

2021 SUSTAINABILITY REPORT

**PROPELLED**

BY

**PRINCIPLE**

LOCKHEED MARTIN





# About this Report

Lockheed Martin is proud to present our 2021 Sustainability Report, which is available at [sustainability.lockheedmartin.com](https://sustainability.lockheedmartin.com). Unless otherwise noted, this report includes global data and activities for the calendar year 2021 from Lockheed Martin's corporate offices and four business areas: Aeronautics, Missiles and Fire Control, Rotary and Mission Systems and Space.

This report has been prepared in accordance with the Global Reporting Initiative (GRI): Core Option. Our select GRI and Sustainability Accounting Standards Board (SASB) indices are available on our [Environmental, Social and Governance \(ESG\) Portal](#).

DNV, an independent, third-party assurance provider, assured this report to a moderate level of assurance under the AA 1000 Assurance Standard (AA1000AS). This includes performance on the Lockheed Martin 2025 Sustainability Management Plan goals, select SASB standards and select GRI indicators. Verification details can be found in the [2021 Assurance Statement](#), which is available on our [ESG Portal](#).

## Propelled by Principle

Lockheed Martin develops innovative technology that enables growth, resiliency and security of societies around the world. We develop these engineering solutions while upholding our Core Values to Do What's Right, Respect Others and Perform with Excellence. This is why Lockheed Martin has chosen the theme "Propelled by Principle" to describe our sustainability approach. We are committed to the principles described throughout this report, including integrity, high ethical business standards, workplace safety, employee diversity and inclusion and environmental stewardship. Our principles guide us as we address complex, global challenges and propel towards a brighter future.



A Sikorsky Firehawk helicopter operated by the County of Los Angeles Fire Department works to extinguish a wildfire.

### ABOUT THE COVER PHOTO

## Report Contents

Our Company	3
Our Sustainability Approach	8
Our Sustainability Priorities	13
Beyond the Sustainability Management Plan	43
2021 ESG Performance Index	53

Version 1.1

For questions on this report, please contact [sustainability.lm@lmco.com](mailto:sustainability.lm@lmco.com).

For more general information on Lockheed Martin, visit our website at [www.lockheedmartin.com](https://www.lockheedmartin.com) and social media on the following pages:





# Our Company



Lockheed Martin's mission is to solve complex challenges, advance scientific discovery and deliver innovative solutions to help our customers keep people safe.

This is Lockheed Martin	4
Leadership Perspectives	7



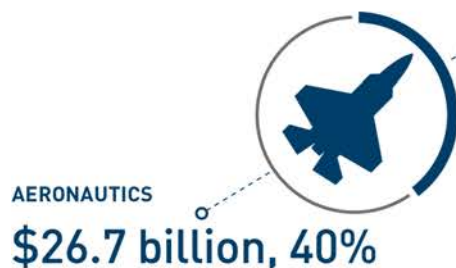
# This is Lockheed Martin

Lockheed Martin is a U.S. publicly-traded global security and aerospace company headquartered in Bethesda, MD, that is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. Our mission is to solve complex challenges, advance scientific discovery and deliver innovative solutions to help our customers keep people safe. Our primary customers are U.S. and allied government agencies. In 2021, we employed approximately 114,000 people worldwide and generated net sales of \$67.0 billion. We own or lease building space at approximately 362 locations primarily in the U.S. and manage or occupy approximately 10 government-owned facilities under lease and other arrangements.

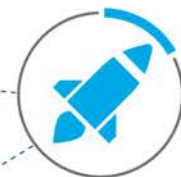


## Business Areas

We have four business areas dedicated to specific products and services.



Engages in the research, design, development, manufacture, integration, sustainment, support and upgrade of advanced military aircraft including combat and air mobility aircraft, unmanned air vehicles and related technologies.



Provides air and missile defense systems; tactical missiles and air-to-ground precision strike weapon systems; logistics; fire control systems; mission operations support, readiness, engineering support and integration services; manned and unmanned ground vehicles; and energy management solutions.



Designs, manufactures, services and supports various military and commercial helicopters, surface ships, sea and land-based missile defense systems, radar systems, sea and air-based mission and combat systems, command and control mission solutions, cyber solutions and simulation and training solutions.



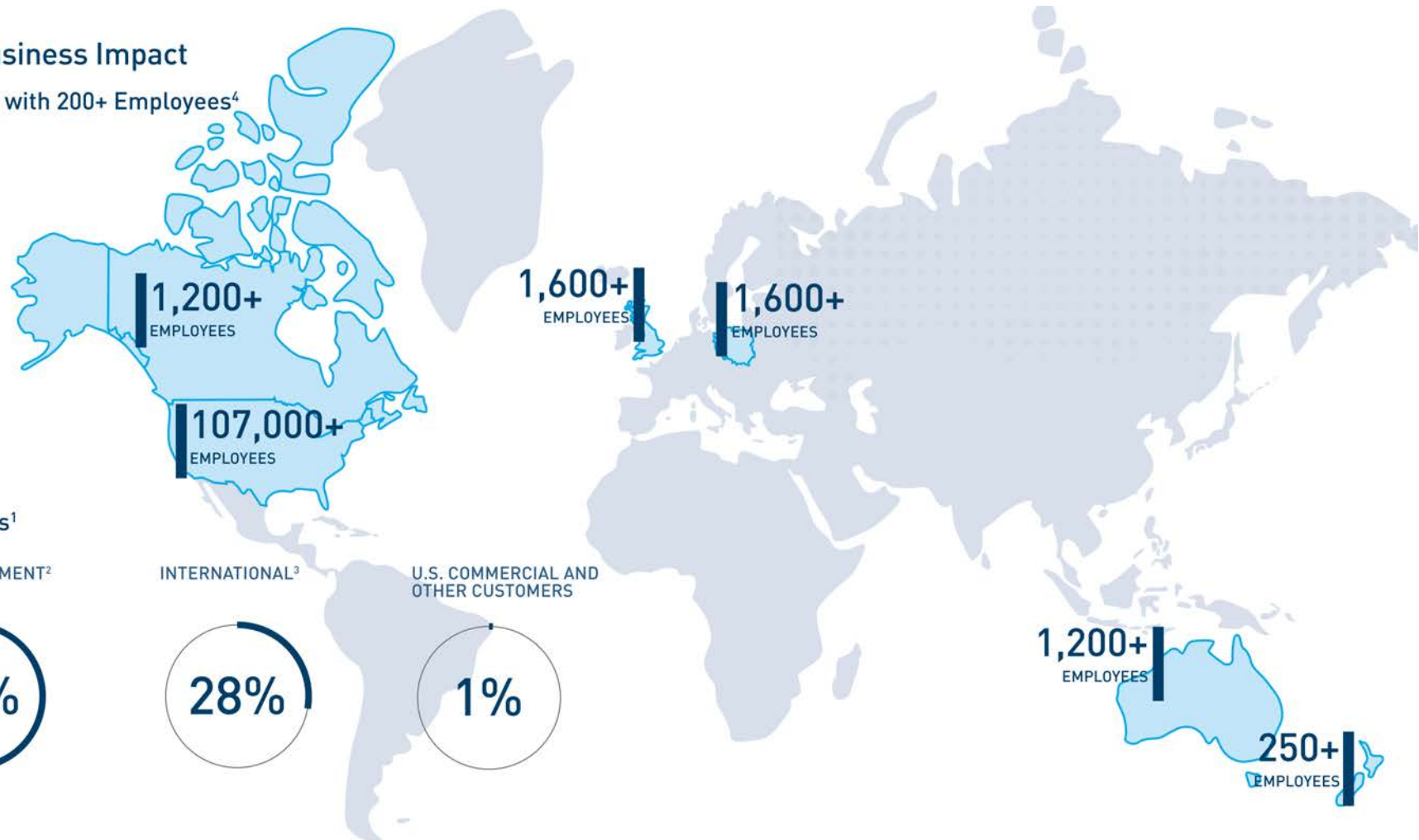
Engages in the research and development, design, engineering and production of satellites, space transportation systems and strategic, advanced strike and defensive systems. This business area provides network-enabled situational awareness and integrates complex space and ground global systems to help our customers gather, analyze and securely distribute critical intelligence data. Space is also responsible for various classified systems and services in support of vital national security systems.





## 2021 Business Impact

### Countries with 200+ Employees<sup>4</sup>



### Customers<sup>1</sup>

#### U.S. GOVERNMENT<sup>2</sup>



#### INTERNATIONAL<sup>3</sup>



#### U.S. COMMERCIAL AND OTHER CUSTOMERS



### Economic Impact (in millions)<sup>5</sup>

#### NET SALES

**\$67,044**

#### COST OF SALES

**\$57,983**

#### NET EARNINGS

**\$6,315**

#### INCOME TAX EXPENSE

**\$1,235**

### Social Impact (in millions)

#### CHARITABLE DONATIONS

**~\$32**

#### EMPLOYEE GIVING

**>\$7.7**

<sup>1</sup> A percentage of 2021 net sales.

<sup>2</sup> Either as a prime contractor or as a subcontractor.

<sup>3</sup> Including Foreign Military Sales (FMS) contracted through the U.S. Government.

<sup>4</sup> As of December 31 of each year. U.S. data does not include contract workers, interns or employees of certain subsidiaries or joint ventures; This includes U.S. expats. All other country data includes local country nationals.

<sup>5</sup> Please refer to the [Lockheed Martin Form 10-K](#) for additional figures.

## Sustainability Recognitions

### Highlighted Recognitions:

Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA

**Dow Jones Sustainability Indices World Index and  
North American Index Ranking**



**ENERGY STAR 2021 Partner of the  
Year Sustained Excellence Award**



**Gold Brandon Hall  
Human Capital Management Excellence  
Award for Excellence in Human Resources**



**JUST Capital: First of Aerospace & Defense  
companies included in the JUST 100 for  
third consecutive year**



**National Organization on Disability  
2021 Leading Disability Employer**

### Additional Recognitions:

- Defense Contract Management Agency "Exceptional" Rating for small business performance on Department of Defense contracts
- Earned a spot on the Dow Jones Sustainability World Index based on best-in-class sustainability practices for the 8th consecutive year, and our 9th consecutive year on the North American Index
- ENERGY STAR Partner of the Year
- U.S. Department of Energy Better Projects Recognition
- Forbes Best Employers for New Grads
- Forbes #1 for Workers in Aerospace and Defense
- Forbes Best Employers for Veterans
- Forbes World's Best Employers
- Forbes America's Best Employers by State
- Forbes Best Employers for Women
- Forbes America's Best Large Employers
- Recognized as an industry leader and one of America's Most JUST Companies by Forbes and JUST Capital
- Military Friendly 2021 Gold Employer
- Military Friendly 2021 Spouse Employer
- Military Friendly 2021 Supplier Diversity Program
- Minority Engineer Reader's Choice Awards Top 50 Employers for Minority Engineers
- Environment + Energy Leader Sikorsky Stratford facility's cogeneration system recognition
- The Manufacturing Institute STEP Ahead Emerging Leaders Award
- LinkedIn Top Workplaces to Grow your Career
- Equal Opportunity Reader's Choice Awards Top 50 Employers for Equal Opportunity
- Woman Engineer Reader's Choice Awards Top 50 Employers for Women
- Named one of Fortune's World's Most Admired Companies
- Human Rights Campaign Best Places to Work for LGBTQ Equality
- National Organization on Disability 2021 Leading Disability Employer

## Senior Vice President, Ethics and Enterprise Assurance Message



**A Message from Leo S. Mackay, Jr., Senior Vice  
President, Ethics and Enterprise Assurance**

[View the Message Here](#)

"At Lockheed Martin, sustainability intersects with our Core Values – Do What's Right, Respect Others and Perform with Excellence. These words guide our actions and inspire how we pursue our future goals."



# Leadership Perspectives

## Chairman, President and Chief Executive Officer Letter



At Lockheed Martin, we recognize the long-term success of our stakeholders is tied inextricably to the sustainability of our operations and the enduring relationships we have with global customers and in communities where we live and work. The rapidly evolving challenges of the 21st century compel us to accelerate innovation and deliver the advanced solutions our customers need to promote security, enhance international cooperation, and advance scientific discovery.

Our commitments to providing innovative products and services and to operating as a sustainable enterprise stem from our Core Values – Do What’s Right, Respect Others and Perform with Excellence. Achieving progress requires that we identify priorities among environmental, social and governance issues and direct investment and resources so our teams are empowered and focused.

One important action we are taking in this effort is harnessing the full benefits of digital transformation to increase the efficiency of our operations and processes. We’re investing heavily to introduce new ways to digitally design, test, manufacture, and sustain our products so we can deliver more capable solutions more quickly and more efficiently.

Our transformation efforts are reflected in Lockheed Martin’s 2025 Sustainability Management Plan (2025 SMP), which is our five-year sustainability roadmap to carry out our vital mission. Our 2025 SMP includes four core priorities:

- **Advancing Resource Stewardship:** We strive to use resources in the most efficient way possible and to minimize the environmental footprint of our operations.
- **Elevating Digital Responsibility:** We protect data, privacy, and intellectual property and use artificial intelligence (AI) in an ethical manner.
- **Fostering Workplace Resiliency:** We maintain an inclusive and safe environment in which we value individual employees’ unique contributions to the success of our team and provide ample opportunities for their professional development and career growth.
- **Modeling Business Integrity:** We operate ethically and ensure that everyone who works with us – both inside and outside Lockheed Martin – adheres to the same high ethical standards.

During 2021, we completed the first full year of implementation for our 2025 SMP. We completed our first Zero Waste Challenge to minimize waste throughout our operations. We also committed \$2 million to The Nature Conservancy as part of the Department of Defense’s (DoD) Readiness and Environmental Protection Integration Challenge, contributing to the resiliency of the DoD’s vital infrastructure nationwide. And we published our inaugural Human Rights Report, showing how our company is committed to upholding human freedom and well-being throughout our operations and supply chain.

Lockheed Martin was honored to be acknowledged globally for our commitment to sustainability. We once again earned a spot on the Dow Jones Sustainability World Index and North American Index based on best-in-class sustainability practices. For the third year in a row, Forbes and JUST Capital recognized us as one of America’s Most JUST Companies. We were selected as a 2021 ENERGY STAR Partner of the Year Sustained Excellence Award winner. We also received the Gold Brandon Hall Excellence Award for Best Advance in Social Impact Innovation.

Looking ahead, we plan to expand training to our AI developers to further the incorporation of ethical principles into their system engineering approaches. We will continue to engrain responsible data usage into our company’s culture by providing new data literacy training and engagement to at least half of our workforce. We also intend to double our level of corporate giving tied to specific United Nations Sustainable Development Goals by 2030.

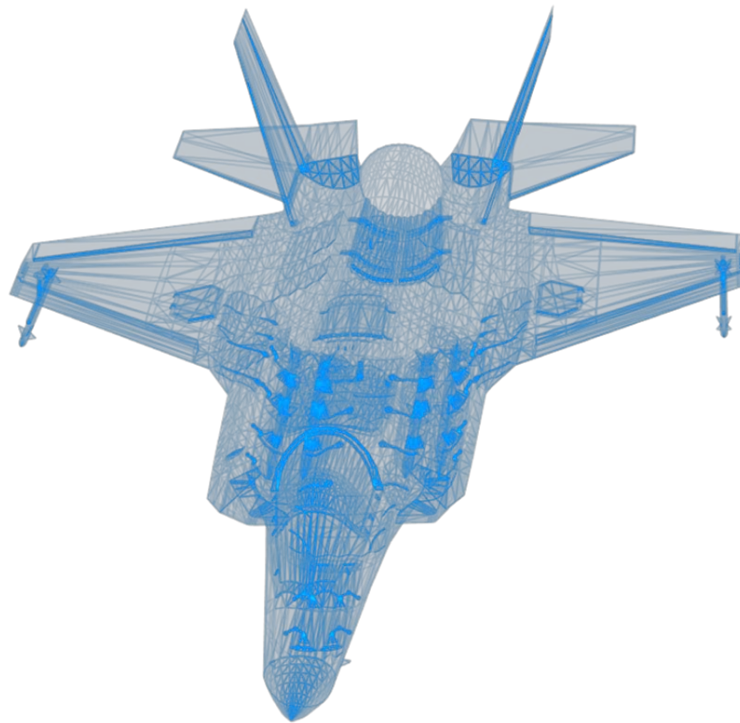
In the pages that follow, you will find more detailed information about our progress in implementing our 2025 SMP and how it drives value for our company, our shareholders, and our communities. I am proud of our team’s tremendous accomplishments in 2021. As we look to the future, I am confident that Lockheed Martin will continue to demonstrate how sustainable business practices enable better solutions for our customers and stewardship of our vital operations for generations to come.

**James D. Taiclet**

Chairman, President and Chief Executive Officer  
Lockheed Martin Corporation



# Our Sustainability Approach



The mission of Lockheed Martin's sustainability program is to foster innovation, integrity and security to protect the environment, strengthen communities and propel responsible growth. We integrate sustainability throughout our business strategy, including operations and product and service innovations. Our sustainability management plan provides the framework for this integration, and our efforts are guided by our corporate [Sustainability](#) policy.

[Sustainability Governance](#) **9**

[2025 Sustainability Management Plan](#) **11**





# Sustainability Governance

The Lockheed Martin sustainability governance structure is comprised of the Nominating and Corporate Governance Committee chartered by the Board of Directors, the Executive Leadership Team, the Sustainability Leadership Council and the Sustainability Management Team.

Our Senior Vice President, Ethics and Enterprise Assurance leads all sustainability programs and serves as Lockheed Martin's Chief Sustainability Officer. This role reports directly to the Chairman, President and Chief Executive Officer, and provides regular updates to the Nominating and Corporate Governance Committee.

We link incentive compensation for Lockheed Martin executives to performance on certain sustainability factors. See our [2022 Proxy Statement](#) for more information.

## Our Sustainability Governance Structure





# Sustainability Governance

## The Nexus of Sustainability and Enterprise Risk Management

Prior to 2017, our enterprise risk management and sustainability programs reported through different functional leadership and followed distinct processes. As the programs matured, and with executive insight, it became apparent that the two functions ultimately sought to achieve a central goal, which could be enhanced under a single reporting structure to maximize efficiencies and to enable collaboration on shared outcomes. Our currently integrated Enterprise Risk and Sustainability organization reports to the Senior Vice President, Ethics and Enterprise Assurance and receives oversight from our Board of Directors.

Lockheed Martin's enterprise risk management program includes completion of two key risk assessments. Annually, we conduct an enterprise risk assessment to determine the most critical operational, growth and strategic risks to Lockheed Martin and its global operations. This assessment is based on independent feedback gathered from the Executive Leadership Team, the Corporate Internal Audit organization and surveys of more than 1,500 senior leaders from across our business.

Every other year, we conduct a compliance risk assessment. The risk universe of this assessment focuses on compliance and regulatory topics. This assessment is based on independent feedback gathered from the Corporate Internal Audit organization, our Ethics and Business Conduct organization and surveys of compliance subject matter experts from across our business.

Similarly, the completion of a core issues assessment is foundational to our sustainability program. Our sustainability core issues assessment<sup>6</sup> is conducted every five years by engaging internal and external stakeholders to determine the most relevant sustainability issues to our business.

The results of each of these assessments are compared for common themes and trends. Two examples include:

- **Chemical Stewardship:** As the global chemical landscape changes and materials are restricted and/or banned, companies face increased regulatory pressure and costs associated with replacement materials. They may also face supply chain risks if suppliers stop producing certain products or pass along increased compliance costs. Proactively researching sustainable alternatives and replacing hazardous materials can help us avoid and mitigate these risks.
- **Supply Chain Vulnerability:** Supplier facilities like Lockheed Martin's may face increased frequency and intensity of physical climate events, such as hurricanes and floods, depending on their geographic location. A supplier's ability to mitigate associated risks and quickly recover directly impacts a company's ability to deliver quality products on time to its customers.

Leveraging our integrated enterprise risk management and sustainability programs, we are well positioned to identify and understand such overlapping risks, evaluate and monitor mitigation strategies and report on performance through our governance structure.

<sup>6</sup> Please reference our [2019 Sustainability Report](#) located on our [ESG Portal](#) for more information about our latest sustainability core issues assessment.



# 2025 Sustainability Management Plan

Our corporate **Sustainability** policy establishes a standard approach for integrating sustainability practices across Lockheed Martin. Our sustainability management plan defines our goals and drives our sustainability progress.

To create the sustainability management plan, we first develop core sustainability issues through extensive engagement with internal and external stakeholders and an analysis of industry trends. The core issues ultimately selected for the sustainability management plan represent those most material to our stakeholders and our business. After the core issues are established, we work with internal stakeholders to create specific sustainability goals for which we track our performance. These goals can be retired and/or updated, if necessary, based on our progress and the changing needs of our business. We also continually monitor environmental, social and governance risks and opportunities to stay informed of shifting and emerging trends.

In 2020, we developed our 2025 Sustainability Management Plan to guide our sustainability efforts over the following five years and, for some efforts, longer. Our 2025 Sustainability Management Plan comprises four sustainability priorities that contain individual core issues and goals.





# 2025 Sustainability Management Plan



## Advancing Resource Stewardship

### Counterfeit Parts Prevention

Achieve 100% completion rate of applicable training on the identification and reporting of counterfeit parts by 2025.

### Energy Management

Increase square footage of Leadership in Energy and Environmental Design (LEED)- and/or Building Research Establishment's Environmental Assessment Method (BREEAM)-certified/rated facilities by 2025.

By 2030, reduce Scope 1 and 2 carbon emissions per dollar of gross profit by 70% to outperform the science-based target to prevent 1.5 degree Celsius warming.<sup>7</sup>

By 2030, match 30% of electricity used across Lockheed Martin global operations with electricity produced from renewable sources.<sup>8</sup>

Annually increase carbon removal technology installation, investment and support through 2025.<sup>9</sup>

Offset 100% of carbon emissions resulting from business-related travel by 2025.

### Hazardous Chemicals/Materials

Annually reduce the amount of Lockheed Martin Priority Chemicals<sup>10</sup> used per unit sold of Lockheed Martin's top five (by sales) programs through 2025.

Annually reduce the amount of Lockheed Martin Priority Chemicals<sup>10</sup> used per dollar of sales revenue across business areas through 2025.

### Resource and Substance Supply Vulnerability

Increase traceability of critical mineral resources, and substances used in the supply chain, through data analysis and mitigation for signature programs by 2025.

### Total Cost of Ownership

All business areas meet or exceed annual customer savings goals as defined in business area executive vice president scorecards through 2025.



## Elevating Digital Responsibility

### Artificial Intelligence

By 2025, 100% of artificial intelligence developers will have been trained in system engineering approaches to artificial intelligence ethical principles.

### Data Privacy and Protection

By 2025, 50% of Lockheed Martin employees will have been trained in data literacy and data-centric practices.

100% of data objects identified for common definition in the Lockheed Martin data strategy (Tier 1 Data) and 100% of certified data sources have data stewards assigned by 2022.

### Intellectual Property Rights

By 2022, an intellectual property protection hierarchy has been deployed with tiered protection of intellectual property data assets based on their classification within that hierarchy.



## Fostering Workplace Resiliency

### Harassment-Free Workplace

All Lockheed Martin employees participate in at least one bystander intervention training workshop by 2025.

### Inclusion and Equity<sup>11</sup>

All leaders have an inclusive leadership experience or complete one diversity and inclusion-associated action annually through 2025.

Increase hiring of protected veterans and people with disabilities to meet or exceed annual Department of Labor targets through 2025.

Increase representation of women and people of color enterprise-wide by 2021.

### Workplace Safety

Reduce the number of days away from work due to occupational injury or illness through 2025.<sup>12</sup>

Establish a risk-based approach to serious incident and fatality prevention programs by 2025.



## Modeling Business Integrity

### Ethical Business Practices

Score at or below 35% of the total percentage of employees who observe misconduct within the past 12 months, but neither report it nor take action to address it by 2025.

### Anti-Bribery and Corruption

Achieve 100% completion of required employee training on gifts and business courtesies and international business practices annually through 2025.

<sup>7</sup> We set our ambitious carbon emission reduction target using a methodology established by the Center for Sustainable Organizations to exceed science-based target requirements. The Paris Agreement's goal is to limit global warming by the end of the century to well below 2°C of pre-industrial levels and preferably to 1.5°C. Our carbon emissions target is expected to outperform the Center for Sustainable Organizations model criteria for aligning with a 1.5°C outcome in the long-term.

<sup>8</sup> Via a combination of on-site or off-site generation, and excluding large hydropower in alignment with the Green-e Renewable Energy Standard for Canada and the United States.

<sup>9</sup> Examples include afforestation/reforestation, direct air capture and habitat restoration.

<sup>10</sup> Lockheed Martin Priority Chemicals are defined as chemical substances that are prohibited from use in Lockheed Martin's products and processes and/or cannot be used in new applications or programs, and are referenced in our internal corporate policy **Restrictions on the Use of Chemical Substances in Products and Processes**. Updates to these lists of chemicals are completed annually. A waiver process is included in the procedure for cases where the Lockheed Martin Priority Chemical cannot be substituted.

<sup>11</sup> An Inclusion and Equity goal previously introduced in our 2020 Sustainability Report has been removed from our 2025 Sustainability Management Plan and is not included in this report.

<sup>12</sup> Lost days severity rate is calculated as a function of the number of days away from work due to an injury or illness per 100 employees.





# Our Sustainability Priorities



We integrate sustainability throughout our business, including operations and product and service innovation. We focus our efforts in the areas that provide the greatest value and positive impact for our stakeholders.

Advancing Resource Stewardship	<b>14</b>
Elevating Digital Responsibility	<b>25</b>
Fostering Workplace Resiliency	<b>31</b>
Modeling Business Integrity	<b>39</b>



## Advancing Resource Stewardship

Our commitment to sustainability includes a responsibility to operate our facilities efficiently and to proactively manage our business and our supply chain to reduce carbon emissions, mitigate risk and safeguard valuable resources.

Counterfeit Parts Prevention	15
Energy Management	16
Hazardous Chemicals/Materials	22
Resource and Substance Supply Vulnerability	23
Total Cost of Ownership	24



# Counterfeit Parts Prevention

## SUSTAINABILITY MANAGEMENT PLAN GOAL

Achieve 100% completion rate of applicable training on the identification and reporting of counterfeit parts by 2025.

## 2021 PROGRESS

In 2021, we achieved more than a 99% completion rate on applicable training.

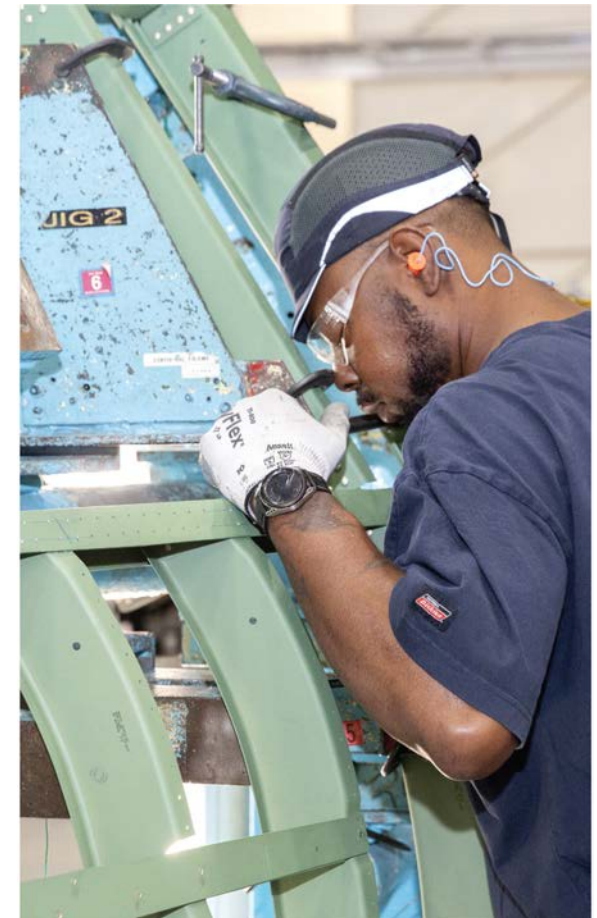
Mission success depends on providing products and services that have trusted reliability, performance and safety. Preventing counterfeit parts from entering Lockheed Martin's supply chain is one way we uphold this commitment to our customers.

The Vice President, Global Supply Chain Operations provides oversight of the counterfeit prevention program. Our corporate policy, **Counterfeit Prevention**, guides the prevention, detection and mitigation of counterfeit work across our company. Business areas can have additional procedures specific to their unique operations. Additionally, we have a Corporate Counterfeits integrated product team that includes quality assurance representatives from each business area to provide subject matter expertise and guide day-to-day prevention management.

Lockheed Martin purchase orders contain terms and conditions on counterfeit mitigation provisions, and we require all acquisitions to begin with original equipment manufacturers and authorized distributors. Please see our **Supplier Code of Conduct** for a summary of these counterfeit parts expectations. Counterfeit prevention is included in contract purchasing system reviews conducted annually at rotating facilities and during need-based customer quality audits.

As the dynamic global landscape evolves and our adversaries continue to insert new counterfeit parts into supply chains, Lockheed Martin is championing a preventative approach. Through our new sustainability management plan goal to achieve a 100% completion rate of applicable training on the identification and reporting of counterfeit parts by 2025, we not only build awareness of the topic, but equip our employees with the tools needed to identify counterfeit parts and take appropriate action if a suspect part is detected. Appropriate actions may include notification, quarantining of parts and investigations.

Our customers depend on our mission-critical products and services. Including counterfeit parts prevention in our sustainability management plan gives our customers confidence in our efforts to prevent substandard and unreliable parts from entering our supply chain and helps us retain their business now and into the future. Please visit the **Frequently Asked Questions** section of our **Supplier Wire website** for supplier resources on preventing counterfeit parts from entering our supply chain.





# Energy Management

## SUSTAINABILITY MANAGEMENT PLAN GOAL

By 2030, reduce Scope 1 and 2 carbon emissions per dollar of gross profit by 70% to outperform the science-based target to prevent 1.5 degree Celsius warming.<sup>14</sup>

## 2021 PROGRESS

In 2021, we reduced Scope 1 and 2 carbon emissions per dollar of gross profit by 47%.

## Go Green Program

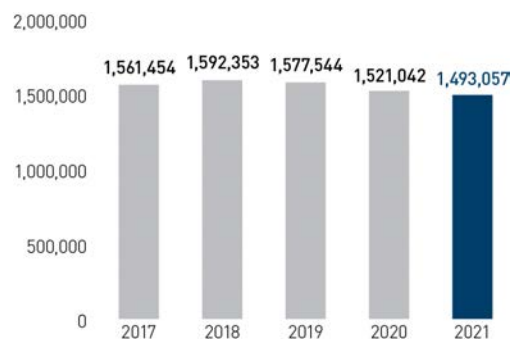
Our Go Green program drives operational improvements by reducing carbon emissions through energy efficiency and use of renewable energy.<sup>13</sup>

Investing in capital and operational projects that improve resource efficiency is key to reducing emissions. This work is sanctioned by our Board of Directors, which receives performance updates at least twice per year from our Senior Vice President, Ethics and Enterprise Assurance and our Vice President, Environment, Safety and Health. Multiple corporate policies guide our approach to green building standards, energy efficiency, strategic energy procurement and use of renewable energy.

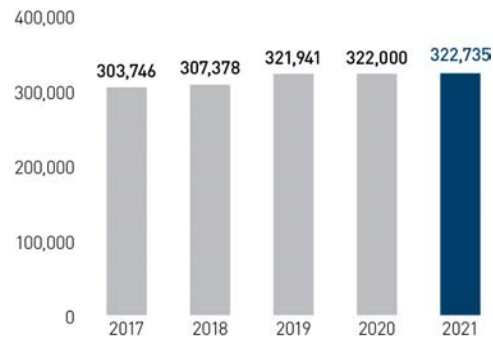
Our ISO 14001-certified Environment, Safety and Health Management System drives continuous improvement and commits all business areas to operating in a manner that protects the environment, conserves natural resources, prevents pollution and reduces and actively manages associated risks.

For more information on our Go Green program, please visit our [Environment, Safety and Health website](#) and review our annual environment, safety and health performance reports located on the [ESG Portal](#).

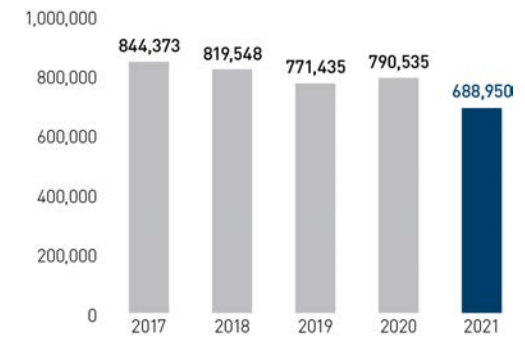
### SCOPE 2 ENERGY CONSUMPTION (MWH)<sup>a</sup>



### RENEWABLE ENERGY (MWH)<sup>ab</sup>



### NET GHG EMISSIONS (MT CO<sub>2</sub>e)<sup>a c</sup>



<sup>a</sup> Data is shown for our Go Green year, which runs November–October (e.g. Nov. 2020 – Oct. 2021)

<sup>b</sup> Including solar, wind, geothermal and biomass from a combination of on-site generation, power purchase agreement contracts, renewable energy certificate procurement and applicable green tariffs. Please refer to the [renewable energy data](#) in our [ESG Performance Index](#).

<sup>c</sup> Scope 1 + Scope 2 Market-Based

<sup>13</sup> Lockheed Martin's approach to water and waste is discussed in more detail in the [Waste Management](#) and [Water Management](#) section of this report.

<sup>14</sup> We set our ambitious carbon emission reduction target using a methodology established by the Center for Sustainable Organizations to exceed science-based target requirements. The Paris Agreement's goal is to limit global warming by the end of the century to well below 2°C of pre-industrial levels and preferably to 1.5°C. Our carbon emissions target is expected to outperform the Center for Sustainable Organizations model criteria for aligning with a 1.5°C outcome in the long-term.

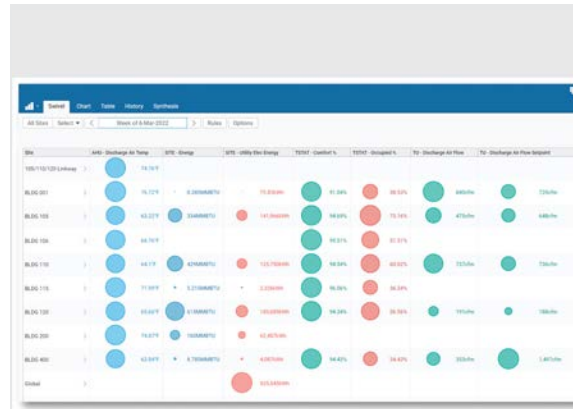




# Energy Management

## Emissions Reduction

To achieve emissions targets, the Environment, Safety and Health and facilities teams conduct on-and off-site engineering assessments to identify renewable energy and efficiency projects. Findings are used to develop annual tactical plans and an iterative strategic plan with a three-year outlook, against which actual progress is measured and compared. This is called our Go Green gated capital cycle. **In 2021, the Environment, Safety and Health and facilities teams completed 64 energy efficiency projects that resulted in annual savings of 40.0 million kilowatt-hours of electricity and 17,200 MMBTU of natural gas, and the avoidance of \$3.8 million in utility and maintenance costs.** This Go Green gated capital cycle is a centerpiece of our energy reduction and renewable energy strategy whereby projects that meet certain performance and financial thresholds are added to each business area's overall capital plan. To encourage ideas and actions that reduce emissions, we educate employees about Go Green through internal and external communications, educational webinars and Earth Day and Energy Action Month celebrations. We recognize employee projects that contribute to our reduced impact on the environment through awards programs, including our Environment, Safety and Health Excellence Awards and Facilities Leadership Awards. We also seek external recognition through partner organizations, such as the U.S. Environmental Protection Agency's ENERGY STAR program and the U.S. Department of Energy's Better Plants program.



### RECOGNITION FOR OUR SMART BUILDINGS INITIATIVE

Our smart buildings initiative was recognized by peer ENERGY STAR partners as a 2021 Top Project. Smart buildings is a data analytics effort that integrates heating, ventilation and air conditioning equipment, sensors and software to enable predictive maintenance and continuous commissioning. This, in turn, delivers energy use and cost savings, and greater asset reliability and occupant comfort. Our data-driven approach aligns with our broader digital transformation strategy and improves the efficiency of cooling and heating infrastructure, which represents a significant portion of our energy use. Thirteen Lockheed Martin facilities are currently implementing smart buildings at different levels of completion. At the first four facilities to implement smart buildings within our Rotary and Mission Systems business area, over 150 no- and low-cost projects that avoid approximately \$250,000 in maintenance and energy costs annually have been discovered. These projects were identified by sensors that provide 3.6 million data analytics transactions daily.



### RECOGNITION FOR CENTRAL UTILITY PLANT OPTIMIZATION

The Lockheed Martin Sikorsky Stratford, CT, facility garnered an internal Facilities Excellence Award along with external awards from the U.S. Department of Energy's Better Plants Program and Energy + Environmental Leader for improved operational performance of its cogeneration system and its central utility plant. The site installed new steam turbine-driven equipment and electrical infrastructure and can now export electricity back to the grid, thanks to a newly established interconnection agreement with the utility. The project avoids approximately 10.3 million kilowatt-hours, or the equivalent of the electricity needed to power more than 1,200 homes for one year, and yields cost savings of approximately \$1.5 million annually, achieving a payback in just over two years.



# Energy Management

## SUSTAINABILITY MANAGEMENT PLAN GOAL

By 2030, match 30% of electricity used across Lockheed Martin global operations with electricity produced from renewable sources.<sup>15</sup>

## 2021 PROGRESS

In 2021, we met expectations by using renewable energy for 22% of our total electricity across Lockheed Martin global operations.

## Renewable Energy

Renewable energy strengthens the resiliency of our facilities, our relationship with our customers and our engagement with employees. In 2021, we ranked at number 28 on the U.S. Environmental Protection Agency Green Power Partnership's list of **Top 30** on-site generators and at number 51 on their National Top 100 list for total renewable energy use. Since 2008, we have installed 13 on-site solar systems and one biomass facility, for a total of 10.3 megawatts of capacity.



### ADVANCING SOLAR PROJECTS AT LOCKHEED MARTIN

Construction on a 20-megawatt, on-site, single-axis photovoltaic system at our Palmdale, CA, facility began in late 2021 and is expected to be completed in 2022. This project will be one of the largest privately-owned, ground-mounted, behind-the-meter solar farms in California. Additionally, the Titan Solar Project at our Fort Worth, TX, facility started in December 2021. We expect this 15-year power purchase agreement to provide approximately 22% of the facility's annual electricity needs. Lockheed Martin also installed its third solar carport at a Missiles and Fire Control facility in Orlando, FL. This two megawatt on-site project eliminates approximately \$581,000 in utility costs annually and reduces our carbon footprint over 2,500 metric tons.

<sup>15</sup> Via a combination of on-site or off-site generation, and excluding large hydropower in alignment with the Green-e Renewable Energy Standard for Canada and the United States.



# Energy Management

## SUSTAINABILITY MANAGEMENT PLAN GOAL

Increase square footage of Leadership in Energy and Environmental Design (LEED)-and/or Building Research Establishment's Environmental Assessment Method (BREEAM)-certified/rated facilities by 2025.

## 2021 PROGRESS

An expansion of a Lockheed Martin Missiles and Fire Control building in Orlando, FL, earned LEED Silver certification in 2021. This added 22,000 square feet to the existing green building footprint.

## Green Buildings

Green buildings reduce our impact on the natural environment, lower lifecycle operating costs and enhance occupant well-being. Lockheed Martin's corporate policy on green buildings requires the [United States Green Building Council's](#) Leadership in Energy and Environmental Design (LEED)® Silver certification as the minimum standard for new construction and major renovations. Where LEED isn't available internationally, Building Research Establishment Environmental Assessment Method (BREEAM) or Green Globes is required. For existing buildings, we seek ENERGY STAR certification to demonstrate operational energy efficiency. Currently, we have 25 LEED-certified, one BREEAM-certified and nine ENERGY STAR-certified buildings.





# Energy Management

## SUSTAINABILITY MANAGEMENT PLAN GOALS

Annually increase carbon removal technology installation, investment and support through 2025.<sup>16</sup>

Offset 100% of carbon emissions resulting from business-related travel by 2025.

## 2021 PROGRESS

In 2021, we focused on strategy development for this goal and engaged with partner teams such as Lockheed Martin Ventures and Social Impact.

In 2021, we drafted our offset procurement guidelines, which will be finalized in 2022. The guidelines describe the criteria we will use to evaluate carbon offsets. Lockheed Martin will focus on projects that meet these criteria and the quality criteria set forward by third-party market participants such as World Resources Institute and relevant certification bodies.

## Addressing Climate Risk

Lockheed Martin is renewing our approach to climate risk with a focus on carbon removal and carbon offsets. We are committed to building a strong foundation now to support forward-thinking carbon-related projects in the future.

Lockheed Martin's Senior Vice President, Ethics and Enterprise Assurance has leadership oversight for these efforts and provides performance reporting to the Executive Leadership Team. Our corporate [Sustainability](#) policy provides overarching guidance, and is supported by our [Task Force on Climate-Related Financial Disclosures Report](#) published on our [ESG Portal](#).

## Carbon Removal

The Corporate Sustainability Office has recently partnered with the Lockheed Martin Ventures team to analyze new technology investment opportunities through a sustainability lens. Lockheed Martin Ventures makes strategic investments in companies that are developing cutting edge technologies in core businesses and new markets important to Lockheed Martin. The Corporate Sustainability Office reviews opportunities against sustainability criteria and Lockheed Martin strategy elements to identify climate technology that aligns with our sustainability priorities, such as carbon removal. The goal is to integrate sustainability into the standard evaluation process of Lockheed Martin's potential investments to enhance value creation and climate innovation within our programs and operations. Additionally, the Corporate Sustainability Office is partnering with our Social Impact team to identify charitable donation opportunities that align with our sustainability strategy to increase carbon removal support, as well as ways to engage employees and enhance community resilience in locations where we operate.

## Carbon Offsets

Lockheed Martin is actively taking steps to increase visibility of and to develop a reduction strategy for our Scope 3 emissions. We are taking the initial step of addressing Scope 3 emissions that are within our control at this time. Our travel management partners provide us with our total business travel-related emissions annually, including emissions associated with flights and rental vehicles. We plan to offset these emissions through projects that meet robust internal quality and credibility requirements in addition to quality criteria from third-party market participants, such as the World Resources Institute and relevant certification bodies. Priority will be given to projects that align with one of the following technology areas: methane capture and combustion, energy efficiency, fuel switching or projects with co-benefits related to communities and the environment.

<sup>16</sup> Examples include afforestation/reforestation, direct air capture and habitat restoration.





# Energy Management



## BIOFUEL APPROVED FOR S-92® HELICOPTER

In September 2021, Lockheed Martin Sikorsky approved the use of sustainable aviation fuel for the S-92 helicopter. The flight was carried out by the CHC Helikopter Service of Norway using synthetic paraffinic kerosene, which is a sustainable aviation fuel produced from waste and residual feedstock. This significant milestone supports the reduction of carbon emissions and the aviation industry's transition to sustainable aviation fuels. To learn more about the S-92, please visit our [website](#).



## U.S. DEPARTMENT OF DEFENSE READINESS AND ENVIRONMENTAL PROTECTION INTEGRATION CHALLENGE

In 2021, Lockheed Martin committed \$2 million to a three-year partnership with the The Nature Conservancy in support of a project that will protect 4,000 acres of land along Maryland's Eastern Shore. The area contains the restricted airspace of the Atlantic Testing Range and the Naval Air Station at Patuxent River. It also includes more than 75% of Maryland's remaining tidal wetlands, which provide defense against coastal hazards stemming from climate impacts. The project is part of the Department of Defense's Readiness and Environmental Protection Integration Challenge, which aims to strengthen the resiliency of the Department of Defense's vital U.S. infrastructure.



## CLIMATE TECH SUMMIT

In the summer of 2021, Lockheed Martin hosted its first Climate Tech Summit. This internal meeting brought together technical leaders from across the corporation with the latitude to explore how we could apply our current product capabilities to a changing environment. The end result surpassed expectations, as the team presented Lockheed Martin-unique solutions based on existing technology reimaged for climate action. Applications related to topics including natural disasters, greenhouse gases, land cover change, geospatial data and climate intelligence. The Climate Tech Summit demonstrated the potential value Lockheed Martin can bring to climate conversations, and how collaboration between stakeholders can generate innovative solutions for positive impact and for new customers. Lockheed Martin plans to continue this effort in 2022 with additional events.



# Hazardous Chemicals/Materials

## SUSTAINABILITY MANAGEMENT PLAN GOALS

Annually reduce the amount of Lockheed Martin Priority Chemicals<sup>17</sup> used per unit sold of Lockheed Martin's top five (by sales) programs through 2025.

Annually reduce the amount of Lockheed Martin Priority Chemicals<sup>17</sup> used per dollar of sales revenue across business areas through 2025.

## 2021 PROGRESS

In 2021, we enhanced our measurement of prohibited and targeted chemicals and collaborated with business areas and programs to establish Lockheed Martin Priority Chemical baselines.

Reducing hazardous chemicals in our products helps Lockheed Martin stay ahead of increasing global chemical regulations and restrictions. Through proactive management of hazardous chemicals in our products and manufacturing processes, we are reducing regulatory risks and protecting our employees, customers and the environment. We are also upholding commitments to our customers and maintaining a competitive position for future opportunities.

Lockheed Martin has two internal corporate policies, **Restrictions on the Use of Chemical Substances in Products and Processes** and **Global Product Chemistry Regulations**, that guide our chemical stewardship and chemical regulatory compliance efforts. The first policy includes lists of prohibited and targeted chemicals that are updated annually based on risk assessments, current use and regulations. Lockheed Martin Global Supply Chain Operations, Engineering & Technology, program management and Environment, Safety and Health organizations have roles in leading and managing these procedures across the enterprise. We also have three main employee engagement groups that drive the strategy and implementation of efforts to ensure compliance and reduce risk. These working groups include the Chemical Stewardship integrated process team, the Registration, Evaluation, Authorization and Restriction of Chemicals/Global Product Chemistry Regulations integrated process team and the Design for Sustainability working group.

A chemical stewardship focus area continues to be the establishment of a standardized process for collecting chemical data from suppliers on their parts and materials. In 2021, we implemented processes that align with the **IPC-1754 Materials and Substances Declaration for Aerospace and Defense Standard**, including incorporating the standard into our internal policies and subcontract flow-downs. The IPC-1754 standard includes requirements for aerospace and defense companies to collect chemical data in products and processes from suppliers. This facilitates improved data quality and comprehensiveness. Lockheed Martin is engaging members of our supply chain and collaborating with the International Aerospace Environmental Group on training and resources for this effort.

Additionally, we actively look to identify hazardous material replacement projects within our business areas and work with our customers to implement the resulting alternatives within our programs. We recently joined the International Aerospace Environmental Group Replacement Project working group and our engineers are participating in industry efforts to address identifying less hazardous alternatives to replace chromated bond primers and fuel tank coatings. These applications were selected as priorities by International Aerospace Environmental Group member companies due to regulatory restrictions on hexavalent chromium and the need to find alternatives that meet performance requirements.

## DESIGN FOR SUSTAINABILITY—RESTRICTED CHEMICALS AVOIDANCE TOOL

The Design for Sustainability working group, led by employees from Engineering & Technology, collaborates across business areas and functions to develop capabilities that inform product design engineers about restricted chemicals during the product design phase. This effort is being funded as an emerging technology under the model-based engineering research portfolio. In 2021, the working group developed a prototype for a new restricted chemicals avoidance tool that will interface with product design tools. This tool enables engineers to evaluate parts and materials for new and revised designs in order to reduce the use of hazardous chemicals by building early awareness into Lockheed Martin's product design processes. This approach will help us meet regulatory and customer requirements, reduce risk and costs associated with redesign and increase the sustainability of our products. The restricted chemicals avoidance tool pilot efforts will continue through 2022 with Rotary and Mission Systems Sikorsky. We plan to expand the tool to other business areas following this pilot phase.

<sup>17</sup> Lockheed Martin Priority Chemicals are defined as chemical substances that are prohibited from use in Lockheed Martin's products and processes and/or cannot be used in new applications or programs, and are referenced in our internal corporate policy **Restrictions on the Use of Chemical Substances in Products and Processes**. Updates to these lists of chemicals are completed annually. A waiver process is included in the procedure for cases where the Lockheed Martin Priority Chemical cannot be substituted.



# Resource and Substance Supply Vulnerability

## SUSTAINABILITY MANAGEMENT PLAN GOAL

Increase traceability of critical mineral resources, and substances used in the supply chain, through data analysis and mitigation for signature programs by 2025.

## 2021 PROGRESS

In 2021, we focused on building awareness of critical mineral resources, identifying the cross-functional team needed to achieve the goal and defining a charter to guide our efforts.

The objective of sustainable supply chain management at Lockheed Martin is to ensure alignment of our supplier's social, ethical, environmental and safety and health responsibilities with our own sustainability commitments. We focus on topics such as conflict minerals, chemical stewardship, environmental impact and counterfeit parts.

At a minimum of every three years, we conduct a supplier sustainability voluntary assessment to gain insight into our suppliers' environmental, social and governance programs to better understand risks and opportunities. In the off-years, we conduct various focus activities, such as our 2020 cybersecurity risk assessment and our 2021 model-based enterprise assessment.

In 2021, we elevated the importance of visibility into our complex supply chain. Our new sustainability management plan goal is dedicated to enhancing the tracking and traceability of critical mineral resources. As a downstream user of critical mineral resources, it is challenging to trace the upstream origins of all our product components—from raw material extraction to manufacturers and suppliers to final integration into products at our facilities. Through knowledge of where the raw materials we depend on originate, we can make active purchasing decisions to reduce environmental and social risks in our value chain. This strengthens the long-term viability of our supplier base both domestically and globally. Ultimately, this helps us make sustainability-focused supplier decisions and mitigate the lifecycle impacts of our products.

We also focused on building internal awareness, identifying the teams required to provide and analyze resource data and defining our roadmap. We also started a pilot project with one of our signature programs. This pilot program consists of mapping out a selected set of critical mineral resources to their associated product components. We aim to gather lessons learned and expand the effort to other programs throughout the business areas by the end of 2022.

Additional information on sustainability within our supply chain can be found on our [Supplier Wire website](#). Our Conflict Minerals Reports, U.K. Gender Pay Gap Reports, U.K. Modern Slavery Act Reports and supporting corporate policies can be found on our [ESG Portal](#). Please visit the [Human Rights](#) page of this report for more information on how Lockheed Martin addresses human rights.



# Total Cost of Ownership

## SUSTAINABILITY MANAGEMENT PLAN GOAL

All business areas meet or exceed annual customer savings goals as defined in business area executive vice president scorecards.

## 2021 PROGRESS

The Supply Chain Council met both customer and Lockheed Martin program savings goals for 2021.

Maintaining product and service affordability for our customers is crucial to the longevity of our programs. With approximately 60% to 70% of product cost living within our supply chain, tracking and improvement of savings by our supply chain team contributes to competitive positioning for Lockheed Martin's future procurement efforts.

We have a Supply Chain Council that meets monthly to guide affordability initiatives. The Supply Chain Council provides updates on enterprise-wide performance to our Chief Operating Officer, who reports periodically on Lockheed Martin's competitive position in the market to the Board of Directors. Furthermore, the business areas come together quarterly to collaborate and leverage skills to advance affordability efforts. Business areas have specific affordability guidelines unique to their customers and programs, and our supply chain negotiators complete training on affordability objectives/tools.

To engage our workforce, a monthly newsletter that includes affordability topics, such as lessons learned, best practices and analytic insights, is sent to supply chain, engineering and technology, program management, manufacturing engineering and finance teams to advance negotiation results. Program management training is offered to our domestic and international managers and includes sessions from supply chain strategy leadership on tools and techniques to drive affordability results.

Looking to the future, Lockheed Martin plans to release additional user-friendly digital tools that assist with opportunity capture for each program, including opportunities for increased affordability.

Our annual savings goal is comprised of two classes of savings: customer value savings and Lockheed Martin program value savings. At the end of each year, the business areas review their business plans and anticipated contracts to project savings, which are used by leadership to define the respective business area targets. The enterprise Global Supply Chain Operations team analyzes and consolidates these goals to report performance for sustainability and other corporate requirements.

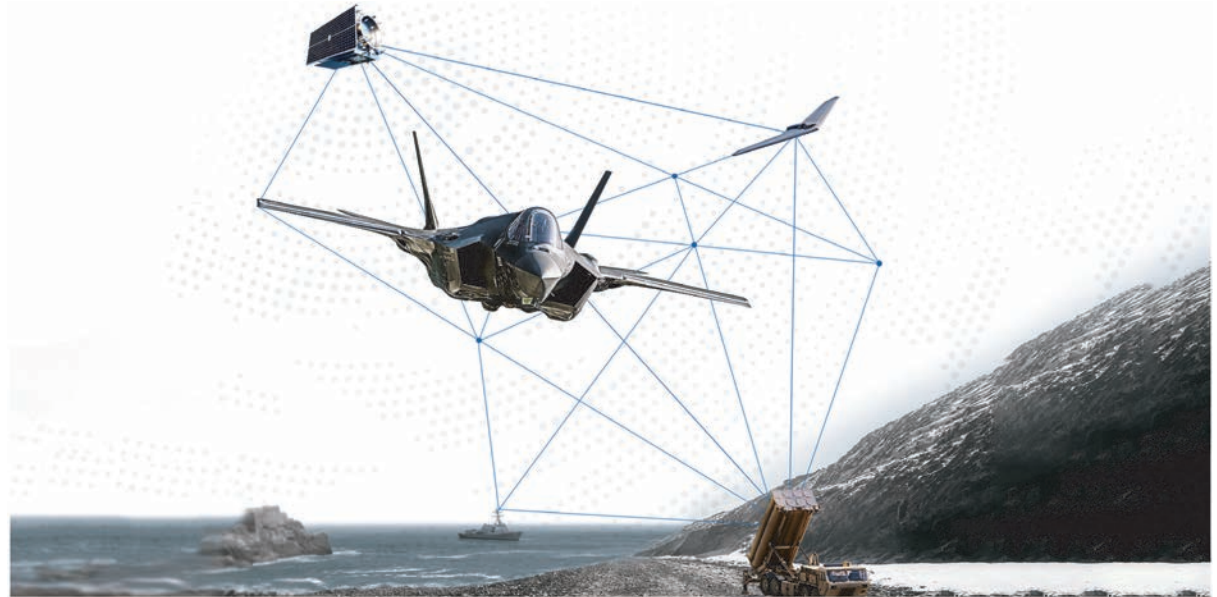
**"The Lockheed Martin supply chain team has continued to evolve their best-in-class affordability techniques and practices over the last several years across the corporation, which has enabled us to achieve customer and corporate savings objectives while mitigating, where feasible, supply network cost challenges."**

**—George Sanders, Corporate Affordability Sub-Council Lead**

## RECOGNIZING EMPLOYEE SUCCESS

Our employees are the primary source of innovation for cost reduction opportunities throughout our programs and operations. Recognition, through our NextGen Recognition program, is given to teams from all disciplines who come forward with impactful and validated ideas that support our affordability objectives. For example, in 2021, a large technology procurement initiative that was not part of our original Supply Chain Council milestone plan resulted in more than \$10 million in savings. We recognized this accomplishment and communicated the initiative's success to our Executive Leadership Team and Chairman, President and Chief Executive Officer. We believe that celebrating our successes contributes to a culture of innovative thinking and encourages our teams to drive affordability.





## Elevating Digital Responsibility

Building a reputation for trust and integrity includes a strong commitment to digital responsibility. In an increasingly connected world, we remain committed to safeguarding data and setting standards for the use of artificial intelligence. We provide ongoing training and resources for our employees to support this commitment.

Artificial Intelligence	26
Data Privacy and Protection	27
Intellectual Property Rights	30



# Artificial Intelligence

## SUSTAINABILITY MANAGEMENT PLAN GOAL

By 2025, 100% of artificial intelligence developers will have been trained in system engineering approaches to artificial intelligence ethical principles.

## 2021 PROGRESS

In 2021, we focused on defining our path and increasing awareness. A core team is working on artificial intelligence security and governance in collaboration with the Advanced Technology Laboratory. We mapped the principles and discussed how to integrate them within corporate policies. We also began building a playbook that contains the tools and information on how to ethically use artificial intelligence at Lockheed Martin. The training will be developed based on this playbook and is scheduled for beta testing in late 2022.

Lockheed Martin is committed to driving the use of artificial intelligence in an equitable and transparent way. We are ensuring that our actions have the appropriate defined ethical boundaries at the start to deliver aligned capabilities, meet customer requirements, protect the safety of stakeholders and avoid reputational risk.

One of Lockheed Martin's newest resources is the Lockheed Martin Artificial Intelligence Center. It was created to help centralize the application and scalability of artificial intelligence within the company, which we anticipate to have a heightened impact across all functions. Artificial intelligence drives competitiveness in the marketplace as it can speed the design process as well as the time to market for our products. Artificial intelligence tools are critical to future business success, and the ethical use of artificial intelligence represents a core, defining aspect of how we implement artificial intelligence tools in our organization.

Our [Code of Ethics and Business Conduct](#) and our internal corporate policy [Ethical Development and Use of Artificial Intelligence](#) guide Lockheed Martin's ethical use of artificial intelligence. We created an Artificial Intelligence Ethics Subcommittee in 2020, under the direction of the Artificial Intelligence Executive Steering Committee, that oversees artificial intelligence design, development, deployment and internal use aligned to our adopted principles for the responsible use of artificial intelligence. These principles are: responsible, equitable, traceable, reliable and governable.

Lockheed Martin was one of the first large organizations to wholly adopt these principles, developed by the U.S. Department of Defense, and use them as the foundation for our artificial intelligence program. This reflects Lockheed Martin's strong history of ethical use of technology, our [Code of Ethics and Business Conduct](#) and our Core Values. The Artificial Intelligence Ethics Subcommittee includes representatives from all business areas, the Advanced Technology Laboratory, human resources, communications, legal, ethics and business transformation. It meets monthly and reports quarterly to the Artificial Intelligence Executive Steering Committee. Both Lockheed Martin's Chief Engineer and the Senior Vice President, Ethics and Enterprise Assurance review performance on a periodic basis and serve as the highest levels of leadership responsible for ethical use of artificial intelligence.

Customer engagement is an integral part of our program. Lockheed Martin was invited to an industry roundtable with the Joint Artificial Intelligence Center, which represents the customer in the use of responsible artificial intelligence. We also participated in the Joint Artificial Intelligence Center's transformational acquisition process. To strengthen our program, we invited the Joint Artificial Intelligence Center to an Artificial Intelligence Ethics Subcommittee meeting and have asked for their third-party review of our policy.

Our artificial intelligence sustainability management plan goal is focused on explaining and integrating ethical artificial intelligence across all of Lockheed Martin.

It encompasses the full artificial intelligence lifecycle—from use and selection to training and testing to cross-checking and development to ultimate sustainment. As of 2021, we have approximately 850 employees identified as artificial intelligence developers who will be required to take the training.

## INDUSTRY COLLABORATION

Lockheed Martin leadership engaged with the U.S. Department of Defense Advanced Research Projects Agency (DARPA) in early 2021 and eventually launched the first cross-industry ethical artificial intelligence collaboration session in November 2021. The Deputy Director of the Defense Sciences Office of DARPA went through the Institute for Defense Analyses to coordinate and host the meeting with one representative from each of eight defense companies. The main focus areas were testing and verification challenges and defense acquisition business model challenges for continuous data/model updates of deployed artificial intelligence. Lockheed Martin intends to continue this level of transparent collaboration to encourage the ethical use of artificial intelligence to underpin U.S. national security imperatives and international leadership.



# Data Privacy and Protection

## SUSTAINABILITY MANAGEMENT PLAN GOAL

By 2025, 50% of Lockheed Martin employees will have been trained in data literacy and data-centric practices.

## 2021 PROGRESS

In 2021, we developed the written scripts and videos for our compliance training that is planned for release in 2022. We also worked with Lockheed Martin's Enterprise Learning & Development team to procure an online learning platform that focuses on data analytics, data science and artificial intelligence/machine learning for all skill levels and roles. Usage of the platform in 2021 more than tripled compared to previous years, demonstrating its growing adoption across our organization.

Lockheed Martin empowers employees to take a proactive role in protecting data. From documented privacy policies to annual internal assessments supported by a formal network of privacy leaders throughout the enterprise, our corporate privacy program continues to evolve to meet new challenges and address the changing regulatory landscape. For example, new hires complete privacy awareness training as part of the onboarding process and all employees complete sensitive information protection training each year as part of their compliance training plan.

In support of this commitment to the protection of data, Lockheed Martin is also focused on expanding data literacy and digital responsibility.

## Data Literacy and Data-Centric Practices

In an increasingly data-driven world, we are helping Lockheed Martin employees understand their part in creating, using and managing data, and the impact their data decisions have on our business.

Enhancing data literacy and data-centric practices is the first step in empowering a data-informed enterprise. We are providing the skills employees need to protect the value proposition of our digital initiatives and increase our competitive advantage.

Data literacy is connected to our data strategy and is included as a resource in our new internal corporate policy on data governance. Lockheed Martin's data strategy mission is to ensure our business processes, systems and mission solutions generate high quality data that can seamlessly flow between our core business systems and is easily accessible to enable business area interoperability, real-time analytics, data-driven decisions and efficient delivery of zero-defect data products to our customers. Our data literacy efforts are championed by our Chief Data & Analytics Officer and presented quarterly to the Lockheed Martin Data Council. Employees are engaged in multiple ways, including dedicated websites, a data literacy

quiz to guide employees to further education resources and learning platforms that offer training on data topics. Our objective is to build a data-focused mindset, including skills and tools, through expanded learning opportunities available to all teams.

To achieve our sustainability management plan goal, we have a three pillar strategy:

- We will develop and release training that will provide a strong foundation in data literacy and data-centric practices and mindset for our employees.
- We will utilize learning solutions to enable employees to build data capabilities that are beneficial to their roles and professional growth.
- We will continue to engage with business areas and functional teams, when requested, to develop targeted data-related training, including new cohort learning experiences.

Lockheed Martin is actively expanding data literacy and data-centric practices across the enterprise. We are leveraging data as a strategic asset to communicate more effectively, drive innovation and continue to deliver on our customers' missions.



# Data Privacy and Protection



## HUMAN RESOURCES LEADERSHIP TRAINING

In February 2021, our Chief Data & Analytics Office hosted a virtual data literacy workshop for members of the Human Resources executive leadership team. The workshop focused on how leadership can support data literacy and data-informed decision making within each individual organization. Interactive learning materials with data-driven tactics were also shipped to their locations to elevate the experience. Given the team impact this type of training can have, we hope to expand leadership trainings in the future using this workshop as the model.



## PEOPLE ANALYTICS COHORT LEARNING

At the end of 2020, our Chief Data & Analytics Office collaborated with the human resources team to create a tailored, eight-week cohort learning experience on data and people analytics. It is a structured, self-paced training, complemented by weekly live office hours on specific human resources and people analytics topics where employees can ask questions and dive deeper into concepts applicable to their roles. Our Chief Data & Analytics Office helped design the original curriculum and led the first cohort of nominated human resources employees. In 2021, we launched our third cohort, and nearly 100 employees participated in the training. The human resources team now independently leads the effort. This experience will serve as our model for data literacy and data-centric cohorts moving forward.



# Data Privacy and Protection

## SUSTAINABILITY MANAGEMENT PLAN GOAL

100% of data objects identified for common definition in the Lockheed Martin data strategy (Tier 1 Data) and 100% of certified data sources have data stewards assigned by 2022.

## 2021 PROGRESS

We achieved the following three major milestones in 2021:

- Established the number of Tier 1 Data elements to include in our Lockheed Martin data strategy
- Completed the definition of “program” Tier 1 Data
- Established data steward committees for an additional three functions

## Tier 1 Data

Lockheed Martin regards data as a strategic asset and is committed to its responsible governance and management. We are optimizing how we extract value from data by improving interoperability and data quality, while minimizing data sensitivity risk.

Tier 1 Data, which are a set of common and agreed upon definitions for terms and their data equivalents, are a key aspect supporting our transition to a model-based enterprise<sup>18</sup>. Examples of such terms for Lockheed Martin include program, employee, customer and supplier. When we establish common, governing definitions for terms, it enables any employee creating an information technology system to align to the common definition. Once every system has adopted the definition, we can allow data to move through those systems while experiencing minimal translation issues. Additionally, Tier 1 Data is a significant enabler to digital responsibility since it improves our ability to identify, locate, govern, manage and protect sensitive data.

Our new internal corporate policy on data governance includes our data governance standards and a data stewardship procedure. Our Chief Data & Analytics Officer and chair of our Enterprise Data Governance Board is responsible for creation of Tier 1 Data and their associated definitions. Our Enterprise Data Governance Board is comprised of the Chief Data & Analytics Officer from each business area, as well as senior leadership representatives from legal, cybersecurity and corporate security. This board, which meets once per month, is empowered to lead our data governance policy and drive decisions, and is a subset of our Data Governance Council that meets quarterly and guides our data strategy across the company. Aligning systems and adopting the standard, as well as empowering data stewards (individuals entrusted with effective control and use of data and information assets) will occur within all business areas.

In 2021, we determined our Tier 1 Data by balancing commonality with the effort required for Tier 1 Data management. This included setting data quality requirements. We then focused on software and systems

integration, policy and target approval and developing an operating model that will guide us from idea to implementation. Looking forward, we will identify data stewards and establish data steward committees, coach these stewards through our operating model and work towards Tier 1 Data definitions.

“Tier 1 Data underpins the digital threads that traverse our business processes enabling the transformation to a model-based enterprise. Our success allows Lockheed Martin to simultaneously deliver more business value and improve our ability to protect sensitive data”

— Mike Baylor, Vice President, Chief Data & Analytics Officer

<sup>18</sup> As stated in our enterprise reference architecture, a model-based enterprise is an organizational approach that connects and consumes product data seamlessly, eliminating functional and system silos and limiting the usage of transactional systems by leveraging data rich models.





# Intellectual Property Rights

## SUSTAINABILITY MANAGEMENT PLAN GOAL

By 2022, an intellectual property protection hierarchy has been deployed with tiered protection of intellectual property data assets based on their classification within that hierarchy.

## 2021 PROGRESS

We finished developing the processes and resources required to deploy the new **Restricted Use Only** and **Restricted Internal Use Only** designations for Lockheed Martin Proprietary Information.

Our intellectual property sustainability management plan goal is focused on defining and implementing heightened categories of protection for critical types of Lockheed Martin Proprietary Information, which includes the new designations of **Restricted Use Only** and **Restricted Internal Use Only**. This increases our ability to protect intellectual property as a business asset throughout its lifecycle to maximize our competitive position.

It also drives value in the following two key ways:

- Enhances data security and mitigates data spills: By implementing a process for identifying, protecting and controlling access to critical technology, we are reducing the possibility of inadvertent leaks or intentional disclosure.
- Creates a flexible, nuanced proposal approach: Enables us to move away from traditional proposals to better balance Lockheed Martin interests in protecting our critical technology while delivering needed information to our customers.

Our two internal corporate policies, **Protection of Sensitive Information** and **Intellectual Property**, provide the foundation for this intellectual property effort. We have a cross-functional working group for managing heightened protection categories for Lockheed Martin Proprietary Information that led the development of the new designation system. The working group is focused on creation of processes, tools and training, integration of the designations into our current Sensitive Information Protection Tool and collaboration with business areas and Intellectual Property Review Boards for effective implementation. The Intellectual Property Review Boards at each business area and at Enterprise Operations review categories designated by Lockheed Martin-funded technology development programs and provide any needed support. Concerns that arise can be elevated to the Enterprise Intellectual Property Strategy Board, which is led by our technology and business development functions.

Once fully established, we plan to conduct periodic internal reviews to revisit designated categories across all programs to ensure the information still qualifies for its specific designation or if updates are required. Looking to 2022, we plan to put the new designation system fully into practice across the company. With the first use cases we can determine best practices and make any needed refinements to better protect our intellectual property.

## DESIGNING NEW RESOURCES FOR SUCCESS

To enable success of this intellectual property goal, our cross-functional working group designed a comprehensive set of resources that are utilized by programs at different stages within the process. These include an enhanced data protection playbook, a protection standard, a protection form, confidentiality agreements and training. The training has been deployed in our formal enterprise-wide training system and is a self-paced, virtual course designed to familiarize employees who may be handling sensitive information with the tools needed to protect our valuable intellectual property.



## Fostering Workplace Resiliency

Our people are our greatest asset, and we strive to build a dynamic, engaging, safe and welcoming workplace that drives innovation, embraces diverse perspectives and encourages collaboration. We invest in our employees and cultivate an environment of belonging where people can bring their authentic selves to work every day, and have an opportunity to thrive in their roles and beyond.

Harassment-Free Workplace	32
Inclusion and Equity	33
Workplace Safety	37



# Harassment-Free Workplace

## SUSTAINABILITY MANAGEMENT PLAN GOAL

All Lockheed Martin employees participate in at least one bystander intervention training workshop by 2025.

## 2021 PROGRESS

In 2021, 2,700 employees completed a bystander intervention training workshop through our Upstander Campaign. Looking forward, we will increase the availability of workshops and the Upstander Campaign will be integrated into our new digital training platform, Atlas Learning, and assigned to 100% of employees globally.

Lockheed Martin takes pride in our Core Values to Do What's Right, Respect Others and Perform with Excellence. These Core Values are underpinned by our [Code of Ethics and Business Conduct](#) and corporate policies on [Harassment-Free Workplace](#) and [Nondiscrimination and Equal Employment Opportunity](#). We require all employees to complete annual harassment-free workplace training. Additional related training is required for specific employees based on function and level.

We aim to live up to our values and to ensure employees feel heard and supported. In 2019, we began the first phase of developing dedicated bystander intervention training by incorporating elements into our annual harassment-free workplace course materials and our Code of Ethics and Business Conduct. We used guidance from respected external organizations to help build the content, including the U.S. Equal Employment Opportunity Commission.

In 2021, we formally released a dedicated bystander intervention training, which was branded the "Upstander Campaign." This branding occurred because we believe there are two types of bystanders: an active bystander and a passive bystander. A passive bystander is one who witnesses harassment but does not act. An active bystander, also known as an upstander, is one who reacts with the intent to stop harassment, discrimination, retaliation or other inappropriate conduct. We empower our employees to be upstanders in these situations.

We promoted our Upstander Campaign through workshops and communications to encourage voluntary completion. In these workshops we taught the use of Green Dot's bystander intervention techniques, which emphasize the 3Ds: direct, distract and delegate. After each workshop we gathered feedback from participants to understand how we could improve our efforts. We also encouraged employees to take the Upstander Pledge to sustain an inclusive culture where there is a sense of belonging for all.

Senior responsibility for this sustainability management plan goal is held by our Vice President, Global Diversity and Inclusion with director-level responsibility for implementation. Progress is reported on a monthly basis.

## UPSTANDER CAMPAIGN WORKSHOPS

In 2021, our Global Diversity and Inclusion organization conducted more than 40 Upstander Campaign workshops. These workshops provided the tools, skills and resources needed to identify and report harassing behavior. Content included educational resources to define harassment per Lockheed Martin policies and U.S. Equal Employment Opportunity Commission guidelines, and the type of behaviors that should be addressed when witnessed. Our feedback surveys showed that 96% of employees who completed the workshop reported they felt more prepared to intervene if they witnessed harassment or discrimination. The ultimate goal of the Upstander Campaign is for more employees to successfully intervene and report incidents they witness.





# Inclusion and Equity

## SUSTAINABILITY MANAGEMENT PLAN GOAL

All leaders have an inclusive leadership experience or complete one diversity and inclusion-associated action annually through 2025.

## 2021 PROGRESS

In 2021, 100% of leaders completed training on leading diverse teams.

Our diversity and inclusion strategy is built into the fabric of our Core Values and is imperative to our success. We know that Lockheed Martin's diverse and inclusive workforce enhances our collective power, and our ability to recognize, value and draw upon unique perspectives and experiences to drive innovation and solve our customers' toughest challenges. Our strategy is underpinned by strong policies, which protect employees and exemplify the inclusive culture we strive to foster.

## Inclusive Leadership

Our focus on training our leaders on inclusion began over a decade ago when feedback from employees indicated this was an area for improvement. We believe inclusive teams produce the best work and are a key building block to a company culture where all employees feel belonging. Through our robust inclusive learning strategy, we seek to develop key inclusive behaviors in employees and leaders and address employee needs at every level of the organization. As a result, we developed a full suite of trainings and tools to educate our leaders on inclusivity and equip them to empower employees to perform their best. Along with our required annual Leading Diverse Teams training, we offer a multitude of learning experiences, such as our newly launched four-week pilot training program that embeds foundational principles and behaviors of inclusion. These efforts help us equip our leaders and employees with the tools they need to create an inclusive culture and reinforce its importance.



## DIVERSITY AND INCLUSION LEARNING SUMMIT

In November 2021, we held our first Diversity and Inclusion Learning Summit. For this virtual event, we invited Lockheed Martin internal stakeholders, external institutions and non-profit organizations that we partner with to join and speak about their areas of expertise. These included a global non-profit research and consulting firm dedicated to diversity outreach, the advancement of women and people of color, and cataloging diversity best practices in the workplace. This event included seminars on topics such as inclusion in a hybrid work environment, learning best practices for inclusivity and review of inclusion rating indices of top firms. It also included breakout workshop sessions with stakeholders to share deeper insights that will inform future Lockheed Martin diversity and inclusion strategies and solutions.



# Inclusion and Equity

## SUSTAINABILITY MANAGEMENT PLAN GOALS

Increase hiring of protected veterans and people with disabilities to meet or exceed annual U.S. Department of Labor targets through 2025.

Increase representation of women and people of color enterprise-wide by 2021.

## 2021 PROGRESS

In 2021, we exceeded U.S. Department of Labor hiring targets for protected veterans and people with disabilities.

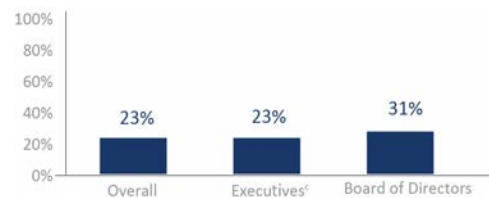
In 2021, our representation of women remained at 23% and our representation of people of color increased to 29%.

## Workforce Diversity

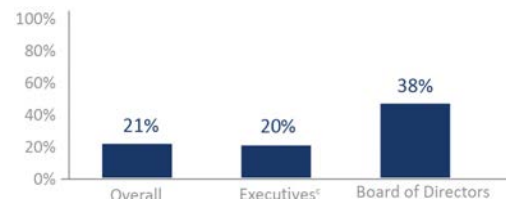
We actively pursue increasing the representation of underrepresented groups within our workforce. One challenge we face is the lower participation of certain groups in the U.S., overall, in science, technology, engineering and math occupations, which account for more than 50% of Lockheed Martin's employee occupations. For example, in the U.S., overall, 12.6% of aerospace engineers, 21.6% of software developers and 8.4% of mechanical engineers are women.<sup>9</sup> However, we continue to work hard to increase representation within our workforce, including through scholarships, internships, fellowships and partnerships such as our five-year partnership with Girls Inc., our partnership with Historically Black Colleges and Universities and Hispanic Serving Institutions and the Lockheed Martin Science, Technology, Engineering and Math Scholarship Program. We are currently within 2% of the 2021 Aerospace and Defense Workforce Study representation of women benchmark of 25% in our industry, and within 1% the Study's people of color representation benchmark of 30%. While we have made progress, we know that we still have work to do. Representation is one measurement of our overall progress toward a more diverse and inclusive workforce.

### Workforce Demographics<sup>a</sup>

#### WOMEN<sup>b</sup>



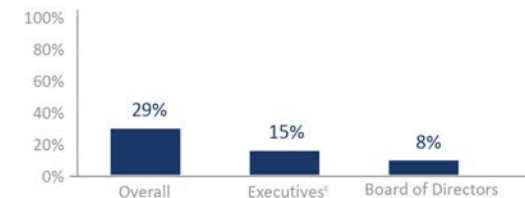
#### VETERANS<sup>e</sup>



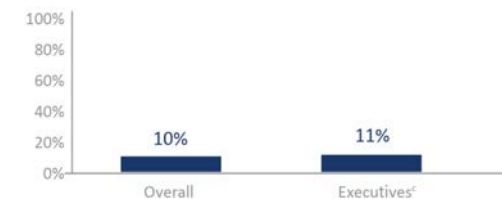
#### EDUCATION



#### PEOPLE OF COLOR<sup>d</sup>



#### PERSONS WITH DISABILITIES<sup>d</sup>



#### GENERATION<sup>f</sup>



<sup>a</sup> As of December 31, 2021. For more information on Lockheed Martin's workforce demographics, please visit our [EEO-1 Reporting website](#).

<sup>b</sup> Based on employees who self-identify. Excludes casual workers, interns/co-ops and employees of certain subsidiaries and joint ventures.

<sup>c</sup> Executive is defined as director-level (one level below vice president) or higher.

<sup>d</sup> Based on employees who self-identify. Includes only U.S. employees and expatriates. Excludes casual workers, interns/co-ops and employees of certain subsidiaries and joint ventures. As defined by the U.S. Equal Employment Opportunity Commission.

<sup>e</sup> Based on employees who self-identify. Includes only U.S. employees and expatriates. Excludes casual workers, interns/co-ops and employees of certain subsidiaries and joint ventures.

<sup>f</sup> Includes U.S. employees, local country nationals and expatriates. Excludes casual workers, interns/co-ops and employees of certain subsidiaries and joint ventures.

<sup>g</sup> Source: U.S. Census Bureau: 2014-2018 EEO Tables (ACS 5-Year Data), EEO-ALL01W, Nationwide.

The generational structure used by Lockheed Martin in 2021, based on U.S. government definitions, is as follows:

- Traditional: Birth year from 1928 to 1945
- Baby Boomer: Birth year from 1946 to 1964 inclusive
- Gen X: Birth year from 1965 to 1980 inclusive
- Millennial and Beyond: Birth year from 1981 to present





### LOCKHEED MARTIN HEROES PROGRAM

Our Lockheed Martin Heroes program provides fellowships to military members transitioning to civilian careers, military spouses, caregivers and wounded warriors. We partner with organizations such as: U.S. Chamber of Commerce Foundation's Hiring our Heroes Corporate Fellowship Program, Department of Defense SkillBridge program, U.S. Special Operations Command Wounded Warrior Internship Program and the military Career Skills Programs. Through our Heroes program our talent acquisition team is able to provide the resumes of individuals transitioning from active duty military members and military spouses to hiring leaders across Lockheed Martin as prescreened and recommended employee candidates. Each year, several thousand of these candidates are introduced to hiring teams. Once selected, transitioning service member candidates complete three- to six-month fellowships consisting of on-the-job training. Military spouse and caregiver candidates complete a six-week on-the-job training experience.



### ROWAN UNIVERSITY PATH PARTNERSHIP FOR NEURODIVERSE STUDENTS

In 2021, Lockheed Martin continued its neurodiversity internship program in partnership with Rowan University's Preparation and Achievement of Transition to Hire program. Through this partnership, we aim to increase diversity in our workforce with qualified talent who are on the autism spectrum or have other brain differences, such as differing learning abilities. In 2021, we recruited and placed our second cohort of students in internship roles where we believed they would excel, while also bringing new perspective to our operations. Since its inception, the majority of participants in the program have gone on to return for future internships or receive permanent job offers upon graduation.



### DISABILITY:IN NEXTGEN LEADERS PROGRAM

Lockheed Martin is a long-standing and proud sponsor of Disability:IN, an organization that promotes the employment of people with disabilities in business settings. The Disability:IN NextGen Leaders program is a six-month program for college students and recent graduates with disabilities who have demonstrated talent and leadership in science, technology, engineering and math, finance and business fields. NextGen Leaders collaborate with corporate partners to prepare for employment through mentorship, networking and recruiting opportunities. In 2021, Lockheed Martin had a record number of employees serve as mentors to NextGen Leaders.



### PARTNERSHIPS WITH HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

Lockheed Martin continues to work with Historically Black Colleges and Universities to foster and recruit top talent. In 2021, through targeted engagement and hiring events, 106 offers were accepted by Historically Black Colleges and Universities students to begin internships and full-time roles in the summer of 2022. In addition to Lockheed Martin's long-standing partnership with engineering departments within 16 Historically Black Colleges and Universities, our Finance & Business Operations team deepened their partnerships in 2021 with four business schools at Florida A&M University, Howard University, Morgan State University and Prairie View A&M University. The aim of these partnerships is to work with the faculty to guide academics, provide skills development for students and recruit for early career opportunities. In November, John Mollard, Vice President and Treasurer, gave a virtual presentation at an event hosted by Florida A&M University, where business students from all four partner schools learned more about career opportunities.

### BUSINESS RESOURCE GROUPS

Our Business Resource Groups continue to be a strategic enabler of our diversity and inclusion strategy. Our Business Resource Groups are voluntary, employee-led groups that are open to all employees while focusing on workplace issues specific to racial/ethnic, gender, sexual orientation/gender identity, disability or veteran status. The Business Resource Groups foster a diverse and inclusive workplace aligned with our organizational mission, values, goals and business practices and drive awareness and change within our organization. Our commitment to the Business Resource Group program is demonstrated through our assignment of executive sponsors, our investments in programming and the formal policies and management we have established to support their governance.

"At Lockheed Martin, we are dedicated to upholding our Core Values—Do What's Right, Respect Others and Perform with Excellence. One of the most important expressions of our commitment to these core values is actively building a diverse workforce and inclusive environment. We know our strength is rooted in coming together so all our employees can bring their best selves to work each day."

— Greg Karol, Senior Vice President and Chief Human Resources Officer

## Historically Black Colleges and Universities (HBCU) Partnerships

Alabama A&M University  
Atlanta University Center Consortium  
Florida A&M University  
Hampton University

Howard University  
Jackson State University  
Morgan State University  
North Carolina A&T State University

Norfolk State University  
Prairie View A&M University  
Southern University & A&M College  
Tennessee State University

Tuskegee University  
University of the District of Columbia  
University of Maryland Eastern Shore  
Virginia State University

16

LOCKHEED MARTIN HBCU PARTNERSHIPS

78

LOCKHEED MARTIN FINANCE & BUSINESS OPERATIONS HBCU ALUMNI

86

LOCKHEED MARTIN HBCU INTERNS IN 2021



CAREER COMMUNICATIONS GROUP: 2021 TOP SUPPORTERS OF HBCU ENGINEERING SCHOOLS



# Workplace Safety

## SUSTAINABILITY MANAGEMENT PLAN GOALS

Reduce the number of days away from work due to occupational injury or illness through 2025.<sup>20</sup>

Establish a risk-based approach to serious incident and fatality prevention programs by 2025.

## 2021 PROGRESS

We did not meet this goal in 2021. This goal is based on a three-year rolling average, which included data from years prior to the pandemic. An analysis showed that we would have been successful in achieving our target if occupational COVID-19 related days away from work were removed from the 2021 calculation.<sup>21</sup>

In 2021, we finalized our new serious incidents or fatalities management process, integrated it within our incident management system tool and conducted initial testing. Implementation across the company is planned for early 2022.

Our safety and health program, called Target Zero, goes beyond compliance to ensure safe work conditions, promote workforce resiliency and enhance business value. We actively implement programs to reduce risk, prevent injuries and empower our employees in creating a safer work environment. This helps us protect the foundation of our business and our greatest asset: our people.

Lockheed Martin's corporate policy **Environment, Safety and Health** provides the overarching guidance for our Target Zero program. It is supported by a comprehensive set of procedures on different safety and health topics, including the framework for our Environment, Safety and Health Management System. Performance on our safety metrics and initiatives are reported to the Vice President, Environment, Safety and Health on a monthly basis, as well as to the Board of Directors quarterly. Additionally, we have an internal performance dashboard that is updated monthly and available to all employees.

Lockheed Martin's enterprise Environment, Safety and Health Management System is certified to ISO 45001, with 25 sites certified to ISO 45001 in 2021.<sup>19</sup> Additionally, five Lockheed Martin facilities are participants in the U.S. Occupational Safety and Health Administration's Voluntary Protection Program.

We are actively involved with organizations such as the National Association of EHS&S Management, The National Safety Council, The Conference Board and industry working groups to share safety best practices and lessons learned. One example is our participation in the Z16 Standards Committee with more than 20 other organizations. The Z16 standard provides a broadened scope of metrics to help organizations better understand and improve safety and health performance, as well as the impact safety and health has on business success. Measuring workplace safety performance extends beyond employee injury and illness prevention to include topics such as fleet, property, reputation and resilience.

## PARTICIPATORY ERGONOMICS PROGRAM

Our Participatory Ergonomics program allows employees from different areas to become part of an ergonomics team in charge of conducting assessments and implementing solutions in manufacturing areas identified as high and moderate risk for ergonomic stressors. Since 2011, eight teams have been established. In 2020, two Participatory Ergonomics teams implemented comprehensive and sustainable Participatory Ergonomics programs, completing approximately three dozen improvement projects that represented an estimated cost avoidance of almost \$2.6 million. In 2021, a program enhancement train-the-trainer pilot initiative was implemented in our Missiles and Fire Control business area, which will enable and enhance ergonomic skills.

<sup>19</sup> While the enterprise Environment, Safety and Health Management System is certified, it does not mean that all of our facilities are automatically certified. Individual facilities apply for inclusion in the certification separately.

<sup>20</sup> Lost days severity rate is calculated as a function of the number of days away from work due to an injury or illness per 100 employees.

<sup>21</sup> The 2021 severity rate without occupational COVID illnesses was 4.32, which was within goal. The 2021 severity rate including occupational COVID illness was 5.81. No other identified trends impacted our 2021 performance. The 2020 severity rate without occupational COVID illnesses was 4.26, which was within goal. The 2020 severity rate including occupational COVID illness was 5.06. No other identified trends impacted our 2020 performance.

# Workplace Safety

Within Lockheed Martin, we engage and empower employees through a suite of safety initiatives. Several of these include:

- **Target Zero Structured Improvement Activities:** These continuous improvement events are designed to enhance safety and performance in identified opportunity areas. In 2021, our Corporate Environment, Safety and Health team sponsored three domestic and one international event, and our business areas sponsored an additional four events.
- **Zero in on Safety:** This employee promotion campaign demonstrates leveraging the Zero in on Safety techniques, Identify, Evaluate and Act (IDEA), to recognize hazardous conditions, report injuries and close calls and implement corrective solutions.
- **Safety Moments:** This video series is based on real Lockheed Martin situations and incidents. Safety Moments drives injury prevention and awareness through employee testimonials and stories.
- **Ergo Cup:** This competition fosters innovation of new ergonomic practices and processes to minimize ergonomic stressors experienced in the workplace. We held our ninth annual Lockheed Martin Ergo Cup competition in 2021.
- **Target Zero's Heroes:** This program, introduced in 2021, recognizes employees who demonstrate outstanding safety actions through a formal nomination and awards process.

We continually strive to improve our Target Zero program. An example of this is our recent effort towards risk-based management, with an enhanced focus on actual and potential serious incidents or fatalities. Focusing on this category of serious incidents allows us to dedicate resources to manage robust investigations, corrective actions and preventative strategies in areas that will have the greatest safety impact.

Our Target Zero Committee developed Lockheed Martin's concept of prioritizing actual and potential serious incidents or fatalities and the new process for managing them through our incident management system. Our system is used to report and track all safety incidents, close calls and positive observations across the company. The Target Zero Committee published a guidance document defining actual and potential serious incidents or fatalities to include incidents that relate to one of seven high-risk categories. Actual and potential serious incidents or fatalities will be tracked in our incident management system and will require the incident investigator to complete a 5 Whys root cause analysis. The Target Zero Committee will analyze all actual and potential serious incidents or fatalities reported across the business areas to identify trends and opportunities for improvement. Performance will be reported on a quarterly basis to the Environment, Safety and Health Leadership Council.

For more information on our Target Zero and Environment, Safety and Health programs, please visit the Lockheed Martin [Environment, Safety and Health website](#) and review our annual performance reports located on the [ESG Portal](#).

## U.K. TARGET ZERO STRUCTURED IMPROVEMENT ACTIVITY EVENT



Lockheed Martin conducted its first Target Zero structured improvement activity at our Faslane, U.K., location in the summer of 2021. The focus was on identifying improvement opportunities for ballast maintenance operations, which consists of transporting and sand-blasting vessel ballasts. The original operation required heavy lifting, awkward positions and working at heights. The facility designed an innovative solution to transport, elevate, hold and roll the ballast in which the air transporter, a critical piece under the ballast, was able to be removed to avoid grit damage from sandblasting. This solution also eliminated the need to work at heights. The operation was further refined by the structured improvement activity team with an overhead arrestor to hold the hoses and blasting equipment, reducing operator safety risk. We plan to host a multi-week structured improvement activity event in the U.K., again in 2022, this time looking for safety opportunities at both manufacturing and office facilities.



## Modeling Business Integrity

Earning and maintaining the trust of our stakeholders is essential to our business. We are proud of our culture of integrity and work to create an environment that supports ethical behavior and empowers employees to speak up with concerns. We are deeply committed to doing business the right way and strive to strengthen our programs to ensure our employees and anyone who works with us adheres to the same high ethical standards.

Ethical Business Practices

40

Anti-Bribery and Corruption

42





# Ethical Business Practices

## SUSTAINABILITY MANAGEMENT PLAN GOAL

Score at or below 35% of the total percentage of employees who observe misconduct within the past 12 months, but neither report it nor take action to address it by 2025.

## 2021 PROGRESS

Survey results indicate 29% of employees who have observed misconduct in the workplace in the prior 12 months did not report or take action to address it. We continue to encourage employees to take action and provide multiple contact methods for guidance and reporting. Lockheed Martin does not tolerate retaliation and this is communicated in training, policies and during contacts to the Ethics Office.

A core component of an effective ethics program is ensuring employees feel empowered to raise concerns to their leader or Ethics Officer for guidance or to report potential misconduct. Promptly responding to concerns promotes trust and accountability in the workplace. Lockheed Martin's sustained reputation for ethical conduct instills confidence in our customers and suppliers, and helps attract and retain high quality employees whose values and integrity align with the company.

Our [Code of Ethics and Business Conduct](#) and corporate policy [Ethics and Business Conduct](#) provide the foundation for Lockheed Martin's ethics program, reinforcing our Core Values to Do What's Right, Respect Others and Perform with Excellence. Training and policies support the program, clarifying the expectation for behavior and compliance, while ensuring employees know how to raise concerns. Our Board of Directors provide program oversight, reviewing metrics, initiatives and project status three times each year. In addition, business area Ethics Steering Committees review similar information and provide oversight for their business. Our ethics program is reviewed annually as part of our entity level controls assessment. This assessment includes a

comprehensive review of existing policies, procedures and business conduct compliance training to ensure the program is relevant, comprehensive and effectively managed.

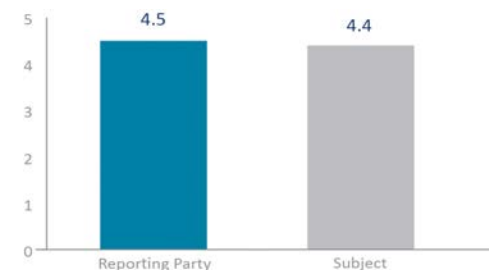
The biennial 2021 Employee Insights Survey provides insights on employee perceptions of ethics, integrity and trust. Employees who do not take action when observing misconduct primarily believe no action will be taken, and/or they fear potential retaliation from peers or leadership. These concerns are addressed in multiple ways including Integrity Minute videos, business conduct compliance training, ethics awareness training and other leadership and local Ethics Office engagement.

Survey data helps gauge the health of our ethics program and provides tracking against the sustainability management plan goals. Employees are asked if they have personally observed misconduct in the workplace in the past twelve months. If they respond yes, they are asked if they reported it, took action or did nothing. The sustainability management plan goal is not to exceed 35% of employees who observe misconduct taking no action. Employees are expected to not only recognize misconduct, but take action to address it through Voicing our Values techniques or reporting. Lockheed Martin has seen a steady decline in observations of misconduct, as well as employees unwilling to take action.

## ETHICS CONTACTS (PER 1,000 EMPLOYEES)<sup>a,b,c</sup>



## 2021 INVESTIGATION FEEDBACK SCORES (SATISFACTION SCORED ON A FIVE POINT SCALE)<sup>d</sup>



<sup>a</sup> Ethics contact requests for an Ethics Officer to provide guidance or to investigate misconduct.

<sup>b</sup> Ethics guidance information, advice and/or resources to clarify policy and resolve workplace questions on a wide-range of ethics and compliance topics.

<sup>c</sup> Ethics case internal investigation into a good-faith allegation of misconduct.

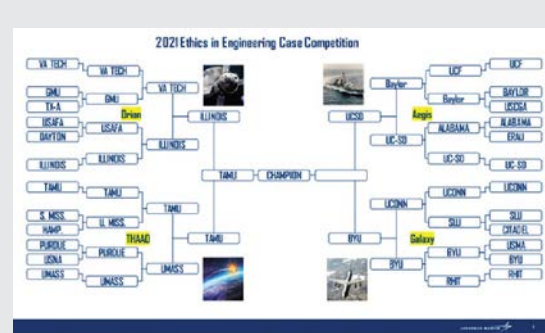
<sup>d</sup> Investigation feedback score perspectives of reporting party and subjects on the ethics investigative process.

# Ethical Business Practices



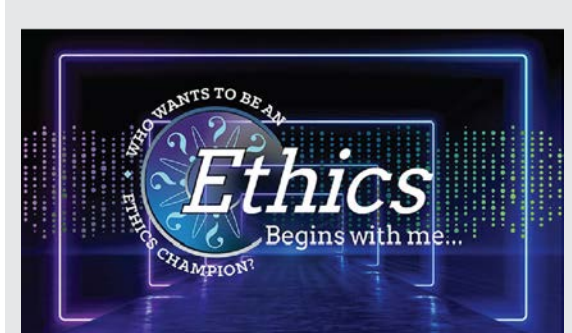
## CAROL R. MARSHALL AWARD WINNER

Blair Marks, recently retired Vice President, Ethics and Business Conduct, received the Carol R. Marshall Award for Innovation in Corporate Ethics from the Ethics and Compliance Initiative. This non-profit organization founded in 1922 and based in Vienna, VA, has helped build cultures of integrity. This prestigious award is named after the late Ethics and Compliance Initiative Fellows Chair and coincidentally the first Lockheed Martin Vice President, Ethics and Business Conduct. This award honors individuals who model Carol R. Marshall's leadership, achievement and innovation.



## ETHICS IN ENGINEERING COMPETITION AWARD

We are honored to receive a Gold Brandon Hall Human Capital Management Excellence Award for Excellence in Human Resources for "Best Advance in Social Impact" for our 2021 Ethics in Engineering Case Competition. This event took place in February 2021 during Engineers Week. Twenty-four college and university teams, each with two undergraduate students and an accompanying faculty member, presented their solution to a fictional case involving ethical, business and engineering dilemmas with a focus on supersonics and hypersonics. Texas A&M University won; semi-finalists included Brigham Young University, University of Illinois and first-time competitor University of California-San Diego. More information about this competition can be found on our [Ethics website](#).



## MISSILES AND FIRE CONTROL ETHICS WEEK

Missiles and Fire Control hosted its fourth annual Ethics Week in March 2021. This effort raises awareness about the importance of workplace ethics, compliance and business conduct and serves as a reminder that we must all work together to embrace our Core Values. This year's theme was "Who Wants to Be An Ethics Champion?" where employees were encouraged to visit the ethics website homepage and select answers to common ethics questions for a chance to win a grand prize. Each day was based on a different topic. Day one focused on the ethics process, day two was about charging practices, day three was about gifts and business courtesies and day four focused on retaliation.



# Anti-Bribery and Corruption

## SUSTAINABILITY MANAGEMENT PLAN GOAL

Achieve 100% completion of required employee training on gifts and business courtesies and international business practices annually through 2025.

## 2021 PROGRESS

We achieved 100% completion of these two trainings for required employees.

At Lockheed Martin, we have zero-tolerance for bribery and corruption. We will walk away from business engagements associated with improper conduct and that would violate U.S. and other applicable anti-corruption laws.

Included in our comprehensive approach to anti-corruption compliance are our Gifts and Business Courtesies and International Business Practices business conduct compliance training modules. These courses, required annually for employees with applicable roles and responsibilities, inform and deliver resources to employees about our expectations for ethical business practices, and support employee awareness of, and compliance with, applicable laws. Additional employee engagements about the importance of anti-corruption compliance are provided through a variety of topical spot briefings within functional teams. For example our legal team engages employees several times a year on the history, importance and risks related to corruption during our Doing Business Overseas course.

In 2021, we created two high-impact, supplemental modules with specific situational scenarios illustrating corruption risks and behaviors for employee awareness. These included:

- Country-specific training: We created country-specific training for certain employee populations and locations, such as Saudi Arabia. We plan to create similar content for additional countries in the future.
- “What do you do?” scenario training: This scenario training reflects real-world situations employees may encounter during international field deployments or travel, which may implicate bribe requests, including where personal safety may be at risk. We plan to release these trainings in 2022 through a variety of internal media resources.

Our corporate policies [Gifts, Hospitality, Other Business Courtesies and Sponsorships](#) and [Compliance with Anti-Corruption Laws](#) provide specific guidance and procedures for the company. For example, the first policy outlines thresholds of permissibility, exception request processes and approval responsibilities associated with offering of certain business courtesies. We use an analytics tool to scan company data and flag questionable transactions for review and any policy violations that may occur are reported to business area legal teams for remedial actions, as well as to the Senior Vice President, General Counsel and Corporate Secretary on a quarterly basis. Please refer to the Lockheed Martin [Code of Ethics and Business Conduct](#) for more information on our anti-corruption policies.



# Beyond the Sustainability Management Plan



While our sustainability management plan provides the framework for the integration of sustainability within our business, we focus on additional topics that are critical to reducing our environmental footprint, positively contributing to our communities and upholding our commitment to integrity.

Supporting Sustainable Development	44	Waste Management	50
Human Rights	45	Water Management	51
Supply Chain Sustainability	46	Remediation	52
Social Impact	48		



# Supporting Sustainable Development

At Lockheed Martin, our commitment to sustainability extends to the communities where we operate. We developed goals aligned to four United Nations Sustainable Development Goals with underlying targets that relate to Lockheed Martin's mission and values. Our goal is to double our financial support to organizations that support these specific targets by 2030, including:



**Quality Education:** Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment and entrepreneurship.



**Affordable and Clean Energy:** Expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries.



**Gender Equality:** Enhance the use of enabling technology, especially information and communications technology, to promote the empowerment of women.



**Peace, Justice, Strong Institutions:** Substantially reduce corruption and bribery in all their forms.



In 2021, we established a baseline of our existing support to organizations covering the selected Sustainable Development Goals targets. We collaborated with our finance team to centralize data on sponsorships and charitable contributions across all four business areas. We evaluated each organization receiving support against the four selected Sustainable Development Goals using a standard set of criteria to avoid double counting. We also ensured the organizations considered for this goal had a clear development-oriented mission. In 2021, Lockheed Martin provided approximately \$12 million in support of organizations that supported Quality Education and Peace, Justice, Strong Institutions.





# Human Rights

At Lockheed Martin, we believe good citizenship includes the protection and advancement of human rights.

Our commitment to being a good corporate citizen and respecting human rights underpins our [Code of Ethics and Business Conduct](#) and our Core Values to Do What's Right, Respect Others and Perform with Excellence. This commitment applies to all employees, the Board of Directors and others who represent or act for us. Lockheed Martin's activities are conducted in compliance with the laws and regulations of the countries in which we operate, except where such laws conflict with U.S. law, and our compliance with them is reinforced by our robust integrated assurance program and Board of Directors oversight of our enterprise risk management process.

We published our first [Human Rights Report](#) in 2021 to further enhance the availability and transparency of information on our human rights approach and the progress of our initiatives on human rights. The report provides a comprehensive overview of our human rights related governance, including board and management oversight of human rights matters, policies, principles and due diligence processes that guide our approach, and has information on our progress toward associated programs and goals.

## ASSESSING HUMAN TRAFFICKING RISKS IN OUR SUPPLY CHAIN

In 2021, our Global Supply Chain Operations team continued to build on the human trafficking supply chain assessment completed in 2020. Along with updating the mapping of Lockheed Martin's human trafficking risk across our supply chain, available via an internal dashboard, the team established an annual engagement of supply chain executives and developed guidance and educational materials for internal distribution. Materials included a summary of high risk regions for human trafficking, any changes year-to-year in risk levels and data on changes in the number of Lockheed Martin suppliers in these regions. The goal of this effort is to guide decision making around purchases and other supplier engagement activity. In 2021, the number of suppliers in high risk human trafficking regions declined by more than 30%. In addition to engaging senior decision makers on this important issue, we continued to engage our more than 5,000 supply chain professionals to raise awareness of human trafficking and the resources available to them to understand this risk when making decisions.

## INTERNATIONAL INDUSTRY GROUPS SHARE BEST PRACTICES ON HUMAN RIGHTS SUPPLY CHAIN DUE DILIGENCE



Human rights due diligence is a growing area of importance across the aerospace and defense industry, and collaboration is a key element to making progress. Lockheed Martin is a member of several international industry and ethics groups such as the U.K.'s Institute of Business Ethics Defence Practitioners Group, the ADS Business Ethics Network and the International Forum on Business Ethical Conduct. These groups focus on raising the overall integrity of the aerospace and defense industry via collective action, and produce toolkits, principles and template documents for members to adopt, including materials on human rights due diligence.

During 2021, Lockheed Martin participated in industry panel discussions on human rights and supply chain due diligence facilitated by the Institute of Business Ethics Defence Practitioners Group, along with ADS Business Ethics Network and International Forum on Business Ethical Conduct members. The purpose of these events was to share best practices and examples of how participating companies were addressing the challenges of conducting diligence at sub-tier levels, setting expectations in supplier codes of conduct, conducting risk assessments and selecting appropriate human rights standards and frameworks, as well as improving company statements and obligations required by the Modern Slavery Act 2015. The key value of these discussions was the recognition that companies were at different stages in their journey to address human rights supply chain due diligence, and that information shared can be used for benchmarking and identifying best practices. There was also a realization that to understand and address this topic fully, a multi-disciplinary team of ethics, procurement and sustainability professionals across the industry is needed to drive toward common standards and frameworks for conducting the required due diligence from evolving legislation.



# Supply Chain Sustainability

Lockheed Martin has established sustainable supply chain programs that drive affordability and innovation across our value chain. In 2021, we focused on creating long-lasting, leading opportunities to enhance environmental stewardship and social responsibility. To learn more about our sustainable supply chain management and access available resources, please visit our [Supplier website](#).

Lockheed Martin understands that what we do today shapes what the world will become tomorrow. Lockheed Martin's supply chain sustainability strategy includes efforts that align with environmental, social and governance topics. We continuously evaluate and expand upon our efforts to strengthen our strategy while addressing emerging areas of concern to our stakeholders.

Environmental	Social	Governance
 ENERGY UTILIZATION WASTE MANAGEMENT GLOBAL PRODUCT CHEMISTRY REGULATIONS  Model Based Enterprise Chemical Stewardship Strategy Chemical Management Service Program Global Regulatory Matters Publication Packaging Guidelines	 SUPPLIER DIVERSITY HUMAN RIGHTS  Small Business Strong Conflict Minerals Human Trafficking Supply Chain Risk Assessment Uphold the Code	 INTELLECTUAL PROPERTY & DATA PROTECTION EMERGING ISSUES & RISK ASSESSMENTS  Counterfeit Parts Ethics Mentoring CMMC Readiness Intern Challenge Supplier Sustainability Assessment
Do What's Right	Respect Others	Perform with Excellence



# Supply Chain Sustainability

## Supply Chain Sustainability Intern Program

For the past three years, Lockheed Martin has provided opportunities for students to engage in supply chain sustainability as part of our Supply Chain Sustainability Intern Program. Students in the program are placed on a team with other interns from across the business areas, and are assigned a sustainability challenge area. Each challenge is sponsored by a functional team at Lockheed Martin, such as Environment, Safety and Health or the Corporate Sustainability Office. The students work together to research the challenge and ultimately provide recommended solutions to the Supply Chain Council chair. The program sparks innovative ideas to improve our sustainable supply chain strategy, and provides impactful, real-world experience for students.

In 2021, we had 16 interns participate across six challenge areas. For 2022, plans are in the works to implement ideas that originated from the Supply Chain Sustainability Intern Program, including:

- **Supply Chain Sustainability Case Competition:** Modeled after our successful Ethics in Engineering Case Competition, Lockheed Martin will host its first Supply Chain Sustainability Case Competition in 2022. This competition will bring students together each year to address a supply chain sustainability topic and provide solutions. The first competition is planned to focus on small businesses and disruptions, specifically how small businesses can proactively prepare for large disruptions in the future including climate change or pandemics. The judges will include small businesses

from Lockheed Martin's own supply chain. The event is planned for fall 2022 and focuses on eight universities with strong supply chain programs.

- **Supply Chain Sustainability Forum:** As a member of the International Aerospace Environmental Group, in 2021, Lockheed Martin partnered with other participating leaders in the aerospace and defense industry to build a business case for establishing a new working group that focuses on environmental, social and governance engagement. In 2022, the working group plans to launch a Supply Chain Sustainability Forum with an initial focus on climate change.

## Model-Based Enterprise Supplier Capabilities Assessment

In place of our supplier sustainability assessment in 2021, we reached out to approximately 1,700 suppliers to understand their model-based engineering capabilities and drive awareness of Lockheed Martin's efforts towards digital twin concepts. For each supplier that participated in the survey, we provided a benchmark report on where they stood in comparison to their peers. Engagement with our supply chain on this topic enables suppliers to proactively invest and prepare to align with Lockheed Martin's future requirements. Utilizing digital twin concepts will ultimately streamline our processes, reduce waste and strengthen operational efficiency.

## Cybersecurity Small Business Pathfinder Program

In 2021, Lockheed Martin launched a new program providing cybersecurity support to an initial selection of small businesses based on specific criteria. This innovative, leading program includes 50 small businesses that will receive third-party expertise for one year in the areas of phishing attempts, training and perimeter vulnerability scanning. In 2022, we plan to launch a second round of services for these suppliers to continue to directly enhance their cybersecurity programs. After this initial cohort, we will look to expand the opportunity to additional suppliers based on risk and current cybersecurity posture.



# Social Impact

Through charitable contributions, sponsorships and employee volunteerism, we can improve the lives of those who defend freedom, cultivate the future science, technology, engineering and math workforce and strengthen the resiliency of communities.

In 2021, we contributed nearly \$32 million to:

- Cultivate a science, technology, engineering and math workforce of the future from diverse backgrounds by partnering with non-profit organizations who equip students with knowledge, skills and access to science, technology, engineering and math education and career pathways.
- Improve the lives of those who volunteer for military service and their families to ensure they are well-supported in facing hardships and enabled to thrive during and after military service.
- Build resilient communities to strengthen preparedness, hasten recovery and suffer less disruption and long-term environmental and socially adverse impacts.

## Cultivating the Future Science, Technology, Engineering and Math Workforce

U.S. and partner nations rely on a highly trained, highly capable science, technology, engineering and math talent to counter threats to global security and maintain a technological advantage. Our company's entire value chain—from upstream suppliers to global customers—benefits from removing academic and financial barriers to student access to, and achievement in, science, technology, engineering and math fields, which includes improving representation from minorities, women and non-binary students.

## Support for Military Service Members, Veterans and their Families

Those enlisted in all forms of military service, and their families, represent a key stakeholder group for our company. Veterans comprise more than one-fifth of our total U.S. employee population. With our non-profit partners, we support the active-duty force and their families with programs that help improve their mental and economic well-being.



# Social Impact



## LOCKHEED MARTIN SCIENCE, TECHNOLOGY, ENGINEERING AND MATH SCHOLARSHIP PROGRAM

Lockheed Martin launched the Science, Technology, Engineering and Math Scholarship Program in 2018 as part of investment in the next generation of science, technology, engineering and math talent, removing financial barriers to postsecondary education for students from diverse backgrounds. The program annually awards \$10,000 to 200 recipients. To date, the program has awarded 596 student recipients at more than 80 schools. In 2021, nearly 50% of recipients identified as female and 60% identified with underrepresented racial and ethnic demographic groups.



## GIRLS INC.

Our five-year partnership with Girls Inc., a non-profit organization, focuses on middle school and high school students and aims to inspire all girls to be strong, smart and bold to strengthen their interest and confidence in pursuing science, technology, engineering and math education and careers. Lockheed Martin helps provide year-round after-school programming, weekend activities and other hands-on experiences that expand upon and support girls' science, technology, engineering and math learning and engagement. Participating students interact with women and men in science, technology, engineering and math careers, including dedicated Lockheed Martin volunteers, and come to view these careers as realistic options for themselves and essential to improving our world.



## AFGHANISTAN RELIEF

Lockheed Martin moved swiftly with multiple non-profit groups to provide more than \$555,000 to support military service members, veterans and their families and other individuals entering the U.S. following the military departure from Afghanistan. The American Red Cross Service to the Armed Forces supported evacuation efforts for service members, U.S. State Department members and their families and Afghan refugees. Another partner, Headstrong, provided free confidential mental health treatment for military members, veterans and their families through its network of 280 clinical providers in all 50 states.



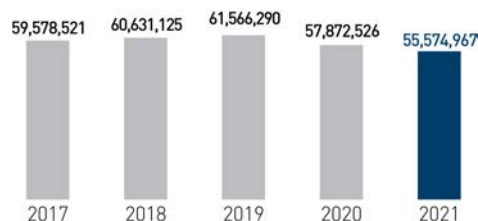
# Waste Management

Our goal for waste is to reduce waste per occupant by 11% by 2025 compared to a 2016 baseline. We can achieve this goal through source reduction, reuse and recycling.

These efforts reduce waste sent to the landfill and for incineration. Waste streams contributing to the goal include hazardous and non-hazardous waste, universal waste and other waste streams such as office furniture. In 2021, we achieved a 5% reduction of waste per occupant.

Waste management and disposal activities are governed by our internal corporate procedure **Waste Disposal and Recycling**. Performance is reported to our Vice President, Environment, Safety and Health on a quarterly basis and to the Board of Directors two times per year. A corporate-wide Waste Reduction Working Group meets monthly to collaborate on waste reduction efforts and share related best practices. For example, in 2021 the Waste Reduction Working Group initiated two landfill-diversion waste audits at our Waterton, CO, and Stratford, CT, facilities, and our first annual Zero Waste Challenge. For more information on waste management at Lockheed Martin, please visit our [Environment, Safety and Health website](#).

TOTAL WASTE GENERATED [POUNDS]<sup>a</sup>



<sup>a</sup> Total waste generated includes regulated (hazardous), non-hazardous, universal and other waste streams. Data is shown for our Go Green year, which runs November-October (e.g. Nov. 2020 - Oct. 2021).

## Hazardous Waste

Lockheed Martin has a robust process for the management and disposal of hazardous waste generated by our operations. Our **Waste Disposal and Recycling** corporate procedure describes the minimum requirements for hazardous waste generation, storage, transportation and disposal, and is applicable to all Lockheed Martin operations. This procedure is implemented to protect the environment, ensure regulatory compliance and minimize risk. All Lockheed Martin operations are required to use hazardous waste transporters and disposal facilities that have undergone rigorous assessments and received approval by the Corporate Environment, Safety and Health team. These assessments look at factors such as hazardous waste disposal facility operations, design and environmental controls, permitting and regulatory compliance, management systems, financial and insurance data and transportation and safety metrics. Approved hazardous waste transporters and disposal facilities are reassessed on a regular basis.

2021 WASTE BY DISPOSAL METHOD<sup>b</sup>



<sup>b</sup> Data is shown for our Go Green year, which runs November-October (e.g. Nov. 2020 - Oct. 2021).



### ZERO WASTE CHALLENGE

The Zero Waste Challenge recognizes projects and teams demonstrating innovation, commitment and leadership in waste reduction. We had 19 submissions among our Aeronautics, Missiles and Fire Control and Rotary and Mission Systems business areas. Winners received recognition from Environment, Safety and Health leadership as well as a sustainable prize of their choice. One winning project was a non-chromated inhibiting material substitution effort resulting in a reduction of more than 13,000 pounds of hazardous waste annually at our Marietta, GA, facility.



# Water Management

The impact of water availability is a localized risk. Some regions are already experiencing water stress, while others have abundant water and are expected to continue to maintain a reliable supply into the future.

In 2019, we conducted a water supply risk analysis to identify our facilities in the highest water stressed regions and those predicted to be in stressed regions out to 2040. In 2021, we used this analysis, along with a ranking of our highest water using facilities, to prioritize and execute water balances and associated water conservation activities. We've completed five water balance analyses at facilities in Fort Worth, TX, Waterton, CO, Palmdale, CA, Sunnyvale, CA, and Marietta, GA. In addition to mapping where water sources originate, how it is used in these facilities and how it is discharged, the analyses identify opportunities for efficiency. These opportunities will receive additional scrutiny, with an emphasis towards calculating water efficiency projections based on the true cost of water. This means considering not just the cost of the water, but also the cost associated with pre-treating, pumping, heating and disposing of the water.

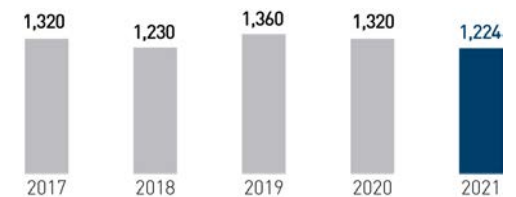
## Go Green Gated Capital and Water Efficiency

Water efficiency projects are also considered during the Go Green gated capital cycle discussed in the Energy Management section of this report. For example, in 2021 three water-saving Go Green projects were completed:

- Cooling tower filtration system at our Missiles and Fire Control facility in Troy, AL, which avoids 6,307,200 gallons of water per year.
- Ambient air nitrogen vaporizers at our Rotary and Missions Systems facility in Bridgeport, CT, which avoids 26,400 gallons of water per year.
- Cooling tower upgrades at our Space facility in Sunnyvale, CA, which avoids 43,000 gallons of water per year.

Additionally, funding for an air scrubber project at our Aeronautics facility in Palmdale, CA, that will avoid an estimated 450,000 gallons of water annually, was earmarked for 2022.

TOTAL WATER CONSUMPTION (MILLIONS GALLONS)<sup>a</sup>



### ENVIRONMENT, SAFETY AND HEALTH EXCELLENCE AWARDS RECOGNIZING WATER CONSERVATION

As part of the Lockheed Martin 2021 Environment, Safety and Health Excellence Awards<sup>22</sup>, an Aeronautics facility submitted an efficiency project with significant water savings. By installing an energy management control system that manages chlorine meter flush systems at specific building locations, the facility was able to maintain chlorine levels while eliminating unnecessary discharge into the sewer. The project saves approximately five million gallons of water, with a projected simple payback of nine months. The standard best practice going forward is to install these energy management control system-controlled stations at the facility where applicable.

<sup>a</sup> Data is shown for our Go Green year, which runs November-October [e.g. Nov. 2020 - Oct. 2021].

<sup>22</sup> The Lockheed Martin Environment, Safety and Health Excellence Awards is an annual, company-wide program run by the Corporate Environment, Safety and Health team. The program aims to recognize projects or teams that have made a significant contribution to the business through their dedication to improving performance.



# Remediation

With heritage operations dating back to the early 20<sup>th</sup> century, Lockheed Martin has built its success on long-standing innovation and business excellence as well as strategic acquisitions.

Some of our operations conducted over the years, although in compliance with relevant laws at the time, resulted in soil or groundwater contamination. Where remedial actions are warranted, Lockheed Martin works collaboratively with regulatory agencies and communities to remedy the effect of the contamination. Currently, we have 73 active remediation projects across our operations. You can read more about our commitment to remediation on our [Lockheed Martin Remediation website](#).

Not only are we committed to taking effective remedial actions, but we also aim to make our remediation projects sustainable wherever possible. We do this by using innovative technological solutions like disposing of contaminants with waste to energy incineration and renewing the activated carbon that acts as a filter in many of our treatment plants by safely burning off contaminants. At several of our remediation sites in water-stressed areas, in cooperation with regulators we treat contaminated groundwater to such a high standard that the local water agency can then direct it into the potable water supply, providing water to over half a million homes in those service areas.

## PROTECTING WILDLIFE IN POTRERO CANYON, CA

From the 1960s and early 1970s, Lockheed Propulsion Company operated a facility at Potrero Canyon in Beaumont, CA. Cleanup operations began at the site in 1986 and evolved as regulation of new chemicals expanded the remediation needed. In 2002, 1,4-dioxane and perchlorate were in the process of becoming regulated chemicals in California, resulting in testing at the site. These compounds were identified in the groundwater as a result of this and subsequent testing and remediation planning was initiated. After considering several remediation alternatives, Lockheed Martin was able to propose an effective solution that minimized disturbance of the site. The California Department of Toxic Substances Control approved this solution. Lockheed Martin constructed a system to treat 1,4-dioxane from one groundwater extraction well, and natural biodegradation provided by the native wetlands habitat was deemed highly effective at treating perchlorate. The use of this natural remediation process provided environmental benefits of minimizing the environmental footprint when compared to more traditional remediation technologies and processes. Lockheed Martin also installed a solar-powered pump to direct water from a well into existing topographic depressions. These depressions can provide a permanent water source for the tricolored blackbird, which is native to the area and classified as threatened in California.

## INNOVATIVE REMEDIATION TECHNOLOGY

In New York, we are piloting a new treatment technology for per- and polyfluoroalkyl substances. This new treatment system consists of a portable, containerized, continuous water treatment system that relies on a natural phenomenon called foam fractionation to separate the per- and polyfluoroalkyl substances from impacted water. The natural physiochemistry of per- and polyfluoroalkyl substances compounds allow them to adhere to fine air bubbles and be removed from the environment. The system can remove and concentrate per- and polyfluoroalkyl substances from 660,000 gallons of water to a single cup of per- and polyfluoroalkyl substances concentrate, with no extra waste generated, making it a highly sustainable solution.





# 2021 ESG Performance Index



Our ESG Performance Index contains relevant environmental, social and governance metrics to support the efforts highlighted throughout our sustainability report. Our reporting is prepared in accordance with key reporting frameworks including selected Global Reporting Initiative (GRI) Core Option indicators and Sustainability Accounting Standards Board (SASB) standards.

Company Profile	54	Energy	66
Workplace Demographics	59	Emissions	68
Benefits	62	Climate	69
Employee Training and Development	63	Waste	69
Data Security	63	Water	70
Product Safety	63	Health and Safety	70
Ethics and Anti-Corruption	64	Supply Chain	71
Environment, Safety and Health Management	66		



# 2021 ESG Performance Index

Please note that qualitative responses are only provided for the 2021 reporting year. Quantitative metrics that were collected for the first time, not applicable to certain years or do not have historic data available are indicated by dashes in the table. Data is rounded to the nearest whole number unless otherwise provided.

## Company Profile

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
Name of the organization	Lockheed Martin Corporation	-	-	-	-	102-1	-
Activities, brands, products, and services	<a href="#">2021 Sustainability Report: This is Lockheed Martin</a> <a href="#">2021 Annual Report/Form 10-K: Business</a>	-	-	-	-	102-2	-
Location of headquarters	<a href="#">2021 Annual Report/Form 10-K: Available Information</a>	-	-	-	-	102-3	-
Location of operations	<a href="#">2021 Sustainability Report: This is Lockheed Martin</a> <a href="#">2021 Annual Report/Form 10-K: Properties</a> <a href="#">About Lockheed Martin</a>	-	-	-	-	102-4	-
Ownership and legal form	<a href="#">2021 Annual Report/Form 10-K</a>	-	-	-	-	102-5	-
Markets served	<a href="#">2021 Sustainability Report: This is Lockheed Martin</a> <a href="#">2021 Annual Report/Form 10-K: Business</a> <a href="#">2021 Annual Report/Form 10-K: Financial Statements</a>	-	-	-	-	102-6	-
Scale of organization	<a href="#">2021 Sustainability Report: This is Lockheed Martin</a> <a href="#">2021 Annual Report/Form 10-K</a>	-	-	-	-	102-7	-
Information on employees and other workers	<a href="#">2021 Sustainability Report: This is Lockheed Martin</a> <a href="#">2021 Sustainability Report: Inclusion and Equity</a> <a href="#">2021 ESG Performance Index: Workplace Demographics</a> <a href="#">2021 Annual Report/Form 10-K: Workforce Demographics</a>	-	-	-	-	102-8	-
Supply chain	<a href="#">2021 Annual Report/Form 10-K: Raw Materials, Suppliers and Seasonality</a>	-	-	-	-	102-9	-
Significant changes to the organization and its supply chain	<a href="#">2021 Annual Report/Form 10-K</a>	-	-	-	-	102-10	-
Precautionary Principle or approach	<a href="#">TCFD Report</a> <a href="#">2021 Sustainability Report: Workplace Safety</a> <a href="#">2021 Sustainability Report: Energy Management</a> <a href="#">2021 Sustainability Report: Sustainability Governance</a>	-	-	-	-	102-11	-

\* All indicators are from GRI 2016 unless noted otherwise in parentheses.





## Company Profile

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
External initiatives**	Nonbinding/Voluntary: ISO 14001, ISO 45001, OSHA and State VPP, LEED, EnergyStar, BREEAM, Clean Energy Buyers Alliance, GRI Standards, SASB Standards, TCFD Framework, Compliance/Obligatory: CRC Energy Efficiency Scheme, FAR, DFARS	-	-	-	-	102-12	-
Membership of associations	<a href="#">2021 CDP Climate Change Disclosure</a> <a href="#">Political Disclosures</a>	-	-	-	-	102-13	-
<b>STRATEGY</b>							
Statement from senior decision-maker	<a href="#">2021 Sustainability Report: Chairman, President and Chief Executive Officer Letter</a> <a href="#">2021 Sustainability Report: SVP Message</a>	-	-	-	-	102-14	-
Key impacts, risks, and opportunities	<a href="#">2021 Annual Report/Form 10-K</a>	-	-	-	-	102-15	-
<b>ETHICS AND INTEGRITY</b>							
Values, principles, standards, and norms of behavior	<a href="#">Code of Ethics and Business Conduct</a> <a href="#">Supplier Code of Conduct</a> <a href="#">2021 Sustainability Report: This is Lockheed Martin</a> <a href="#">2021 Sustainability Report: Sustainability Governance</a>	-	-	-	-	102-16	-
Mechanisms for advice and concerns about ethics	<a href="#">Corporate Ethics Helpline</a>	-	-	-	-	102-17	-
<b>GOVERNANCE</b>							
Governance structure	<a href="#">2021 Sustainability Report: Sustainability Governance</a> <a href="#">2022 Proxy Statement: Proxy Statement Summary</a>	-	-	-	-	102-18	-
Delegating authority	<a href="#">2021 Sustainability Report: Sustainability Governance</a> <a href="#">2022 Proxy Statement: Corporate Governance</a> <a href="#">2022 Proxy Statement: Proxy Statement Summary</a>	-	-	-	-	102-19	-
Executive-level responsibility for economic, environmental, and social topics	<a href="#">2021 Sustainability Report: Sustainability Governance</a> <a href="#">2022 Proxy Statement: Corporate Governance</a> <a href="#">2022 Proxy Statement: Proxy Statement Summary</a>	-	-	-	-	102-20	-
Consulting stakeholders on economic, environmental, and social topics	<a href="#">2021 Sustainability Report: Our Sustainability Approach</a> <a href="#">2022 Proxy Statement: Stockholder Engagement</a>	-	-	-	-	102-21	-
Composition of the highest governance body and its committees	<a href="#">2022 Proxy Statement: Corporate Governance Highlights</a>	-	-	-	-	102-22	-
Chair of the highest governance body	<a href="#">2022 Proxy Statement: Corporate Governance Highlights</a> <a href="#">2022 Proxy Statement: Corporate Governance</a>	-	-	-	-	102-23	-

\* All indicators are from GRI 2016 unless noted otherwise in parentheses.

\*\* This list does not include all external initiatives that Lockheed Martin complies with or is subject to.



## Company Profile

ESG Metric		2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
<b>GOVERNANCE</b>								
Nominating and selecting the highest governance body	<a href="#">2022 Proxy Statement: Corporate Governance Highlights</a> <a href="#">2022 Proxy Statement: Proposal 1</a>	-	-	-	-	-	102-24	-
Conflicts of interest	<a href="#">2022 Proxy Statement: Corporate Governance</a>	-	-	-	-	-	102-25	-
Role of highest governance body in setting purpose, values, and strategy	<a href="#">2022 Proxy Statement: Corporate Governance</a> <a href="#">2022 Proxy Statement: Sustainability Governance Structure</a>	-	-	-	-	-	102-26	-
Collective knowledge of highest governance body	<a href="#">2022 Proxy Statement: Summary of Director-Nominees' Core Competencies</a>	-	-	-	-	-	102-27	-
Evaluating the highest governance body's performance	<a href="#">2022 Proxy Statement: Annual Incentive Goals and Results</a>	-	-	-	-	-	102-28	-
Identifying and managing economic, environmental, and social impacts	<a href="#">2022 Proxy Statement: Sustainability Governance Structure</a>	-	-	-	-	-	102-29	-
Effectiveness of risk management processes	<a href="#">2022 Proxy Statement: Enterprise Risk and Sustainability</a>	-	-	-	-	-	102-30	-
Review of economic, environmental, and social topics	<a href="#">2022 Proxy Statement: Enterprise Risk and Sustainability</a> <a href="#">2021 Sustainability Report: Our Sustainability Approach</a>	-	-	-	-	-	102-31	-
Highest governance body's role in sustainability reporting	Lockheed Martin's annual Sustainability Report is formally reviewed and approved by the Chairman, President and Chief Executive Officer and our Executive Leadership Team.	-	-	-	-	-	102-32	-
Communicating critical concerns	Since Lockheed Martin is a publicly traded company, any stockholder or interested person may communicate with the independent Directors by sending communication in writing to: <a href="mailto:lead.director@lmco.com">lead.director@lmco.com</a> <a href="#">2022 Proxy Statement: Questions and Answers</a>	-	-	-	-	-	102-33	-
Nature of critical concerns	If we identify any critical risks to our company, management develops action plans to mitigate the risks to an acceptable level.	-	-	-	-	-	102-34	-
Remuneration policies	<a href="#">2022 Proxy Statement: Compensation Discussion and Analysis</a>	-	-	-	-	-	102-35	-
Process for determining remuneration	<a href="#">2022 Proxy Statement: Compensation Discussion and Analysis</a>	-	-	-	-	-	102-36	-
Stakeholders' involvement in remuneration	<a href="#">2022 Proxy Statement: Executive Compensation</a>	-	-	-	-	-	102-37	-
Annual total compensation ratio	<a href="#">2022 Proxy Statement: CEO Pay Ratio</a>	-	-	-	-	-	102-38	-
Percentage increase in annual total compensation ratio	Lockheed Martin does not disclose this information.	-	-	-	-	-	102-39	-

\* All indicators are from GRI 2016 unless noted otherwise in parentheses.



## Company Profile

ESG Metric		2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
<b>STAKEHOLDER ENGAGEMENT</b>								
List of stakeholder groups	<a href="#">2019 Sustainability Report</a> <a href="#">2021 Sustainability Report Assurance Statement</a> <a href="#">2022 Proxy Statement: Stockholder Outreach</a> <a href="#">2022 Proxy Statement: Our Alignment with Governance Standards</a> <a href="#">2022 Proxy Statement: Our Stockholder Engagement Program</a>	-	-	-	-	-	102-40	-
Collective bargaining agreements	<a href="#">2021 ESG Performance Index</a> <a href="#">2021 Annual Report/Form 10-K: Workforce Demographics</a>	-	-	-	-	-	102-41	-
Identifying and selecting stakeholders	<p>The Lockheed Martin sustainability stakeholder engagement process is guided by our Corporate Policy Statement on Sustainability, CPS-803. The Director, Enterprise Risk and Sustainability is responsible for an annual engagement plan providing internal and external strategies for education, memberships, academic connections, association recognition events, conferences and publications related to sustainability.</p> <a href="#">CPS-803 Corporate Sustainability Policy</a> <a href="#">2021 Sustainability Report Assurance Statement</a>	-	-	-	-	-	102-42	-
Approach to stakeholder engagement	<a href="#">2021 Sustainability Report: 2025 Sustainability Management Plan</a> <a href="#">2022 Proxy Statement: Stockholder Outreach</a> <a href="#">2022 Proxy Statement: Our Alignment with Governance Standards</a> <a href="#">2022 Proxy Statement: Our Stockholder Engagement Program</a> <a href="#">2021 Sustainability Report Assurance Statement</a>	-	-	-	-	-	102-43	-
Key topics and concerns raised	<a href="#">2021 Sustainability Report: 2025 Sustainability Management Plan</a> <a href="#">2022 Proxy Statement: Our Stockholder Engagement Program</a>	-	-	-	-	-	102-44	-
<b>REPORTING PRACTICE</b>								
Entities included in the consolidated financial statements	<a href="#">2021 Annual Report/Form 10-K</a>	-	-	-	-	-	102-45	-
Defining report content and topic Boundaries	<a href="#">2021 Sustainability Report: About this Report</a> <a href="#">2021 Sustainability Report: 2025 Sustainability Management Plan</a> <a href="#">2021 Sustainability Report Assurance Statement</a>	-	-	-	-	-	102-46	-
List of material topics	<a href="#">2021 Sustainability Report: 2025 Sustainability Management Plan</a> <a href="#">2021 Sustainability Report Assurance Statement</a>	-	-	-	-	-	102-47	-

\* All indicators are from GRI 2016 unless noted otherwise in parentheses.



## Company Profile

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
<b>REPORTING PRACTICE</b>							
Restatements of information	Scope 3 Emissions for Capital Goods, Purchased Goods and Services and Use of Sold Products, as well as resulting Total Scope 3 Emissions, were revised for 2017-2020 based on methodology updates. Total Water Consumption is now reported in million gallons. Generation data for 2017-2020 is now rounded to the nearest whole percentage. Incidents of discrimination for 2017-2020 were updated in conformance with the 2021 reporting methodology.	-	-	-	-	102-48	-
Changes in reporting	Lockheed Martin has retired the 2020 Sustainability Management Plan. The 2025 Sustainability Management Plan now guides our sustainability strategy. <a href="#">2021 Sustainability Report: 2025 Sustainability Management Plan</a>	-	-	-	-	102-49	-
Reporting period	<a href="#">2021 Sustainability Report: About this Report</a>	-	-	-	-	102-50	-
Date of most recent report	The 2021 Sustainability Report was released in April 2022.	-	-	-	-	102-51	-
Reporting cycle	Annual	-	-	-	-	102-52	-
Contact point for questions regarding the report or its contents	<a href="mailto:sustainability.lm@lmco.com">sustainability.lm@lmco.com</a>	-	-	-	-	102-53	-
Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.	-	-	-	-	102-54	-
GRI Content Index	This 2021 ESG Performance Index represents our GRI Index.	-	-	-	-	102-55	-
External Assurance	<a href="#">2021 Sustainability Report: About this Report</a> <a href="#">2021 Sustainability Report Assurance Statement</a>	-	-	-	-	102-56	-
<b>ECONOMIC PERFORMANCE</b>							
Direct economic value generated and distributed (EVG&D)	<a href="#">2021 Annual Report/Form 10-K</a>	-	-	-	-	201-1	-
Production by reportable segment	Aircraft (Fixed and Rotary Winged) represent the largest market segment by sales in Lockheed Martin's product portfolio. Publicly the number of annual and quarterly deliveries are provided as part of our Quarterly Earnings Release documentation.	-	-	-	-	-	RT-AE-000. A
<b>LABOR PRACTICES</b>							
Number of work stoppages <sup>(1)</sup>	0	0	0	0	0	-	TC-ES-310a.1
Total days idle	0	0	0	0	0	-	TC-ES-310a.1
<b>POLITICAL CONTRIBUTIONS</b>							
Political contributions (\$USD)	<a href="#">Political Disclosures</a>	-	-	-	-	415-1	-

2021 Footnote:

<sup>(1)</sup> Represents the number of work stoppages involving 1,000 or more workers lasting one full shift or longer.

\* All indicators are from GRI 2016 unless noted otherwise in parentheses.



## Workplace Demographics<sup>(1)</sup>

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
Total Employees <sup>(2)</sup>	114,000	114,000	110,000	105,000	100,000	102-8 405-1	RT-AE-000.B
Total Engineers, Scientists and IT Professionals <sup>(2)</sup>	59,000	60,000	-	-	-	102-8 405-1	RT-AE-000.B
Total New Hires <sup>(3)</sup>	10,317	11,406	15,941	14,145	8,600	401-1	-
New Hire Percentage of Workforce <sup>(4)</sup>	9.1%	10%	14.4%	13.6%	8.6%	401-1	-
% employees covered by collective bargaining agreements <sup>(5)</sup>	20%	20%	20%	21%	21%	102-8 102-41	-
<b>ALL EMPLOYEES</b>							
Female <sup>(6)</sup>	23.2%	23.2%	23.0%	22.6%	23.0%	102-8 405-1	RT-AE-000.B
Male <sup>(6)</sup>	76.8%	76.8%	77.0%	77.4%	77.0%	102-8 405-1	RT-AE-000.B
People of Color <sup>(7), [8]</sup>	29.2%	28.4%	27.6%	26.0%	24.8%	102-8 405-1	RT-AE-000.B
Veterans <sup>(7)</sup>	21.2%	21.6%	22.1%	22.5%	22.7%	102-8 405-1	RT-AE-000.B
Persons with Disabilities <sup>(7), [8]</sup>	9.8%	8.6%	-	-	-	102-8 405-1	RT-AE-000.B
<b>EXECUTIVES</b>							
Female <sup>(9)</sup>	23.4%	22.2%	21.8%	20.0%	20.2%	102-8 405-1	RT-AE-000.B
Male <sup>(9)</sup>	76.6%	77.8%	78.2%	80.0%	79.8%	102-8 405-1	RT-AE-000.B

### 2021 Footnote:

<sup>(1)</sup> 2021 data other than new hires is as of 31 December 2021.

<sup>(2)</sup> Excludes casual workers and employees of certain subsidiaries and joint ventures. Data is rounded to nearest thousand.

<sup>(3)</sup> Includes all employees in 2021 hired from outside Lockheed Martin.

<sup>(4)</sup> Calculated as total new hires divided by total employees.

<sup>(5)</sup> Excludes casual workers and employees of certain subsidiaries and joint ventures.

<sup>(6)</sup> Based on employees who self-identify. Excludes casual workers, interns/co-ops and employees of certain subsidiaries and joint ventures.

<sup>(7)</sup> Based on employees who self-identify. Includes only U.S. employees and expatriates. Excludes casual workers, interns/co-ops and employees of certain subsidiaries and joint ventures.

<sup>(8)</sup> As defined by the U.S. Equal Employment Opportunity Commission.

<sup>(9)</sup> Based on employees who self-identify. Excludes casual workers, interns/co-ops and employees of certain subsidiaries and joint ventures. Executive is defined as director-level (one level below vice president) or higher.

\* All indicators are from GRI 2016 unless noted otherwise in parentheses.





## Workplace Demographics<sup>(1)</sup>

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
<b>EXECUTIVES</b>							
People of Color <sup>(10)</sup>	14.9%	13.9%	13.0%	11.7%	11.4%	102-8 405-1	RT-AE-000.B
Veterans <sup>(10)</sup>	20.4%	20.6%	20.7%	20.9%	21.2%	102-8 405-1	RT-AE-000.B
Persons with Disabilities <sup>(10)</sup>	11.0%	9.1%	-	-	-	102-8 405-1	RT-AE-000.B
<b>BOARD OF DIRECTORS</b>							
Female	31%	27%	36%	25%	33%	102-8 405-1	RT-AE-000.B
Male	69%	73%	64%	75%	67%	102-8 405-1	RT-AE-000.B
People of Color	8%	9%	9%	8%	8%	102-8 405-1	RT-AE-000.B
Veterans	38%	46%	46%	42%	50%	102-8 405-1	RT-AE-000.B
<b>GEOGRAPHIC LOCATION</b>							
Australia <sup>(11)</sup>	1,200+	1,000+	900+	800+	800+	102-8 405-1	RT-AE-000.B
Canada <sup>(11)</sup>	1,200+	1,100+	1,000+	900+	900+	102-8 405-1	RT-AE-000.B
New Zealand <sup>(11)</sup>	250+	300+	200+	200+	200+	102-8 405-1	RT-AE-000.B
Poland <sup>(11)</sup>	1,600+	1,600+	1,600+	1,600+	1,700+	102-8 405-1	RT-AE-000.B
United Kingdom <sup>(11)</sup>	1,600+	1,800+	1,800+	1,700+	1,600+	102-8 405-1	RT-AE-000.B
United States <sup>(12)</sup>	107,000+	107,800+	104,000+	98,200+	93,700+	102-8 405-1	RT-AE-000.B

2021 Footnote:

<sup>(1)</sup> 2021 data other than new hires is as of 31 December 2021.

<sup>(10)</sup> Based on employees who self-identify. Includes only U.S. employees and expatriates. Excludes casual workers, interns/co-ops and employees of certain subsidiaries and joint ventures. As defined by the U.S. Equal Employment Opportunity Commission. Executive is defined as director-level (one level below vice president) or higher.

<sup>(11)</sup> Local country nationals.

<sup>(12)</sup> Does not include contract workers, interns, or employees of certain subsidiaries or joint ventures; This includes U.S. expats who are working overseas.

\* All indicators are from GRI 2016 unless noted otherwise in parentheses.



## Workplace Demographics<sup>(1)</sup>

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
<b>GENERATION</b>							
Traditional <sup>(13)</sup>	0.2%	<0.1%	0.3%	0.3%	0.5%	102-8 405-1	RT-AE-000.B
Baby Boomer <sup>(13)</sup>	24%	27%	31%	35%	39%	102-8 405-1	RT-AE-000.B
Generation X <sup>(13)</sup>	32%	31%	23%	23%	24%	102-8 405-1	RT-AE-000.B
Millennials and Beyond <sup>(13)</sup>	44%	41%	46%	41%	37%	102-8 405-1	RT-AE-000.B
<b>EDUCATION LEVEL</b>							
HS/none Indicated	30%	30%	29%	30%	31%	102-8 405-1	RT-AE-000.B
Associates/some college	7%	7%	7%	7%	7%	102-8 405-1	RT-AE-000.B
Bachelors	38%	38%	39%	38%	37%	102-8 405-1	RT-AE-000.B
Graduate/PhD	25%	25%	25%	25%	26%	102-8 405-1	RT-AE-000.B
<b>EMPLOYEE TURNOVER</b>							
Total Turnover <sup>(14)</sup>	11,435	8,400	9,600	10,000	8,500	401-1	-
Voluntary Turnover	6,185	4,040	4,871	4,784	4,300	401-1	-
Voluntary Turnover	5.4%	3.6%	4.4%	4.6%	4.3%	401-1	-
Involuntary Turnover <sup>(15)</sup>	5,250	4,400	4,800	5,300	4,200	401-1	-
Involuntary Turnover <sup>(15)</sup>	4.6%	3.9%	4.5%	5.2%	4.3%	401-1	-

2021 Footnote:

<sup>(1)</sup> 2021 data other than new hires is as of 31 December 2021.

<sup>(13)</sup> Includes U.S. employees, local country nationals and expatriates. Excludes casual workers, interns/co-ops and employees of certain subsidiaries and joint ventures. The generational structure used by Lockheed Martin in 2021, based on U.S. government definitions, is as follows:

- Traditional: Birth year from 1928 to 1945
- Baby Boomer: Birth year from 1946 to 1964 inclusive
- Gen X: Birth year from 1965 to 1980 inclusive
- Millennial and Beyond: Birth year from 1981 to present

<sup>(14)</sup> All terminations.

<sup>(15)</sup> All terminations other than voluntary.

\* All indicators are from GRI 2016 unless noted otherwise in parentheses.



## Benefits

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
<b>PARENTAL LEAVE</b>							
Total Employees Entitled to Parental Leave	89,675	90,282	104,656	81,369	-	401-3	-
Female Employees Entitled to Parental Leave	22,467	22,458	24,124	19,724	-	401-3	-
Male Employees Entitled to Parental Leave	67,208	67,824	80,532	61,645	-	401-3	-
Total Employees that took Parental Leave	2,336	2,842	1,758	1,280	-	401-3	-
Female Employees that took Parental Leave	536	629	445	472	-	401-3	-
Male Employees that took Parental Leave	1,800	2,213	1,313	808	-	401-3	-
Total Employees that returned to work after Parental Leave	2,328	2,833	1,747	1,273	-	401-3	-
Female Employees that returned to work after Parental Leave	532	623	442	465	-	401-3	-
Male Employees that returned to work after Parental Leave	1,796	2,210	1,305	808	-	401-3	-
Total Employees that were still employed 12 months after taking Parental Leave <sup>(1)</sup>	-	2,618	1,627	1,189	-	401-3	-
Female Employees that were still employed 12 months after taking Parental Leave <sup>(1)</sup>	-	578	407	430	-	401-3	-
Male Employees that were still employed 12 months after taking Parental Leave <sup>(1)</sup>	-	2,040	1,220	759	-	401-3	-
Retention rate of Total Employees who returned to work after Parental Leave <sup>(1)</sup>	-	92%	93%	93%	-	401-3	-
Retention rate of Female employees who returned to work after Parental Leave <sup>(1)</sup>	-	93%	91%	91%	-	401-3	-
Retention rate of Male employees who returned to work after Parental Leave <sup>(1)</sup>	-	92%	93%	94%	-	401-3	-
Global Minimum Weeks Paid Parental Leave <sup>(2)</sup>	4	4	4	1	-	401-3	-

2021 Footnote:

<sup>(1)</sup> Retention data for 2021 will be available starting 1 January 2023.

<sup>(2)</sup> Lockheed Martin provides up to 4 weeks of Paid Parental Leave (PPL). Mothers also take 6–8 weeks of Short-Term Disability Leave for pregnancy before PPL (10–12 weeks total for Maternity Leave). Employees/fathers may also take 4 weeks of PPL to bond with the new child and 2 weeks of Family Care Leave to care for the mother (6 weeks total). This does not include represented employees whose benefits are governed by applicable collective bargaining agreements.

\* All indicators are from GRI 2016 unless noted otherwise in parentheses.



## Employee Training and Development

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
Employees receiving regular performance reviews	100%	100%	100%	100%	100%	404-3	-
Average hours of training per employee	26	25.2	29.3	28.6	26.4	404-1	-
Hours per employee devoted to training on human rights policies or procedures	0.4	0.4	0.4	0.4	0.4	412-2	-
Percentage of employees trained in human rights policies or procedures	100%	100%	100%	100%	100%	412-2	-

## Data Security

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
Description of approach to identifying and addressing data security risks in (1) company operations and (2) products	<a href="#">Cyber Kill Chain</a> <a href="#">2022 Proxy Statement</a>	-	-	-	-	-	RT-AE-230a.2
Substantiated complaints concerning breaches of customer privacy and losses of customer data	We regularly report metrics and engage our Board of Directors to discuss cyber security risk and associated actions plans. For security reasons, we do not publicly disclose performance on these measures.	-	-	-	-	418-1	-
(1) Number of data breaches, (2) percentage involving confidential information	Lockheed Martin considers this information to be confidential.	-	-	-	-		RT-AE-230a.1

## Product Safety

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
Number of recalls issued, total units recalled	Lockheed Martin considers this information to be confidential.	-	-	-	-	-	RT-AE-250a.1
Number of Airworthiness Directives received, total units affected <sup>(1)</sup>	Docket No. FAA-2021-0341, 20 units (U.S.), AD 2021-09-15; Docket No. FAA-2021-0106, 9 units (U.S.), AD 2021-19-17; Docket No. FAA-2006-26107, 55 units (U.S.), AD 2021-10-16; Docket No. FAA-2020-0920, 13 units (U.S.), AD 2021-05-19; Docket No. FAA-2021-0305, 85 units (U.S.), AD 2021-08-18; Docket No. FAA-2020-0792, 85 units (U.S.), AD 2020-26-13	-	-	-	-	-	RT-AE-250a.3

2021 Footnote:

<sup>(1)</sup> As publicly available on the Federal Aviation Administration Airworthiness Directives website.

\* All indicators are from GRI 2016 unless noted otherwise in parentheses.



## Product Safety

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
Total amount of monetary losses as a result of legal proceedings associated with product safety (\$USD)	Lockheed Martin does not disclose this information.	-	-	-	-	-	RT-AE-250a.4
Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	All of our end-deliverable products and services are assessed by our system safety group for continuous improvement in health and safety performance. The system safety group also supports the environmental, health and safety function for matters related to facilities and production, as required.	-	-	-	-	416-1	-

## Ethics and Anti-Corruption

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	<a href="#">Code of Ethics and Business Conduct</a> <a href="#">Supplier Code of Conduct</a> <a href="#">CPS-730: Compliance with Anti-Corruption Laws</a> <a href="#">CPS-008: Gifts, Hospitality, Other Business Courtesies, and Sponsorships</a> <a href="#">Other Policies Related to Anti-Corruption</a>	-	-	-	-	-	RT-EE-510a.1
Discussion of processes to manage business ethics risks throughout the value chain	<a href="#">Code of Ethics and Business Conduct</a> <a href="#">Supplier Code of Conduct</a> <a href="#">Ethics Website</a>	-	-	-	-	-	RT-AE-510a.3
Total amount of monetary losses as a result of legal proceedings associated with incidents of corruption, bribery, and/or illicit international trade	Lockheed Martin considers this information to be confidential.	-	-	-	-	-	RT-AE-510a.1
<b>OPERATIONS ASSESSED FOR RISK</b>							
Business units analyzed for risks related to corruption	5	5	5	5	5	205-1	-
Business units analyzed for risks related to corruption	100%	100%	100%	100%	100%	205-1	-
Revenue from countries ranked in the "E" or "F" Band of Transparency International's Government Defense Anti-Corruption Index (\$USD Mil)	Lockheed Martin considers this information to be confidential.	-	-	-	-	205-1	RT-AE-510a.2

\* All indicators are from GRI 2016 unless noted otherwise in parentheses.





## Ethics and Anti-Corruption

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
<b>COMMUNICATION AND TRAINING</b>							
Total percentage of employees that the organization's anti-corruption policies and procedures have been communicated to <sup>(1)</sup>	100%	100%	100%	100%	100%	205-2	-
Total percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to <sup>(2)</sup>	100%	100%	100%	100%	100%	205-2	-
Total percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to <sup>(3)</sup>	100%	100%	100%	100%	100%	205-2	-
Total percentage of employees that have received training on anti-corruption <sup>(1)</sup>	100%	100%	100%	100%	100%	205-2	-
Total percentage of governance body members that have received training on anti-corruption <sup>(2)</sup>	100%	100%	100%	100%	100%	205-2	-
Total percentage of business partners that have received training on anti-corruption <sup>(3)</sup>	100%	100%	100%	100%	100%	205-2	-
<b>INCIDENTS</b>							
Confirmed incidents of corruption	0	0	0	0	0	205-3	-
Confirmed incidents in which employees were dismissed or disciplined for corruption	0	0	0	0	0	205-3	-
Confirmed incidents when contracts with business partners were not renewed due to violations related to corruption	0	0	0	0	0	205-3	-
<b>DISCRIMINATION</b>							
Incidents of discrimination	234 <sup>(4)</sup>	286 <sup>(5)</sup>	324 <sup>(6)</sup>	277 <sup>(7)</sup>	160 <sup>(8)</sup>	406-1	-

2021 Footnote:

<sup>(1)</sup> Employees receive anti-corruption policies and training through a combination of Code of Ethics and Business Conduct training, ethics awareness training, and two business conduct compliance training modules (International Business Practices and/or Gifts and Business Courtesies), in addition to an annual CEO Anti-Corruption Day letter.

<sup>(2)</sup> The Board of Directors complete annual mandatory ethics awareness training and also reviews on a three year basis, the Code of Ethics and Business Conduct; both exercises train and communicate on anti-corruption topics.

<sup>(3)</sup> International business development consultants, agents, representatives and offset brokers are grouped as "consultants". All consultants receive annual ethics and compliance training, with a focus on anti-corruption.

<sup>(4)</sup> 234 internal EEO related complaints were investigated in the United States; disciplinary action was taken in 51.8% of the investigated EEO matters.

<sup>(5)</sup> 286 internal EEO related complaints were investigated in the United States; disciplinary action was taken in 41% of the investigated EEO matters.

<sup>(6)</sup> 324 internal EEO related complaints were investigated in the United States; disciplinary action was taken in 42% of the investigated EEO matters.

<sup>(7)</sup> 277 internal EEO related complaints were investigated in the United States; disciplinary action was taken in 37.5% of the investigated EEO matters.

<sup>(8)</sup> 160 internal EEO related complaints were investigated in the United States; disciplinary action was taken in 4% of the investigated EEO matters.

\* All indicators are from GRI 2016 unless noted otherwise in parentheses.



## Environment, Safety and Health Management

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
Description of the environmental management system.	<a href="#">Environment, Safety and Health Website</a>	-	-	-	-	103-2	-
Description of the safety and health management system.	<a href="#">2021 Sustainability Report: Workplace Safety Environment, Safety and Health Website</a>	-	-	-	-	403-1(2018)	-
<b>ISO14001<sup>(1)</sup></b>							
Total number of sites certified	40	41	-	-	-	-	-
Percentage of sites certified	11%	-	-	-	-	-	-
<b>ISO45001<sup>(1)</sup></b>							
Total number of sites certified	25	26	-	-	-	403-1(2018)	-
Percentage of sites certified	7%	-	-	-	-	403-1(2018)	-
<b>ISO5001</b>							
Total number of sites certified	0	-	-	-	-	-	-
Percentage of sites certified	0%	-	-	-	-	-	-

2021 Footnote:

<sup>(1)</sup> Includes the certification of our central function. Site certifications may not include all buildings and programs at a site.

## Energy

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
Description of how energy is managed.	<a href="#">2021 Sustainability Report: Energy Management</a>	-	-	-	-	103-2	-
Total Energy Consumption (MWh) <sup>(1)</sup>	3,029,297	-	-	-	-	302-1	RT-AE-130a.1
Energy Intensity Ratio (MMBTU per \$M USD Revenue) <sup>(1)</sup>	141	145.31	151.38	175.1	183.24	302-3	-
Energy Reduction vs. 2016 Baseline [% MMBTU] <sup>(2)</sup>	7%	-	-	-	-	302-4	-
<b>SCOPE 1 ENERGY CONSUMPTION</b>							
Total (MWh) <sup>(1)</sup>	1,536,240	1,513,976	1,564,190	1,482,031	1,478,426	302-1	RT-AE-130a.1
Diesel (MWh) <sup>(1)</sup>	11,883	12,837	4,461	23,571	2,899	302-1	RT-AE-130a.1
Distillate Fuel Oil No. 2 (MWh) <sup>(1)</sup>	5,154	1,290	16,080	16,721	18,220	302-1	RT-AE-130a.1
Gasoline (MWh) <sup>(1)</sup>	17,216	16,963	222,781	219,845	207,835	302-1	RT-AE-130a.1

2021 Footnote:

<sup>(1)</sup> Data is shown for our Go Green year, which runs November-October (e.g. Nov. 2020 - Oct. 2021).

<sup>(2)</sup> Data is shown for our Go Green year, which runs November-October (e.g. Nov. 2020 - Oct. 2021). 2021 is the first year reporting against a 2016 baseline. Our Go Green goal is to reduce energy per occupant by 14% by 2025 compared to a 2016 baseline.

\* All indicators are from GRI 2016 unless noted otherwise in parentheses.



## Energy

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
SCOPE 1 ENERGY CONSUMPTION							
Jet Fuel (MWh) <sup>(1)</sup>	175,698	166,120	1,275,001	1,171,937	1,204,015	302-1	RT-AE-130a.1
Natural Gas (MWh) <sup>(1)</sup>	1,282,450	1,277,368	43,780	38,903	31,726	302-1	RT-AE-130a.1
Propane (MWh) <sup>(1)</sup>	43,839	39,399	1,564,190	1,482,031	1,478,426	302-1	RT-AE-130a.1
SCOPE 2 ENERGY CONSUMPTION <sup>(6)</sup>							
Total (MWh) <sup>(1)</sup>	1,493,057	1,521,042	1,577,544	1,592,353	1,561,454	302-1	RT-AE-130a.1
Cooling (Chilled Water) (MWh) <sup>(1)</sup>	12,056	14,525	24,252	26,590	26,813	302-1	RT-AE-130a.1
Electricity (MWh) <sup>(1)</sup>	1,481,001	1,506,518	1,553,292	1,656,763	1,534,640	302-1	RT-AE-130a.1
Heating (MWh) <sup>(1)</sup>	0	0	0	0	0	302-1	RT-AE-130a.1
Steam (MWh) <sup>(1)</sup>	0	0	0	0	0	302-1	RT-AE-130a.1
RENEWABLE ENERGY							
Total (MWh) <sup>(3)</sup>	416,356	-	-	-	-	302-1	RT-AE-130a.1
Percentage of Total Electricity Consumption <sup>(3)</sup>	28%	-	-	-	-	302-1	RT-AE-130a.1
Sources and Percentage of Total Renewable Energy <sup>(3)</sup>	Renewable energy certificates: 47.4% On-site: 3.1% Power purchase agreements: 13.3% Green Tariff: 13.7% Hydro: 22.5%					302-1	RT-AE-130a.1
Total; excluding hydropower (MWh) <sup>(3)</sup>	322,735	322,000	321,941	307,378	303,746	302-1	RT-AE-130a.1
Percentage of Total Electricity Consumption; excluding hydropower <sup>(4)</sup>	22%	-	-	-	-	302-1	RT-AE-130a.1
Sources and Percentage of Total Renewable Energy; excluding hydropower <sup>(4)</sup>	Renewable energy certificates: 61.2% On-site: 4.0% Power purchase agreements: 17.1% Green Tariff: 17.7%					302-1	RT-AE-130a.1
ENERGY SOLD							
Total (MWh) <sup>(5)</sup>	0	0	0	0	0	302-1	-
Cooling (MWh) <sup>(5)</sup>	0	0	0	0	0	302-1	-
Electricity (MWh) <sup>(5)</sup>	0	0	0	0	0	302-1	-
Heating (MWh) <sup>(5)</sup>	0	0	0	0	0	302-1	-
Steam (MWh) <sup>(5)</sup>	0	0	0	0	0	302-1	-

2021 Footnote:

<sup>(3)</sup> Including solar, wind, geothermal, biomass and hydropower from a combination of on-site generation, power purchase agreement contracts, renewable energy certificate procurement and green tariffs.

<sup>(4)</sup> Including solar, wind, geothermal and biomass from a combination of on-site generation, power purchase agreement contracts, renewable energy certificate procurement and applicable green tariffs.

<sup>(5)</sup> Lockheed Martin defines energy sold as energy production greater than energy consumption in a given Go Green year at a given site.

<sup>(6)</sup> Scope 2 energy consumption includes energy from renewable sources.

\* All indicators are from GRI 2016 unless noted otherwise in parentheses.



## Emissions

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
Description of how emissions are managed.	<b>2021 Sustainability Report: Energy Management</b>					103-2	-
Net GHG Emissions (Scope 1 + Scope 2 Market-Based) (MT CO <sub>2</sub> e) <sup>(1), (2)</sup>	688,950	790,535	771,435	819,548	844,373	305-1 305-2	-
GHG Emissions reduction vs. 2015 baseline (Scope 1 + Scope 2) <sup>(3)</sup>	21%	-	-	-	-	305-5	-
GHG Emissions Intensity Ratio (Scope 1 and 2) (MT CO <sub>2</sub> e per \$USD Revenue) <sup>(1)</sup>	0.000013	0.000014	0.000016	0.000018	0.00002	305-4	-
Science Based Target Content Based Score <sup>(4)</sup>	0.521	0.641	0.617	0.698	0.777	-	-
Biogenic CO <sub>2</sub> Emissions (MT CO <sub>2</sub> e) <sup>(1)</sup>	20,083	23,447	12,020	11,414	15,025	305-1	-
<b>SCOPE 1 EMISSIONS</b>							
Gross direct GHG emissions (MT CO <sub>2</sub> e) <sup>(1)</sup>	297,630	292,755	305,362	291,782	291,523	305-1	-
<b>SCOPE 2 EMISSIONS<sup>(7)</sup></b>							
Gross location-based indirect GHG emissions (MT CO <sub>2</sub> e) <sup>(1)</sup>	554,643	626,082	662,659	673,108	745,682	305-2	-
Gross market-based indirect GHG emissions (MT CO <sub>2</sub> e) <sup>(1)</sup>	391,320	497,780	466,073	527,766	552,851	305-2	-
<b>SCOPE 3 EMISSIONS<sup>(8)</sup></b>							
Total (MT CO <sub>2</sub> e)	36,888,330	31,937,009	37,839,756	30,893,528	30,616,194	305-3	-
Purchased Goods and Services (MT CO <sub>2</sub> e) <sup>(5)</sup>	12,944,956	10,792,409	13,277,650	10,309,550	9,575,636	305-3	-
Capital Goods (MT CO <sub>2</sub> e) <sup>(5)</sup>	519,873	797,538	993,397	804,621	1,737,799	305-3	-
Fuel and energy related activities (not included in Scope 1 and 2) (MT CO <sub>2</sub> e) <sup>(1)</sup>	100,786	101,000	105,000	90,000	100,000	305-3	-
Business Travel (MT CO <sub>2</sub> e) <sup>(1)</sup>	124,054	81,000	190,000	170,000	170,000	305-3	-
Employee Commuting (MT CO <sub>2</sub> e) <sup>(1)</sup>	148,775	46,000	215,000	210,000	200,000	305-3	-
Waste generated in operations (MT CO <sub>2</sub> e) <sup>(1)</sup>	5,600	3,400	4,500	11,000	5,000	305-3	-
Use of Sold Products (MT CO <sub>2</sub> e) <sup>(6)</sup>	23,044,286	20,115,662	23,054,209	19,298,357	18,827,759	305-3	RT-AE-410a.2

2021 Footnote:

<sup>(1)</sup> Data is shown for our Go Green year, which runs November-October (e.g. Nov. 2020 - Oct. 2021).

<sup>(2)</sup> This metric measures or estimates data for 94% of eligible owned and leased building area. Excluded from the metric are non-operational sites (under initial construction) or sites for which we do not have operational control (such as government-operated or full-service leased facilities). The remaining 6% represents small and international sites with limited data availability. The reported Scope 1 and 2 combined emissions are estimates and were calculated using the Greenhouse Gas (GHG) Protocol's market-based methodology for Scope 2, which reflects emissions net of unbundled renewable energy certificates, off-site power purchase agreements and on-site renewable energy generation.

<sup>(3)</sup> Data is shown for our Go Green year, which runs November-October (e.g. Nov. 2020 - Oct. 2021). 2021 is our first year reporting against a 2015 baseline.

<sup>(4)</sup> Annual context based score. The ratio of the actual emissions to allocated emissions, based on a company's contribution (gross profits) to estimated global gross domestic product, to meet a 1.5 degree Celsius pathway. Context based scoring is based on a score of <1 indicating alignment with a 1.5 degree Celsius pathway, and >2 indicating a misalignment with a 1.5 degree Celsius pathway.

<sup>(5)</sup> Applied lifecycle assessment calculation based on emissions intensity by NAICS, NAICS sector, or business type and supplier spend. purchased goods and services categorized by NAICS. Methods are aligned with the GHG Protocol. Past year data is updated per methodology.

<sup>(6)</sup> Applied lifecycle assessment calculation based on emissions intensity by product or fuel used. Methods are aligned with the GHG Protocol. Past year data is updated per the applied methodology.

<sup>(7)</sup> Calculated in accordance with the GHG Protocol.

<sup>(8)</sup> Scope 3 emissions are estimates.

\* All indicators are from GRI 2016 unless noted otherwise in parentheses.



## Climate

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
Risks and opportunities posed by climate change	<a href="#">TCFD Report</a> <a href="#">2021 CDP Climate Change Disclosure</a> <a href="#">2021 Annual Report/Form 10-K: Risk Factors</a>	-	-	-	-	201-2	-

## Waste

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
Description of how waste is managed.	<a href="#">2021 Sustainability Report: Waste Management</a>	-	-	-	-	103-2	-
Description of how hazardous waste is managed.	<a href="#">2021 Sustainability Report: Waste Management</a>	-	-	-	-	103-2	-
Description of the processes used to collect and monitor waste-related data.	<a href="#">2021 Sustainability Report: Waste Management</a>	-	-	-	-	306-2 (2020)	-
Description of waste reduction actions.	<a href="#">2021 Sustainability Report: Waste Management</a>	-	-	-	-	306-2 (2020)	-
<b>TOTAL WASTE</b>							
Total Waste Generated (lbs.) <sup>(1)</sup>	55,574,967	57,872,526	61,566,290	60,631,125	59,578,521	306-3 (2020)	-
Landfill (lbs.) <sup>(2)</sup>	15,866,809	16,407,719	17,710,190	15,901,551	15,505,050	306-5 (2020)	-
Recycled (lbs.) <sup>(1)</sup>	27,959,018	29,153,717	31,566,392	26,561,628	33,402,244	306-4 (2020)	-
Incineration (with energy recovery) (lbs.) <sup>(1)</sup>	4,098,804	-	-	-	-	306-5 (2020)	-
Incineration (without energy recovery) (lbs.) <sup>(1)</sup>	3,323,258	-	-	-	-	306-5 (2020)	-
Other Disposal Method (lbs.) <sup>(1)</sup>	4,327,079	-	-	-	-	306-5 (2020)	-
Percentage to Landfill <sup>(1)</sup>	29%	-	-	-	-	306-5 (2020)	-
Percentage Recycled <sup>(1)</sup>	50%	-	-	-	-	306-4 (2020)	-
<b>HAZARDOUS WASTE<sup>(3)</sup></b>							
Total Hazardous Waste Generated (lbs.) <sup>(1)</sup>	6,323,483	5,000,000	5,322,000	3,014,000	2,548,000	306-3 (2020)	RT-AE-150a.1
Landfill (lbs.) <sup>(1)</sup>	885,390	-	-	-	-	306-5 (2020)	-
Recycled (lbs.) <sup>(1)</sup>	620,288	412,000	506,000	520,000	562,000	306-4 (2020)	RT-AE-150a.1
Incineration (with energy recovery) (lbs.) <sup>(1)</sup>	379,782	-	-	-	-	306-5 (2020)	-
Incineration (without energy recovery) (lbs.) <sup>(1)</sup>	3,023,607	-	-	-	-	306-5 (2020)	-
Other Disposal Method (lbs.) <sup>(1)</sup>	1,414,416	-	-	-	-	306-5 (2020)	-
Percentage Total Hazardous Waste to Landfill <sup>(1)</sup>	14%	-	-	-	-	306-5 (2020)	-
Percentage Total Hazardous Waste Recycled <sup>(1)</sup>	10%	-	-	-	-	306-4 (2020)	RT-AE-150a.1

2021 Footnote:

<sup>(1)</sup> Data is shown for our Go Green year, which runs November-October [e.g. Nov. 2020 - Oct. 2021].

<sup>(2)</sup> Note, this metric does not include ash as by-product disposal of incineration. If included, total waste to landfill would be 16,882,919 lbs.; Data is shown for our Go Green year, which runs November-October [e.g. Nov. 2020 - Oct. 2021].

<sup>(3)</sup> Lockheed Martin policy requires that hazardous waste be disposed of at an approved facility in accordance with applicable regulations, rules and requirements.

\* All indicators are from GRI 2016 unless noted otherwise in parentheses.





## Waste

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
<b>SPILLS</b>							
Number of reportable spills <sup>(4)</sup>	0	0	0	0	0	-	RT-AE-150a.2

2021 Footnote:

<sup>(4)</sup> Number and aggregate quantity of reportable spills determined in accordance with The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) requirements.

## Water

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
Description of how water is managed.	<a href="#">2021 Sustainability Report: Water Management</a>	-	-	-	-	103-2	-
A description of how the organization interacts with water and identifies water-related impacts.	<a href="#">2021 Sustainability Report: Water Management</a>	-	-	-	-	303-1 (2018)	-
An explanation of the process for setting any water-related goals and targets that are part of the organization's management approach.	<a href="#">2021 Sustainability Report: Water Management</a>	-	-	-	-	303-1 (2018)	-
Total Water Consumption (million gallons) <sup>(1)</sup>	1,224	1,320	1,360	1,230	1,320	303-5 (2018)	-

2021 Footnote:

<sup>(1)</sup> Data is shown for our Go Green year, which runs November-October (e.g. Nov. 2020 - Oct. 2021).

## Health and Safety

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
A description of the processes used to identify work-related hazards and assess risks.	Individual business elements establish, implement and maintain processes for hazard identification and, where needed, associated controls that are ongoing, preventive and applicable to the size, scale and scope of the site, activity or operation.	-	-	-	-	403-2 (2018)	-
A description of the process to investigate work-related incidents and determine corrective actions.	This process is directed by our internal procedures ESH-01 ESH Management Systems, ESH-04 Reporting of Incidents and Regulatory Agency Notifications and the Serious Incident and Fatality guidance document.	-	-	-	-	403-2 (2018)	-
A description of any occupational health and safety training provided to workers.	Professional development training for environment, safety and health professionals is sponsored at the corporate level. A corporate contract is in place for individual web playable compliance training that is tracked via our enterprise-wide training system. Business area specific training is developed at the business area or site level and tracked via our enterprise-wide training system.	-	-	-	-	403-5 (2018)	-

\* All indicators are from GRI 2016 unless noted otherwise in parentheses.



## Health and Safety

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
A description of any worker safety and health committees that exist.	The Target Zero Committee is chaired by Corporate Environment, Safety and Health for continuous improvement of the Target Zero program, with employee-based committees existing at the local level.	-	-	-	-	403-4 (2018)	-
Near miss frequency rate (NMFR)	Lockheed Martin does not track near miss frequency (Close Calls) on an enterprise-wide basis. Close Call information is collected at the site level.	-	-	-	-	403-9 (2018)	RT-IG-320a.1
Total recordable incident rate (TRIR) <sup>(1)</sup>	1.02	0.9	1.03	1.11	1.08	403-9 (2018)	RT-IG-320a.1
Fatality rate <sup>(1)</sup>	0	0	0	0	0	403-9 (2018)	RT-IG-320a.1

## Supply Chain

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
Description of the management of risks associated with the use of critical materials	<a href="#">2021 Annual Report/Form 10-K: Raw Materials, Suppliers and Seasonality</a>	-	-	-	-	-	RT-AE-440a.1
Percentage of the procurement budget used for significant locations of operation spent on suppliers local to that operation <sup>(2)</sup>	20%	21.9%	20.0%	20.5%	20.3%	204-1	-
<b>COUNTERFEIT PARTS</b>							
Number of counterfeit parts detected, percentage avoided	Lockheed Martin considers this confidential information.	-	-	-	-	-	RT-AE-250a.2
<b>ENVIRONMENTAL IMPACT</b>							
Percentage of new suppliers that were screened using environmental criteria. <sup>(3)</sup>	100%	-	-	-	-	308-1	-

2021 Footnote:

<sup>(1)</sup> Safety metrics disclosed are for U.S. employees only.

<sup>(2)</sup> Lockheed Martin defines "local" as domestic small business relative to locations of operations; 93% of all small business spend is domestic. "Significant locations of operation" is defined as the locations of operations identified by procurement spend; 51 domestic Lockheed Martin locations identified. Starting in 2019, we began reporting both direct and indirect spend, while prior to 2019, we reported using an allocated portion of indirect spend per Federal Acquisition Regulations. Historically, we have reported both direct procurement and 100% of indirect procurement.

<sup>(3)</sup> Represents the percentage of new suppliers asked about their environmental practices.

\* All indicators are from GRI 2016 unless noted otherwise in parentheses.



## Supply Chain

ESG Metric	2021	2020	2019	2018	2017	GRI Indicator*	SASB Standard
<b>SOCIAL IMPACT</b>							
Percentage of new suppliers that were screened using social criteria. <sup>(4)</sup>	100%	-	-	-	-	414-1	-
Suppliers assessed for social impacts <sup>(5)</sup>	13,700	17,200	15,800	15,704	-	414-2	-
Number of suppliers identified as having significant actual and potential negative social impacts <sup>(6)</sup>	32	31	15	18	-	414-2	-

2021 Footnote:

<sup>(4)</sup> Represents the percentage of new suppliers asked about their socio-economic practices.

<sup>(5)</sup> This includes the number of supplier assessed for human trafficking using the State Department tier assignments.

<sup>(6)</sup> The U.S. Department of State, Office to Monitor and Combat Trafficking in Persons (TIP) conducts an annual country analysis on human trafficking and publishes the U.S. Department of State Trafficking in Persons annual report. The reported number represents suppliers based in countries classified in the report as Tier 2 Watch and Tier 3 countries and are not specific concerns regarding the individual suppliers. In 2021, the downgrade of South Africa and Thailand accounts for the largest increase in suppliers, while Saudi Arabia was upgraded reducing suppliers.

\* All indicators are from GRI 2016 unless noted otherwise in parentheses.

# Forward-Looking Statements

This report contains statements which, to the extent not recitations of historical fact, constitute forward-looking statements within the meaning of the federal securities laws. The words “will,” “enable,” “expect,” “plan,” “forecast,” “anticipate,” “continue,” “achieve,” “scheduled,” “estimate,” “believe,” “intend,” “aim,” “orient,” “goal,” and similar expressions are intended to identify forward-looking statements. Statements and assumptions with respect to achievement of goals and objectives; anticipated actions to meet goals and objectives; allocation of resources; planned, encouraged or anticipated actions; planned performance of technology; or other efforts are also examples of forward-looking statements.

Forward-looking statements are based on our current expectations and assumptions, are not guarantees of future performance, and are subject to risks and uncertainties. Actual results could differ materially due to factors such as (i) the availability of funding for the programs described in this report; (ii) our ability to achieve reductions in energy use, greenhouse gas emissions and other sustainability goals and objectives; (iii) changes in our priorities as well as changes in the priorities of our customers and suppliers; (iv) the amount of our future investments; (v) the accuracy of our estimates and assumptions; (vi) the future effect of legislation, rulemaking and changes in policy; (vii) the impact of acquisitions or divestitures or other changes in our employee or product and service base; (viii) the competitive environment; (ix) the ability to attract and retain personnel and suppliers with technical and other skills; (x) the success of our diversity and inclusion initiatives; (xi) the success of technologically developed solutions; (xii) the willingness of suppliers to adopt and comply with our programs; (xiii) the impact of cyber or other security threats or other disruptions to our business; and (xiv) global economic, business, political, and climate conditions.

These are only some of the factors that may affect the forward-looking statements contained in this report. For further information regarding risks and uncertainties associated with our business, please refer to our U.S. Securities and Exchange Commission (SEC) filings including our Annual Report on Form 10-K for the year ended December 31, 2021 and our subsequent Quarterly Reports on Form 10-Q, which can be obtained at our website [www.lockheedmartin.com/investor](http://www.lockheedmartin.com/investor) or through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). The forward-looking statements in this report are intended to be subject to the safe harbor protection provided by federal securities laws.



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