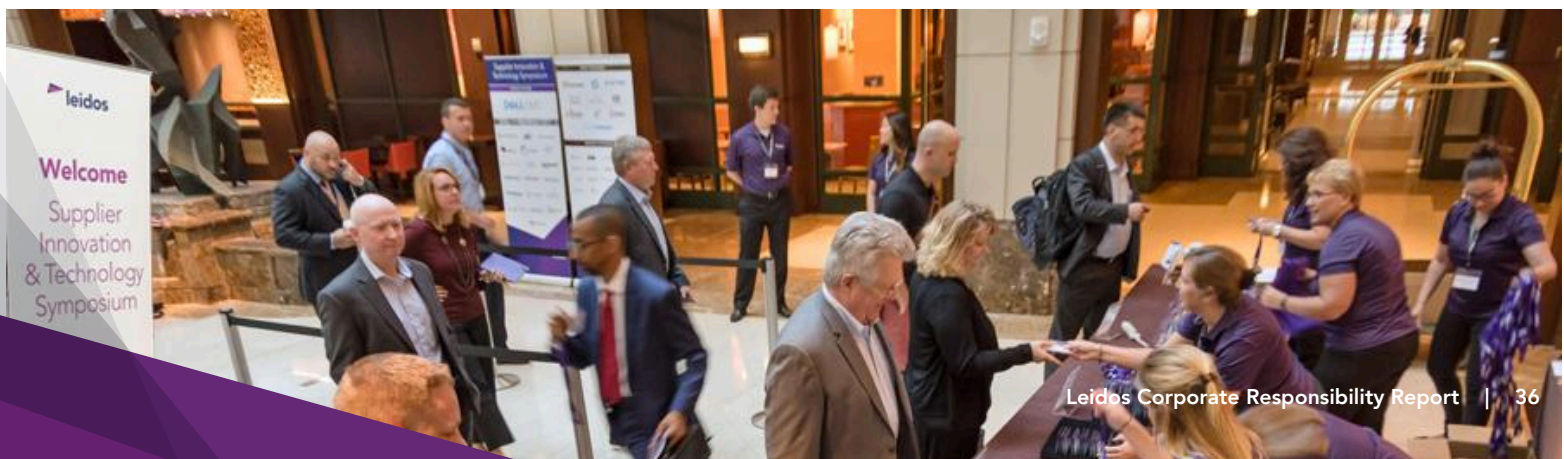
Specific Standard Disclosures LA: 14-15

SUPPLIERS

Our diverse customer base and requirements for services and materials require us to work with suppliers both large and small who can offer capabilities and unique solutions while providing the best value to us and our customers.

Abiding by the highest standards of business ethics is an essential component of all of our supplier relationships. When purchasing direct-charge, non-commercial items or services, Leidos buyers are required to apply Federal Acquisition Regulation (FAR) clauses appropriate to the contract. 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



Suppliers and Small Business Relationships

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.

SUPPLIER DIVERSITY

Leidos is committed to small businesses that provide affordable and relevant products and services. We continue to work closely with small businesses as part of our ongoing and award-winning mentor-protégé program, which we view as an integral part of our small business development strategy.

In an effort to increase our supplier diversity and better manage and leverage our spend, we have enhanced our Strategic Sourcing program. The goal of the Strategic Sourcing program is to actively manage Leidos' 3rd party spend, identify and expand supplier segmentation, and strategically source core business expenses. Over the past year, Leidos Strategic Sourcing has placed an emphasis on establishing or re-validating over 4 dozen Enterprise Supplier Pricing Agreements in major commodity areas such as IT hardware, software, communications, freight, parcel, and office supplies. These agreements not only ensure preferred pricing and negotiated terms and conditions, but also ensure the use of fully vetted suppliers with track records of acceptable quality and performance. Through our supplier segmentation efforts, Leidos maintains a vetted number of suppliers that will enable us to quickly and cost effectively source quality products and services. Leidos aims to provide a diverse number of suppliers to compliment our goals of supporting the various categories of small businesses.

Due to the nature of our business, we are not able to restrict our sourcing needs to local suppliers and vendors.

Leidos understands the tremendous drive, experience and unique skills veterans contribute. Our commitment to veteran-owned firms reflects the innovation and value they deliver to our company and our customers. Helping veteran-owned firms succeed and grow also advances our goal of helping veterans transition successfully to the civilian workforce.

Suppliers and Small Business Relationships

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 continue with the forward progress made since our company separated in 2013, we do so while remembering that our success is strengthened by our legacy of commitment to small business engagement.

During government fiscal year 2016, Leidos awarded over \$922 million in contracts to small businesses and our Small Business Program currently holds a rating of "Highly Successful" by the Defense Contract Management Agency (DCMA). 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. Notable recognition in recent years includes well over 30 awards that include prestigious Small Business Administration (SBA) awards such as: the Dwight D. Eisenhower Award and the Frances B. Perkins Award; DoD's Nunn-Perry Awards for outstanding mentor-protégé performance; and NASA's Large Business Prime Contractor of the Year Award by NASA Small Business Programs, Marshall Space Flight Center award. Please see the list below for additional Leidos awards and recognitions.

Suppliers and Small Business Relationships

AWARD	SPONSOR	YEAR(S)	RECOGNITION
Eisenhower Award	Small Business Administration (SBA)	2011, 2007, 2001	Recognition of Leidos' excellence in working with small businesses.
Small Business Partner	Small and Emerging Contractors Advisory Forum (SECAF)	2011	Recognizing Leidos as a Small Business Partner of the year over \$100 million in revenues.
Nunn-Perry Mentor-Protégé Award	Department of Defense (DoD)	2014, 2012, 2011, 2008, 2007*, 2006*, 2004*, 2003, 2002, 2000, 1999, and 1997	Recognition of Leidos' exemplary performance in mentor/protégé arrangements under DoD program (see past award winners on the DoD Office of Small Business Programs website).
*In 2004, 2006 and 2007, Leidos was a multiple award winner recognized for outstanding performance under two separate agreements.	Recognition of Leidos' exemplary performance in mentor/protégé arrangements under DoD program (see past award winners on the DoD Office of Small Business Programs website).	2010, 2004, 2002	Recognition of Leidos' commitment to working with women-owned small businesses.
Frances Perkins Vanguard Award	Small Business Administration (SBA)	2010, 2004, 2002	Recognition of Leidos' commitment to working with women-owned small businesses.
Mentor-Protégé Team of the Year Award	Department of Homeland Security (DHS)	2010	Recognition of Leidos' exemplary performance in mentor-protégé arrangements under the DHS program.
Corporate Achievement Award	Department of Veterans Affairs Center for Veteran Enterprise	2008, 2007	Recognition of Leidos' exemplary performance in exceeding subcontracting goals for Service-Disabled Veteran-Owned Businesses.
Best Corporations for Veteran-Owned Businesses	Veteran Business Journal	2010, 2008, 2007, 2006, 2005	Recognition of Leidos' exemplary performance in working with veteran and service-disabled veteran-owned small businesses.
Champions of Veterans Enterprise Award	National Veteran Small Business Coalition (NVS-BC)	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 Goddard Space Flight Center	2008	Recognition for significant contributions to NASA's small business program.
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.

Suppliers and Small Business Relationships

AWARD	SPONSOR	YEAR(S)	RECOGNITION
White House Initiative for HBCUs Corporate Honoree	Department of Education	2007	Recognition of Leidos's exemplary performance in working with HBCUs.
Certificate of Achievement	Department of State	2006	Recognition of Leidos' accomplishments of small business goals during Government Fiscal Year 2005.
Certificate of Achievement	Department of Justice	2006	Recognition of Leidos' accomplishments of small business goals during Government Fiscal Year 2005.
Distinguished Supplier Diversity Award	Department of Commerce	2003	Recognition of Leidos' support of the Minority Business Development Agency's objectives.
Parren J. Mitchell Award for Minority Business Development	Minority Business & Professionals Network (MBPN)	2000	Award was presented to George Otchere for leadership in Minority business development in the Nation.

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.

Finally, Leidos hosts numerous small business events at its 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.

Suppliers and Small Business Relationships

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, including maintaining mentor-protégé agreements with agencies such as the Department of Army, Department of Health and Human Services (HHS), and the National Geospatial-Intelligence Agency (NGA). At a minimum, Leidos provides the following to all protégés:

- ▶ **Training and Assistance:** Training and direct assistance in program management, human resources, contract administration, and finance. Assistance in creating and printing marketing material, development and implementation of marketing strategies, implementation of disciplined bid/no-bid processes, and proposal training.
- ▶ **Technology Transfer and Certifications:** Transfer of state-of-the art products/service improvement processes that support the customer. Facilitation of training unique to the protégé's needs. Assistance to some protégés in obtaining key technical certifications (e.g., ISO 9000 and SEI-CMMI certification).
- ▶ **Business Development:** Joint marketing, preferred subcontracting status on current and future Leidos prime contracts, and introduction to new customers and markets.

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. Over the past five years, Leidos efforts to expand subcontracting to VOSBs have produced significant growth.



About Our Reporting

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

Corporate responsibility reporting at Leidos chronicles our progress toward improving the company's sustainability. 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™ G4 Reporting Guidelines (Core Option). The G4 guidelines eliminate scoring and emphasize materiality. This year's report is our eighth, covering calendar year 2016. 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.

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 aspects for inclusion in the report, we reviewed the full list of GRI™ G4 aspects and determined which were material to Leidos and its stakeholders. We consulted with company SMEs to verify the significance of aspects and their boundaries. Aspect boundaries are discussed in each General Disclosure on Management Approach (DMAs) by aspect, but are generally limited to the stakeholders that are directly impacted or influenced by the aspect in question. Aspects judged to be material are the ones ultimately included in this report.

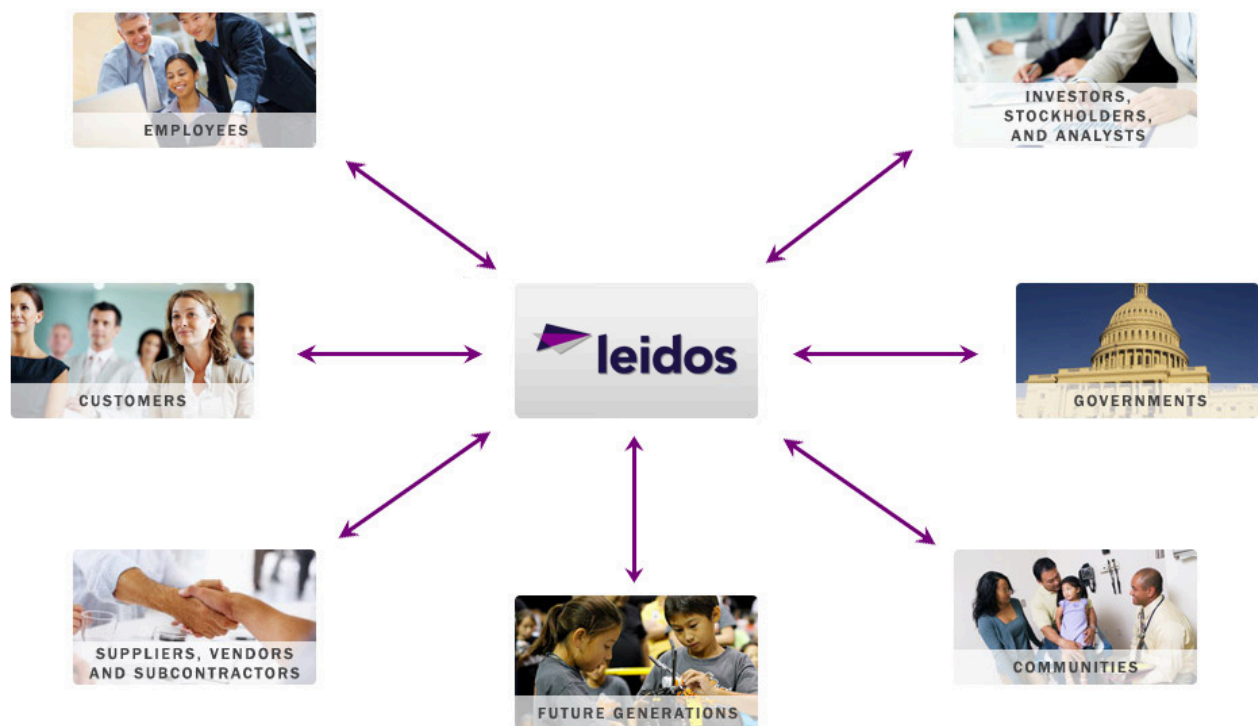
GRI™ G4 Indicators reported
in this section:

General Standard Disclosures
18-19, 24-26

About Our Reporting

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 periodically re-evaluate and update our sustainability and corporate responsibility programs and the ways in which we share our progress with stakeholders.

Global Reporting Initiative (GRI™) G4 Index

The Leidos 2016 Corporate Responsibility Report is published in accordance with the GRI™ G4 Sustainability Reporting Framework (Core option). The G4 guidelines eliminate scoring and emphasize materiality. The following index lists our responses to the G4 Core option (General Standard Disclosures and Specific Standard Disclosures for aspects deemed material) and provides links to relevant report content on Leidos.com where appropriate.

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

GENERAL STANDARD DISCLOSURES

General Standard Disclosures are applicable to all organizations preparing sustainability reports. They cover corporate strategy and profile, governance and ethics, as well as detail about our approach to reporting.

GENERAL STANDARD DISCLOSURES

STRATEGY AND ANALYSIS

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-1	Statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position).	CEO Message
G4-2	Provide a description of key impacts, risks, and opportunities.	Executive Summary

ORGANIZATIONAL PROFILE

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-3	Report the organization name.	Leidos
G4-4	Report the primary brands, products, and services.	During 2016, Leidos business was aligned into four segments: National Security Solutions (Surveillance & Reconnaissance; Integrated Systems; Global Services) Information Systems & Global Solutions (Enterprise IT Services; Software Development & Integrated Systems; Cybersecurity; Data Analytics; Air Traffic Management; Health Management Services; Energy Management & Operations; Acquisition, Program Management & Logistics) Health (Federal Health; Commercial Health; Life Sciences) and Infrastructure (Security Products; Power Grid Engineering; Federal Environmental & Engineering; Transaction & Valuation Consulting) Corporate and Other
G4-5	Report the location of the organization's headquarters.	11955 Freedom Drive, Reston, VA 20190
G4-6	Report the number of countries where the organization operates.	People > Employee Demographics and Statistics
G4-7	Report the nature of ownership and legal form.	Corporation (LDOS)
G4-8	Report the markets served.	2016 Annual Report, Part II

Global Reporting Initiative (GRI™) G4 Index

ORGANIZATIONAL PROFILE

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-9	Report the scale of the organization (total number of employees, operations, net sales, total capitalization, quantity of products/services provided).	Approximately 32,000 employees worldwide (as of the end of December 2016) Three reportable business segments (National Security Solutions; Health and Infrastructure; Corporate and Other). \$7.043B fiscal year ended December 30, 2016. See 2016 Annual Report
G4-10	Report employee demographics.	People > Employee Demographics and Statistics
G4-11	Report percentage of total employees covered by collective bargaining.	Currently, 1.5% of Leidos employees are covered by collective bargaining agreements.
G4-12	Describe the organization's supply chain.	Supplier and Small Business Relationships
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	On August 16, 2016, a wholly-owned subsidiary of Leidos Holdings, Inc. merged with the Information Systems & Global Solutions business of Lockheed Martin Corporation in a Reverse Morris Trust transaction. For additional details, see 2016 Annual Report
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	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.
G4-15	List 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 G4 Reporting Framework. Additionally, Leidos subject matter experts participate in a number of collaborative efforts with stakeholders and external organizations.
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization.	Leidos participates in numerous professional industry associations and community/non-profit organizations related to all aspects of our business and the communities in which employees live and work, respectively. Leidos employees hold leadership positions in many of these organizations is involved.

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	See SEC Form 10-K Part II, pgs. 33-36. All Leidos entities are covered by the report.
G4-18	Explain the process for defining the report content and the Aspect Boundaries. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	About Our Reporting

Global Reporting Initiative (GRI™) G4 Index

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-19	List all the material Aspects identified in the process for defining report content.	About Our Reporting
		GRI Index
G4-20	<p>For each material Aspect, report the Aspect Boundary within the organization, as follows:</p> <ul style="list-style-type: none"> ▶ For each material Aspect, report the Aspect Boundary within the organization, as follows: ▶ Report whether the Aspect is material within the organization ▶ If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: <ul style="list-style-type: none"> » The list of entities or groups of entities included in G4-17 for which the Aspect is not material or » The list of entities or groups of entities included in G4-17 for which the Aspects is material ▶ Report any specific limitation regarding the Aspect Boundary within the organization 	<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, 2016, is provided in our 2016 Annual Report</p>
G4-21	<p>For each material Aspect, report the Aspect Boundary outside the organization, as follows:</p> <ul style="list-style-type: none"> ▶ Report whether the Aspect is material outside of the organization ▶ If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified ▶ Report any specific limitation regarding the Aspect Boundary outside the organization 	<p>See response to G4-20 above. Leidos reports Aspects that are deemed material and provides supporting data to the greatest extent that it is available. Aspect boundaries are discussed in the Disclosures on Management Approach (DMAs) for each aspect, but are generally limited to the stakeholders that are directly impacted or influenced by the aspect.</p>
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	This report contains no restatements of previously published Leidos corporate responsibility reports.
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	This report contains no significant changes to scope, boundary, or measurement methods used in previously published corporate responsibility reports.

STAKEHOLDER ENGAGEMENT

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-24	Provide a list of stakeholder groups engaged by the organization.	About Our Reporting
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	About Our Reporting
G4-26	Report 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

Global Reporting Initiative (GRI™) G4 Index

STAKEHOLDER ENGAGEMENT

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	This is addressed with the relevant Aspect reported.

REPORT PROFILE

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	Calendar year 2016.
G4-29	Date of most recent previous report (if any).	Fall, 2016 (covering the period calendar year 2015).
G4-30	Reporting cycle (such as annual, biennial).	Annual.
G4-31	Provide the contact point for questions regarding the report or its contents.	Michael P. Coogan, Vice President, Director, Corporate Responsibility.
G4-32	Report the 'in accordance' option the organization has chosen. Report the GRI Content Index for the chosen option. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	In Accordance, Core Leidos reports are not currently externally assured.
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. Report the relationship between the organization and the assurance providers. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	Leidos does not currently seek external assurance for its reporting, although several individual metrics, specifically regarding the company's environmental performance (e.g., The Climate Registry), are prepared and/or defined and verified by outside parties.

GOVERNANCE

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	<p>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 seven standing committees, including an Ethics and Corporate Responsibility Committee, chartered with</p> <ul style="list-style-type: none"> ▶ Review the Company's policies and practices in the areas of corporate responsibility including, but not limited to, safety and protection of the environment. ▶ Monitor the Company's policies and practices with respect to contributions to charitable, educational and other tax-exempt organizations. ▶ Review the Company's policies and practices with respect to political contributions, government relations and political action committees. ▶ Review such political, social and environmental issues that may affect the business operations, performance, business continuity crisis planning, and public image or reputation of the Company, as determined to be appropriate and consistent with the role of this Committee.

Global Reporting Initiative (GRI™) G4 Index

ETHICS AND INTEGRITY

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Ethics and Compliance
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	Ethics and Compliance
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Ethics and Compliance

SPECIFIC STANDARD DISCLOSURES

Specific Standard Disclosures are Disclosures on Management Approach (DMA) and Indicators. They are presented as Aspects under three Categories — Economic, Environmental and Social.

ECONOMIC

ASPECT: ECONOMIC PERFORMANCE

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-EC1	<p>Direct economic value generated and distributed:</p> <p>Report the direct economic value generated and distributed (EVG&D) on an accruals basis including the basic components for the organization's global operations.</p> <p>To better assess local economic impacts, report EVG&D separately at country, regional, or market levels, where significant. Report the criteria used for defining significance.</p>	See 2016 Annual Report
G4-EC2	<p>Financial implications and other risks and opportunities for the organization's activities due to climate change:</p> <p>Report risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue or expenditure, including:</p> <ul style="list-style-type: none"> ▶ 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 	<p>Relative to Leidos corporate revenue generation and overhead support operations, typical physical operating risks associated with climate change include a greater propensity for severe weather events such as tornadoes, hurricanes/flash flooding, blizzards/ice storms, extreme heat, drought and gradual sea level rise/continental sinking. There are no significant regulatory or other climate change induced risk or opportunities.</p> <ul style="list-style-type: none"> ▶ Potential physical risks associated with events fostered by climate change are worksite displacement and personal inconvenience where impacted work locations are temporarily out of operation and/or employees residing in an impacted area suffer damage to their homes temporarily redirecting personal priorities away from career objectives to focus on restoring one's personal life as quickly as possible. ▶ During the time that Leidos operating locations are out-of-operation and/or employees are unable to work due to the need to recover from impacts to restore their personal lives, work-related productivity, and therefore revenue generation, may be adversely impacted in specific locales for specific program activities. ▶ The Leidos Crisis Management team routinely monitors projected and day-to-day weather conditions with the potential to adversely impact operating locations and employee residence locations for rapidly addressing any mitigation opportunities. ▶ Leidos spends approximately \$500K/year to pay for third party products/services and employ the personnel who monitor and maintain the internal crisis management functions and systems.

Global Reporting Initiative (GRI™) G4 Index

ECONOMIC

ASPECT: ECONOMIC PERFORMANCE

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-EC3	<p>Coverage of the organization's defined benefit plan obligations:</p> <p>Where the plan's liabilities are met by the organization's general resources, report the estimated value of those liabilities.</p> <p>Where a separate fund exists to pay the plan's pension liabilities, report:</p> <ul style="list-style-type: none"> ▶ The extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them ▶ The basis on which that estimate has been arrived at ▶ When that estimate was made <p>Where 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>Report the percentage of salary contributed by employee or employer.</p> <p>Report the 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, 2017, the Leidos Biomedical Research plan has 719 active participants, 547 deferred vested participants and 552 receiving pensions. This plan is approximately 99 percent funded as of January 1, 2017, on a stabilized funding basis. This plan is closed to future participants and as of January 1, 2017, only about 28 percent of active participants are still accruing benefits.</p> <p>The second plan includes, as of July 1, 2017, approximately 177 deferred and 67 current pensioners. It is also closed to future participants, is sponsored by the Calanais Pension Trustee Co., Ltd., and is approximately 85 percent funded.</p>

ENVIRONMENTAL

ASPECT: ENERGY

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-EN3	<p>Energy consumption within the organization:</p> <p>Report total fuel consumption from non-renewable sources in joules or multiples, including fuel types used. Report total fuel consumption from renewable fuel sources in joules or multiples, including fuel types used. Report in joules, watt-hours or multiples, the total:</p> <ul style="list-style-type: none"> ▶ Electricity consumption ▶ Heating consumption ▶ Cooling consumption ▶ Steam consumption <p>Report in joules, watt-hours or multiples, the total:</p> <ul style="list-style-type: none"> ▶ Electricity sold ▶ Heating sold ▶ Cooling sold ▶ Steam sold <p>Report total energy consumption in joules or multiples. Report standards, methodologies, and assumptions used. Report the source of the conversion factors used.</p>	Environment > Corporate Footprint and Environmental Stewardship

Global Reporting Initiative (GRI™) G4 Index

ENVIRONMENTAL

ASPECT: ENERGY

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-EN4	Energy consumption outside of the organization: Report energy consumed outside of the organization, in joules or multiples. Report standards, methodologies, and assumptions used. Report the source of the conversion factors used.	Leidos does not collect or track energy data from entities outside of the organization. Potential energy consumption sources outside of the organization might include employee commuting or business travel, but there is no available data to report for these sources.
G4-EN5	Energy intensity: Report the energy intensity ratio. Report the organization-specific metric (the ratio denominator) chosen to calculate the ratio. Report the types of energy included in the intensity ratio: fuel, electricity, heating, cooling, steam, or all. Report whether the ratio uses energy consumed within the organization, outside of it or both.	<ul style="list-style-type: none"> ▶ Energy intensity ratio: 95 kBtu/sqft. (buildings energy only). ▶ Organization-specific metric to calculate ratio: 7,559,595 square feet (buildings). The square footage metric represents annual equivalent square footage. This means that the square footage of each lease was prorated according to the fraction of the year each lease was active. For example, a 100,000 sqft building occupied by Leidos for ½ of the year is equivalent to 50,000 sqft occupied for the entire year. ▶ Type of energy included (fuel, electricity, heating, cooling, steam, or all): Buildings energy only. Fuel and electricity are used by Leidos (no heating, cooling, or steam energy is purchased by Leidos). Fleet fuel consumption is not captured in the intensity ratio, because the base metric is square footage of buildings. ▶ All reported energy is consumed within the organization.
G4-EN6	Reduction of energy consumption: Report the amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples. <ul style="list-style-type: none"> ▶ Report the types of energy included in the reductions: fuel, electricity, heating, cooling, and steam ▶ Report the basis for calculating reductions in energy consumption such as base year or baseline, and the rationale for choosing it. ▶ Report standards, methodologies, and assumptions used. 	Environment > Corporate Footprint and Environmental Stewardship

ASPECT: EMISSIONS

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1): Report gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent, independent of any GHG trades, such as purchases, sales, or transfers of offsets or allowances. Report gases included in the calculation (whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all). Report biogenic CO2 emissions in metric tons of CO2 equivalent separately from the gross direct (Scope 1) GHG emissions. Report the chosen base year, the rationale for choosing the base year, emissions in the base year, and the context for any significant changes in emissions that triggered recalculations of base year emissions. Report standards, methodologies, and assumptions used. Report the source of the emission factors used and the global warming potential (GWP) rates used or a reference to the GWP source. Report the chosen consolidation approach for emissions (equity share, financial control, operational control).	Environment > Corporate Footprint and Environmental Stewardship

Global Reporting Initiative (GRI™) G4 Index

ENVIRONMENTAL

ASPECT: EMISSIONS

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2): Report gross energy indirect (Scope 2) GHG emissions in metric tons of CO ₂ equivalent, independent of any GHG trades, such as purchases, sales, or transfers of offsets or allowances. Report gases included in the calculation, if available. Report the chosen base year, the rationale for choosing the base year, emissions in the base year, and the context for any significant changes in emissions that triggered recalculations of base year emissions. Report standards, methodologies, and assumptions used. Report the source of the emission factors used and the global warming potential (GWP) rates used or a reference to the GWP source, if available. Report the chosen consolidation approach for emissions (equity share, financial control, operational control).	Environment > Corporate Footprint and Environmental Stewardship
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3): Report gross other indirect (Scope 3) GHG emissions in metric tons of CO ₂ equivalent, excluding indirect emissions from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organization (these indirect emissions are reported in Indicator G4-EN16). Exclude any GHG trades, such as purchases, sales, or transfers of offsets or allowances. Report gases included in the calculation, if available. Report biogenic CO ₂ emissions in metric tons of CO ₂ equivalent separately from the gross other indirect (Scope 3) GHG emissions. Report other indirect (Scope 3) emissions categories and activities included in the calculation. Report the chosen base year, the rationale for choosing the base year, emissions in the base year, and the context for any significant changes in emissions that triggered recalculations of base year emissions. Report standards, methodologies, and assumptions used. Report the source of the emission factors used and the global warming potential (GWP) rates used or a reference to the GWP source, if available.	Leidos does not track or report Scope 3 GHG emissions because data are not available to support TCR's optional Scope 3 GHG Protocol requirements.
G4-EN18	Greenhouse gas (GHG) emissions intensity: Report the GHG emissions intensity ratio. Report the organization-specific metric (the ratio denominator) chosen to calculate the ratio. Report the types of GHG emissions included in the intensity ratio: direct (Scope 1), energy indirect (Scope 2), other indirect (Scope 3). Report gases included in the calculation.	<ul style="list-style-type: none"> ▶ GHG Emissions intensity ratio: 10.6 market-based kgCO₂e/sqft. ▶ Organization-specific metric to calculate ratio: 7,559,595 Square Feet (buildings) – the square footage metric represents annual equivalent square footage. This means that the square footage of each lease was prorated according the fraction of the year each lease was active. For example, a 100,000 sqft building occupied by Leidos for ½ of the year is equivalent to 50,000 sqft occupied for the entire year. ▶ Types of GHG emissions included in the intensity ratio: Scope 1 emissions from natural gas fuel oil combustion for heating, gasoline and diesel fuel combustion in generators, and fugitive refrigerants from large owned air conditioning and refrigeration equipment. Also, Scope 2 emissions from purchased electricity and purchased natural gas heating in full service leases. Fleet emissions are not captured in the emissions intensity ratio, because the base metric is building square footage. ▶ Gases included in calculation: CO₂, CH₄, N₂O, HFCs.

Global Reporting Initiative (GRI™) G4 Index

ENVIRONMENTAL

ASPECT: EMISSIONS

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-EN19	<p>Reduction of greenhouse gas (GHG) emissions:</p> <p>Report the amount of GHG emissions reductions achieved as a direct result of initiatives to reduce emissions, in metric tons of CO2 equivalent. Report gases included in the calculation (whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all). Report the chosen base year or baseline and the rationale for choosing it. Report standards, methodologies, and assumptions used. Report whether the reductions in GHG emissions occurred in direct (Scope 1), energy indirect (Scope 2), other indirect (Scope 3) emissions.</p>	<ul style="list-style-type: none"> ▶ 2016 GHG emissions reduction from 2015 achieved as a direct result of initiatives to reduce emissions (mtCO2e): 8,760 MTCO2e (Leidos North American assets only). ▶ Gases included in calculation: CO2, CH4, N2O, HFCs. ▶ Base Year (2010): Leidos is also undergoing a recalculation of base year emissions in order to provide a comparable assessment of past emissions and maintain consistency in tracking progress toward GHG targets. ▶ Standard, Methodologies and Assumptions: Leidos uses standards, methodologies and assumptions from The Climate Registry's General Reporting Protocol. Reductions were calculated by direct comparison of 2016 emissions estimates to 2015 emissions estimates for Leidos asset in North America. ▶ Where Reductions Occurred: About 78% of reductions came from decreased electricity purchases and power grid improvements. About 18% of reductions were from decreased natural gas use for heating and 4% were from reduced gasoline and diesel fuel consumption in fleet vehicles.

ASPECT: EFFLUENTS AND WASTE

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-EN23	<p>Total weight of waste by type and disposal method:</p> <p>Report the total weight of hazardous and non-hazardous waste, by the following disposal methods:</p> <ul style="list-style-type: none"> ▶ Reuse ▶ Recycling ▶ Composting ▶ Recovery, including energy recovery ▶ Incineration (mass burn) ▶ Deep well injection ▶ Landfill ▶ On-site storage ▶ Other (to be specified by the organization) <p>Report how the waste disposal method has been determined:</p> <ul style="list-style-type: none"> ▶ Disposed of directly by the organization or otherwise directly confirmed ▶ Information provided by the waste disposal contractor ▶ Organizational defaults of the waste disposal contractor 	Environment > Corporate Footprint and Environmental Stewardship

Global Reporting Initiative (GRI™) G4 Index

ENVIRONMENTAL

ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-EN32	Report the percentage of new suppliers that were screened using environmental criteria.	Leidos did not screen suppliers for environmental criteria in 2016.
G4-EN33	<p>Significant actual and potential negative environmental impacts in the supply chain and actions taken:</p> <p>Report the number of suppliers subject to environmental impact assessments. Report the number of suppliers identified as having significant actual and potential negative environmental impacts. Report the significant actual and potential negative environmental impacts identified in the supply chain. Report the percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment. Report the 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.</p>	No known actual or potential supplier-related negative environmental impacts. Leidos does not currently require supply chain environmental impact assessments, however we expect that our suppliers will abide by our Code of Conduct.

SOCIAL | LABOR PRACTICES AND DECENT WORK

ASPECT: EMPLOYMENT

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-LA6	<p>Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender:</p> <p>Report types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities, for the total workforce (that is, total employees plus supervised workers), by:</p> <ul style="list-style-type: none"> ▶ Region ▶ Gender <p>Report types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities for independent contractors working on-site to whom the organization is liable for the general safety of the working environment, by:</p> <ul style="list-style-type: none"> ▶ Region ▶ Gender <p>Report the system of rules applied in recording and reporting accident statistics.</p>	<p>Leidos reports for the company's overall injury rate by total workforce only (vs. by gender or region.)</p> <p>Environment > Environmental Health and Safety</p>

ASPECT: TRAINING AND EDUCATION

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-LA10	<p>Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings:</p> <p>Report on the type and scope of programs implemented and assistance provided to upgrade employee skills. Report on the transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.</p>	People > Career Development and Mentoring

Global Reporting Initiative (GRI™) G4 Index

SOCIAL | LABOR PRACTICES AND DECENT WORK

ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-LA12	<p>Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity:</p> <p>Report the percentage of individuals within the organization's governance bodies in each of the following diversity categories:</p> <ul style="list-style-type: none"> ▶ Gender ▶ Age group: under 30 years old, 30-50 years old, over 50 years old ▶ Minority groups ▶ Other indicators of diversity where relevant <p>Report the percentage of employees per employee category in each of the following diversity categories:</p> <ul style="list-style-type: none"> ▶ Gender ▶ Age group: under 30 years old, 30-50 years old, over 50 years old ▶ Minority groups ▶ Other indicators of diversity where relevant 	For governance composition, see G4-34 response.

ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-LA14	Report the percentage of new suppliers that were screened using labor practices criteria.	Supplier and Small Business Relationships
G4-LA15	<p>Significant actual and potential negative impacts for labor practices in the supply chain and actions taken:</p> <p>Report the number of suppliers subject to impact assessments for labor practices. Report the number of suppliers identified as having significant actual and potential negative impacts for labor practices. Report the significant actual and potential negative impacts for labor practices identified in the supply chain. Report the percentage of suppliers identified as having significant actual and potential negative impacts for labor practices with which improvements were agreed upon as a result of assessment. Report the percentage of suppliers identified as having significant actual and potential negative impacts for labor practices with which relationships were terminated as a result of assessment, and why.</p>	<p>Supplier and Small Business Relationships</p> <p>Ethics and Compliance</p>

Global Reporting Initiative (GRI™) G4 Index

SOCIAL | LABOR PRACTICES AND DECENT WORK

ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-LA16	<p>Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms:</p> <p>Report the total number of grievances about labor practices filed through formal grievance mechanisms during the reporting period. Of the identified grievances, report how many were:</p> <ul style="list-style-type: none"> ▶ Addressed during the reporting period ▶ Resolved during the reporting period <p>Report the total number of grievances about labor practices filed prior to the reporting period that were resolved during the reporting period.</p>	Ethics and Compliance

SOCIAL | SOCIETY

ASPECT: LOCAL COMMUNITIES

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-SO1	<p>Percentage of operations with implemented local community engagement, impact assessments, and development program:</p> <p>Report the percentage of operations with implemented local community engagement, impact assessments, and development programs, including the use of:</p> <ul style="list-style-type: none"> ▶ Social impact assessments, including gender impact assessments, based on participatory processes ▶ Environmental impact assessments and ongoing monitoring ▶ Public disclosure of results of environmental and social impact assessments ▶ Local community development programs based on local communities' needs ▶ Stakeholder engagement plans based on stakeholder mapping ▶ Broad based local community consultation committees and processes that include vulnerable groups ▶ Works councils, occupational health and safety committees and other employee representation bodies to deal with impacts ▶ Formal local community grievance processes 	<p>Leidos does not currently track this metric. Most of our locations, however, engage in outreach within their communities. Included in this report are several examples of our efforts in both specific communities and amongst specific populations, as well as our community engagement priority areas. We believe that these programs and activities are effective, yet continue to look for ways to maximize their positive effects and minimize any negative impacts.</p> <p>Community</p> <p>Community > Corporate Philanthropy</p>

ASPECT: ANTI-CORRUPTION

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-SO3	<p>Total number and percentage of operations assessed for risks related to corruption and the significant risks identified:</p> <p>Report the total number and percentage of operations assessed for risks related to corruption. Report the significant risks related to corruption identified through the risk assessment.</p>	<p>The Leidos Internal Audit department annually audits approximately 40%, or roughly eight, of our operations to ensure appropriate compliance with policies and procedures. Through this cyclical audit schedule, all business operations are audited regularly. In addition, the department conducted functional reviews throughout the corporation such as the audit of the Shared Service Center and Company-wide purchasing activity.</p>

Global Reporting Initiative (GRI™) G4 Index

SOCIAL | SOCIETY

ASPECT: ANTI-CORRUPTION

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-SO4	Communication and training on anti-corruption policies and procedures: Report the 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. Report the 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. Report the 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. Report the total number and percentage of governance body members that have received training on anti-corruption, broken down by region. Report the total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.	Ethics and Compliance
G4-SO5	Confirmed incidents of corruption and actions taken: Report the total number and nature of confirmed incidents of corruption. Report the total number of confirmed incidents in which employees were dismissed or disciplined for corruption. Report the total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. Report public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	None

ASPECT: PUBLIC POLICY

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-SO6	Total value of political contributions by country and recipient/beneficiary: Report the total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary. Report how the monetary value of in-kind contributions was estimated, if applicable.	For the cycle 2016 (including calendar years 2015 and 2016) The Leidos Political Action Committee (L-PAC) made \$367,500 in political contributions. No in-kind contributions were made. No political contributions were made to state and local candidates and committees and all L-PAC contributions were made within the United States.

ASPECT: ANTI-COMPETITIVE BEHAVIOR

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2013 RESPONSE
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes: Report the total 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. Report the main outcomes of completed legal actions, including any decisions or judgments.	None

Global Reporting Initiative (GRI™) G4 Index

SOCIAL | SOCIETY

ASPECT: COMPLIANCE

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-SO8	<p>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations:</p> <p>Report significant fines and non-monetary sanctions in terms of:</p> <ul style="list-style-type: none"> ▶ Total monetary value of significant fines ▶ Total number of non-monetary sanctions ▶ Cases brought through dispute resolution mechanisms <p>If the organization has not identified any non-compliance with laws or regulations, a brief statement of this fact is sufficient. Report the context against which significant fines and non-monetary sanctions were incurred.</p>	<p>None</p> <p>Ethics and Compliance</p>

SOCIAL | PRODUCT RESPONSIBILITY

ASPECT: CUSTOMER PRIVACY

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-PR8	<p>Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data: :</p> <p>Report the total number of substantiated complaints received concerning breaches of customer privacy, categorized by:</p> <ul style="list-style-type: none"> ▶ Complaints received from outside parties and substantiated by the organization ▶ Complaints from regulatory bodies <p>Report the total number of identified leaks, thefts, or losses of customer data. 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 > Data Privacy</p>

ASPECT: COMPLIANCE

G4 INDICATOR	G4 DISCLOSURE REQUIREMENTS	2016 RESPONSE
G4-PR9	<p>Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services:</p> <p>Report the total monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. If the organization has not identified any non-compliance with laws or regulations, a brief statement of this fact is sufficient.</p>	None

[illegible]

[illegible]

[illegible]

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, 2017.



LinkedIn: Leidos



Facebook: Leidosinc



YouTube: Leidosinc



Twitter: @Leidosinc

