

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Lockheed Martin is a U.S. publicly traded global security and aerospace company headquartered in Bethesda, Maryland, that is principally engaged in 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 2020, we employed approximately 114,000 people worldwide and generated net sales of \$65.4 billion. We own or lease building space at approximately 375+ facilities, primarily in the United States, and manage or occupy approximately 15 government-owned facilities under lease and other arrangements. We have four business areas dedicated to specific products and services:

- **Aeronautics** \$26.3 billion in 2020 sales, 40% of our total consolidated net sales: 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.
- **Missiles and Fire Control** \$11.2 billion in sales in 2020, 17% of our total consolidated net sales: 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.
- **Rotary and Mission Systems** \$16.0 billion in sales in 2020, 25% of our total consolidated net sales: 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.
- **Space** \$11.9 billion in sales, 18% of our total consolidated net sales: Engages in the research, design, development, engineering and production of satellites, space transportation systems and strategic, advanced strike and defensive systems. Space also 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.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	November 1 2019	October 31 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

- Australia
- Canada
- Mexico
- Poland
- United Kingdom of Great Britain and Northern Ireland
- United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-TO0.7/C-TS0.7

(C-TO0.7/C-TS0.7) For which transport modes will you be providing data?

Aviation

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	Both the CEO and the Nominating and Corporate Governance Committee (Governance Committee) chartered by the Board of Directors have responsibility for climate-related issues for Lockheed Martin. In 2020, our CEO approved Lockheed Martin's new Sustainability Management Plan (SMP) which includes a set of climate-related goals for carbon emissions, carbon removal technology, and renewable energy. Our CEO also approved the release of Lockheed Martin's first climate risk Task Force on Climate-related Financial Disclosures (TCFD) report and the annual sustainability report.
Board-level committee	Both the CEO and the Nominating and Corporate Governance Committee (Governance Committee) chartered by the Board of Directors have responsibility for climate-related issues for Lockheed Martin. The Governance Committee oversees performance in corporate sustainability, employee safety, environment and health, ethical business practices and diversity and inclusion—all of which are inextricably linked to our sustainability commitments. In 2020, the members of the Governance Committee reviewed company performance against the SMP, which consists of core issues and specific sustainability goals including those related to climate, as well as the annual sustainability report.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	As described above, the Nominating and Corporate Governance Committee (Governance Committee) chartered by the Board of Directors has responsibility for climate-related issues for Lockheed Martin. The Governance Committee oversees performance in corporate sustainability, employee safety, environment and health, ethical business practices and diversity and inclusion—all of which are inextricably linked to our sustainability commitments. At least twice per year, the members of the Governance Committee review company performance against the SMP including goals and strategy related to climate. Annually, the Governance Committee reviews the annual sustainability report.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Sustainability Officer (CSO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Half-yearly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Our corporate sustainability policy establishes a standard approach to integrating sustainability across Lockheed Martin. We develop a Sustainability Management Plan (SMP) to set goals and drive progress in our priority sustainability areas. Our new 2025 SMP includes a set of climate-related goals for carbon emissions, carbon removal technology and renewable energy.

The Lockheed Martin sustainability governance structure comprises the Nominating and Corporate Governance Committee (Governance Committee) chartered by the Board of Directors, the Executive Leadership Team (ELT), the Sustainability Leadership Council (SLC) and the Sustainability Management Team (SMT).

All sustainability programs fall under the purview of the Senior Vice President (SVP), Ethics and Enterprise Assurance, who serves as Lockheed Martin’s Chief Sustainability Officer and reports directly to the Chairman, President & Chief Executive Officer (CEO) and provides updates to the Governance Committee.

- **Nominating and Corporate Governance Committee (Governance Committee):** Oversees performance in corporate sustainability, employee safety, environment and health, ethical business practices and diversity and inclusion—all of which are inextricably linked to our sustainability commitments. Annually, the members of the Governance Committee review company performance against the SMP and the sustainability report.
- **Executive Leadership Team (ELT):** Oversees the sustainability program, supporting the Lockheed Martin Strategic Plan by enabling Business Areas and functions to pursue and implement opportunities and practices that support the sustainability policy. The ELT reviews SMP performance twice a year.
- **Sustainability Leadership Council (SLC):** Guides sustainability efforts and provides input to SMP execution. The SLC is chaired by the SVP Ethics and Enterprise Assurance and consists of functional leaders with direct reporting relationships to the ELT. The SLC convenes twice a year to review the Corporation’s sustainability progress. The SLC also provides guidance during the core issues assessment and goal setting process.
- **Sustainability Management Team (SMT):** Convenes quarterly to review SMP progress, reviews opportunities for program enhancement, and shares internal and external insights and best practices. Chaired by the Senior Manager, Corporate Sustainability.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Corporate executive team	Monetary reward	Emissions reduction target Energy reduction target	Lockheed Martin’s executive team and various business leaders who are responsible for achieving climate and environmental sustainability targets may receive financial incentives as part of their variable compensation based on performance commitments. These commitments are measured on an annual basis and include performance towards our Sustainability Management Plan and Go Green goals which include GHG emissions and energy reductions. See our 2021 Proxy Statement for details.
Business unit manager	Monetary reward	Emissions reduction target Energy reduction target	Lockheed Martin’s environmental/sustainability managers and various business leaders who are responsible for achieving climate change and environmental sustainability targets may receive financial incentives based on performance commitments. These commitments are measured on an annual basis and include performance towards our Sustainability Management Plan and Go Green goals which include GHG emissions and energy reductions.
All employees	Non-monetary reward	Energy reduction project Efficiency project	Employee efforts to reduce environmental impact may be submitted for recognition through Lockheed Martin’s Environment, Safety and Health Excellence Award program. Employees are also eligible for Spot Awards or Special Recognition Awards.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	1	3	The short term time horizon is associated with the long range plan (LRP) for achieving certain sales and orders milestones over a three to four year time period. The LRP is updated annually to reflect changes in the assumptions and business environment. This time horizon represents how Lockheed Martin assesses short-term climate risks and opportunities
Medium-term	3	10	The medium term time horizon is associated with the duration measured by metrics and goals within the Sustainability Management Plan (SMP). The SMP tracks our sustainability performance ranging from 2 years to 10 years at inception. This time horizon represents how Lockheed Martin assesses medium-term climate risks and opportunities.
Long-term	10		The long term time horizon is associated with climate risks and opportunities that extend beyond the short and medium term. At Lockheed Martin there is no defined upper boundary because climate change has no such boundary.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Lockheed Martin assesses the impacts of climate-related financial and strategic risks holistically and does not use a defined quantitative threshold. Financial and strategic impacts are evaluated qualitatively within the context of climate-related risk and the appropriate level of business. Quantitative figures are estimated for only select climate-related risks and opportunities.

An overview of our process begins with a qualitative risk assessment, where individual climate-related risks determined to be of concern are further assessed at the appropriate level of business. The magnitude of impact of each climate-related risk is a qualitative assessment made in relation to other climate-related physical and transitional risks to the Corporation and is not a measure of magnitude to the Corporation as a whole. This approach is designed to identify potential high impact climate-related risks and then to more quantitatively focus the level of impact of each risk across the enterprise. For example, we assess the potential impact of a carbon tax by calculating the relative increase in our total cost of energy procurement by location at varying carbon tax rates. The threshold for this risk is not publicly available, but it represents the percentage increase in total energy procurement cost that exceeds our risk tolerance. Those locations that exceed this threshold are then identified as key focus areas for decarbonization and energy efficiency.

At Lockheed Martin there are multiple time horizons used to note financial, strategic, and risk functions. The time horizons provided in C2.1a specifically consider climate related risks and opportunities, and are designed to incorporate existing, more specialized time horizons.

For the purposes of CDP, we define substantive impact as issues that have the potential to disrupt our business operations if not adequately mitigated. Our operations are subject to various environmental laws and regulations. The extent of our financial exposure stemming from these laws and regulations cannot be reasonably estimated in all cases. In addition to regulatory requirements, natural disasters (e.g., floods, fires, hurricanes) have the potential to cause substantive impact. However, our Business Continuity management system framework proactively and adequately responds to business disruptions, identifies potential impacts, and maintains continuity of operations.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Our corporate risk assessment process includes a senior leadership survey, a subject-matter expert survey, internal audit risk evaluation, global benchmark data and strategic planning assumptions, and interviews with the Executive Leadership Team. Through this process, we identify and prioritize key risks, which are reported to the Audit Committee. Risks are prioritized based upon impact, likelihood, trends and the availability and effectiveness of controls and mitigating actions. Surveys of leaders provide an indication of concerns from a risk universe, including climate-related risks, with varying degrees of potential size and scope. Survey findings are analyzed with risk data from our Treasury function to determine overlapping strategic and operational elements that warrant consideration in the overall risk assessment. Climate-related risks in global benchmark data and strategic planning assumptions are monitored by the Corporate Sustainability Office and provide direct input to the risk assessment process. Our assessment includes assumptions about business, industry, and economic risk factors associated with physical and transitional climate-related risks. At the upstream, operational, and downstream levels, climate-related risks and opportunities are identified, tracked and managed through our Sustainability Management Plan. An example of a transitional opportunity to develop or expand low emission goods and services is addressed through our SMP. Specifically, Lockheed Martin committed to achieve \$4 billion in product sales with direct, measurable benefits to energy and advanced infrastructure resiliency by 2020. We exceeded this goal achieving approximately \$4.9 billion in product sales that benefit energy and infrastructure resiliency as of 2020. Examples that consider physical risk beyond 10 years include ESH's facilitation of gated capital project funding, which results in long-term infrastructure energy and carbon reductions, as well as renewable energy procurement such as a 17-year power purchase agreement. Looking into the future, we are addressing long-term physical and transitional risks by undertaking an ambitious carbon emission reduction goal aligned with a science-based target methodology to reduce carbon emissions 70% from a 2015 baseline by 2030. This ambitious target will help to drive lean and efficient infrastructure, processes, and operations that support our continued leadership in a changing business and regulatory environment. Through our corporate insurance purchasing program, we study risk evaluations and assessments offered by insurance carriers, related to operational climate-related weather hazards. Such risk

data affects capacity, availability and pricing of certain insurance classes for business operations. At the upstream, operational, and downstream levels, acute physical risks are managed by Lockheed Martin's Business Resiliency, Business Continuity, and Global Security and Crisis Management functions. Business Resiliency ensures that resiliency capabilities are addressed through Crisis Management, Business Continuity, information technology disaster recovery, and medical response to protect human life, safeguard assets and sustain critical operations. Business Continuity outlines the preparation needed in anticipation of significant incidents that may disrupt business operations. Crisis Management promotes preparedness and response with the goal of protecting employees against injury and minimizing damage to Lockheed Martin assets. Our Crisis Management program establishes a strategic framework that directs prompt mobilization of responsibilities and operational practices to protect employees and Lockheed Martin assets prior to, during, and after an emergency. As an example, the 2020 CZU Lightning Complex fire in California impacted our Santa Cruz facility. However, the extent of impact was measurably less due to preventative vegetation management with CAL FIRE. Future events of similar nature can be better mitigated based on the inclusion of actual response activities in preparation of business continuity plans at this facility, and available for use across our entire network of Lockheed Martin facilities. Additionally, Lockheed Martin's ESH Management System (ESHMS), administered by Lockheed Martin's Corporate Environment, Safety and Health (ESH) function, is ISO 14001 and ISO 45001 certified and provides a systematic framework to evaluate and respond to company-wide operational risks and opportunities. First, sites identify regulatory and programmatic requirements that are relevant to their specific operations and then they rank them (high, medium, low) by the potential for risk of non-compliance/adherence. Periodic self-assessments (bi-annual for high risk items and four years for all others) are used to monitor the status of the risk, and root cause identification and corrective actions mechanisms are put in place if non-compliance is identified. On top of this, our Internal Audit function periodically audits our sites and/or programs for conformance to our ESH-related internal standards and for compliance with legal regulations. These audits provide a check-and-balance approach to risk mitigation enterprise-wide. Examples of regulatory climate-related risks and opportunities that are evaluated via ESHMS include air emissions, ozone depleting substances, onsite combustion, and the U.S. GHG Mandatory Reporting Rule, for which our largest four facilities are required to report. Examples of programmatic climate-related risks and opportunities that are tracked are adherence to Go Green goals for energy use and carbon emissions. We have been managing these Go Green goals for more than a decade by facilitating a cross-functional team of engineering, facility, operations and procurement experts to identify efficiency projects across the company. In 2020, 21 in-person and virtual events took place and 64 energy and water infrastructure improvement projects were implemented. These projects are projected to avoid ~19K MTCO₂e annually; which is equivalent to the annual electricity needed to power ~7,000 homes. Compared to 2015, we estimate that the overall Go Green program has avoided ~51,000 MTCO₂e which is equivalent to the annual electricity needed to power ~93,000 homes.

Value chain stage(s) covered

Direct operations
Upstream

Risk management process

A specific climate-related risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Climate-related risks and opportunities are assessed continually throughout the year as individual risks. These assessments are based on our qualitative enterprise level assessment detailed below, and focus on the quantification of individual risks at the most appropriate level of business (Enterprise, Business Area, Facility, etc.). In 2018, the Corporate Sustainability Office initiated a study of climate-related risk drivers to business operations in the short, medium, and long terms. Impacts for each driver were assessed (qualitatively) and scored (quantitatively) for supply chain, manufacturing operations, and business operations. The results provided a prioritized list of climate-related risk drivers that are continuously analyzed. To date, each of our US-based facilities are assessed for a variety of acute and chronic physical climate risks to understand the relative threats as a result of Lockheed Martin's geographic distribution of operations and supply chain. Although we are a global corporation, over 93% of our workforce is based in the United States. In early 2020, the Corporate Sustainability Office refined our climate-related risk assessment process as part of a more integrated scenario planning and analysis exercise. The refined process is based on the same climate risk drivers suggested in the Task Force on Climate-related Financial Disclosures (TCFD) documentation for physical and transitional risks, with greater distinction given to individual manifestations of acute physical risks. More than 120 distinct climate-related risks, based on 22 distinct risk drivers, were assessed based on a set of scenario parameters limiting the rise in global temperatures to 2°C and another scenario that does not limit global temperature growth. Additionally, the level of risk was determined by qualitatively assessing the likelihood and impact of each risk driver on our facilities, production operations, supply chain and workforce. Our latest risk assessment will be integrated into strategic planning at the functional level and individual physical risks are being considered in business continuity drills involving multiple facilities. Our qualitative climate-scenario analysis is based on two possible futures at the facility, production operations, workforce, and supply chain levels. One scenario restricts global temperature warming to no more than 2°C by 2100, aligning with Representative Concentration Pathway (RCP) 2.6, and the other scenario's global temperature rise exceeds 2°C by 2100, aligning with RCP 8.5. In considering the outcome of these two scenarios, there are multiple sub-strategies used to incorporate variability in key performance measures representing both physical and transitional risks. Shared Socio-economic Pathways (SSP) and Integrated Assessment Model data are being used to determine boundaries for impact trajectories in 2030 and 2100 for both scenarios. At Lockheed Martin, climate strategy will be impacted by a variety of variables, the least of which is mean global temperature. The SSP data were chosen for our climate scenario analysis based on the robust nature of variables modelled and the integration of multiple RCP aligned sub-strategies. SSP1 is a pathway best aligned to achieve limited warming of 1.5°C to 2°C and incorporates strong policy applications such as carbon pricing. SSP5 offers an approach best aligned with RCP 8.5 and a "no new policy" approach. These scenarios are fundamental to how Lockheed Martin is planning for physical and transitional risks related to climate change. Lockheed Martin assesses the impacts of climate-related financial and strategic risks holistically and does not use a defined quantitative threshold. Financial and strategic impacts are evaluated qualitatively within the context of climate-related risk and the appropriate level of business. Quantitative figures are estimated for only select climate-related risks and opportunities. An overview of our process begins with a qualitative risk assessment, where individual climate-related risks determined to be of potential concern are further assessed at the appropriate level of business. This approach is designed to identify potential high impact climate-related risks and then to more quantitatively focus the level of potential impact of each risk across the enterprise. We assess the potential impact of a carbon tax (transitional risk) by calculating the relative increase in our total cost of energy procurement by location at varying carbon tax rates. The magnitude of impact of a carbon tax is relative to other climate risks based on how much a potential carbon tax would exceed our internal threshold. The threshold for this risk is not publicly available but represents the percentage increase in total energy procurement cost that exceeds our risk tolerance. Those locations that exceed this threshold are then identified as key focus areas for decarbonization and energy efficiency. Chronic physical risk, such as sea level rise, is evaluated at a regional level based on proximity to each of our US-based sites. Those locations that show a high level of risk by type are evaluated directly as part of climate-related business continuity/emergency management drills at an appropriate level of business. In 2020, our Enterprise Operations business conducted the first of these drills based on data and analysis provided by the Corporate Sustainability Office.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, sometimes included	The effect of local, regional, and national policies regulating climate related risks on our current business is monitored and assessed across multiple functions . Although these risks may vary over time, our current strategy enables an adequate level of mitigation and/or adaptation in order to minimize current impacts. At the operational level, Lockheed Martin's ESH Management System (ESHMS), administered by Lockheed Martin's Corporate Environment, Safety and Health (ESH) function, is ISO 14001 and ISO 45001 certified and provides a systematic framework to evaluate and respond to company-wide operational risks and opportunities. First, sites identify regulatory and programmatic requirements that are relevant to their specific operations and then they rank them (high, medium, low) by the potential for risk of non-compliance/adherence. Periodic self-assessments (bi-annual for high risk items and four years for all others) are used to monitor the status of the risk, and root cause identification and corrective actions mechanisms are put in place if non-compliance is identified. On top of this, our Internal Audit function periodically audits our sites and/or programs for conformance to our ESH-related internal standards and for compliance with legal regulations. These audits provide a check-and-balance approach to risk mitigation enterprise-wide. The regulatory climate-related risks and opportunities that are evaluated via ESHMS include air emissions, ozone depleting substances, onsite combustion, and the U.S. GHG Mandatory Reporting Rule, for which our largest four facilities are required to report. Examples of programmatic climate-related risks and opportunities that are tracked are adherence to Go Green goals for energy use and carbon emissions.
Emerging regulation	Relevant, always included	At Lockheed Martin, we consider potential climate-related regulation as a risk. The likelihood of national GHG emission taxes, for example, is considered high and will only increase over time. This example is just one in which Lockheed Martin is considering the potential impact of climate-related regulation in our climate risk assessment and climate scenarios. Not all emerging regulations are known or can be speculated at this time so a general characterization of what should be considered is evolving and is subject to geographic variables. Furthermore, Lockheed Martin's Corporate ESH function tracks and provides analysis of impending new and revised ESH legal requirements and other standards that could have an impact on the Corporation's operations and products, and then those risks are considered through ESH Management System process detailed at length in the sections above. We provide three monthly forums for our business elements to learn and discuss trending ESH advocacy topics including international, U.S. domestic, and California-specific events.
Technology	Relevant, always included	At Lockheed Martin, we are first and foremost a technology company. Climate-related risks addressed by the adoption of technology are key to our long-term business strategy. From operational equipment upgrades to modernization of product design, Lockheed Martin considers decarbonization, energy efficiency and waste reduction as strong indicators for cost reduction and effectiveness. The long-term implementation of technology may not always be climate-related but is considered key to Lockheed Martin as a company. Additionally, our Business Continuity team manages Corporate-wide information technology disaster recovery, crisis management, and pandemic planning activities. They have established a strategic framework and operational practices to continuously improve Lockheed Martin's resilience to disruption or loss in supplying products and services. The Business Continuity function is also responsible for developing and managing responses to some aspects of physical climate-related risks that pose a threat to business operations. As an example, this organization was one of many functions that played a critical role in re-establishing telecommunications infrastructure at our Aguadilla, Puerto Rico facility, which was impacted by Hurricane Maria in 2017. Lockheed Martin has developed a Technology Roadmap Initiative that aims to identify alternative products that will be needed in a long-term climate change scenario. We also have working groups exploring new opportunities for space instruments, rotary aircraft, and other products that may emerge as a result of climate-related developments.
Legal	Relevant, always included	At Lockheed Martin, we consider legal risks as relevant, but not exclusive to climate-related events and changes. Successful management of legal risks requires a coordinated risk management approach in order to prevent or mitigate the extent of such risks. Environmental remediation is an example of a legal risk that Lockheed Martin recognizes as having climate-related aspects, and that may be necessitated or exacerbated by acute weather events. Lockheed Martin routinely engages with policy makers on matters of interest to the Corporation. Lockheed Martin's advocacy and engagement on specific policy issues is coordinated with internal stakeholders to ensure a consistent, corporate-wide approach. Our policy engagement is managed by our Corporate Government Affairs organization. Lockheed Martin's Corporate ESH function tracks and provides analysis of new and revised ESH legal requirements and other standards that could have an impact on the Corporation's operations and products. Corporate ESH has also developed and implemented the ESH Management System (ESHMS) which goes beyond compliance by providing a risk-based, systematic framework to evaluate the management and performance of ESH processes, programs, and tasks against established standards. The ESHMS directs our business locations (sites) to complete corrective action within a specified timeframe depending on the nature and severity of incidents and provides internal documentation tools that serve as the record of authority. The Corporate ESH function also implements a process to report incidents, ensure timely communication, assure that appropriate response processes are initiated, and prevent further incidents. If non-compliance is identified, systematic interim control, root cause, corrective, and preventive action processes must be applied and monitored to prevent future occurrence. Additionally, our Corporate Internal Audit function periodically audits our sites and/or programs for conformance to our ESH-related internal standards and for compliance with legal requirements. These audits provide a check-and-balance approach to risk mitigation across the enterprise.
Market	Relevant, always included	At Lockheed Martin, we consider market risk as relevant, but, not exclusive to climate-related events and changes. Successful management of market risks requires a coordinated risk management approach in order to prevent or mitigate the extent of such risks. For example, although our primary customer (US Government) generally projects a reasonably high level of certainty in market signals, there is always variability that occurs based on the priorities of each Administration. To continue to excel as a market leader, Lockheed Martin will need to maintain core technical competencies that enable us to meet our customers' needs. Understanding market/sector variability has always been a key to success. Lockheed Martin monitors customers' analyses of climate-related risks they expect to confront in the near and long term. For example, in some instances, these risks have been publicly shared by our customers. As part of our overall market assessment and strategic decision-making, we assess the extent to which Lockheed Martin is and will be able to address the market's changing requirements associated with climate change. Opportunities to provide new products and/or services are considered, along with risks that may impact demand for current products and/or services.
Reputation	Relevant, always included	At Lockheed Martin, we consider reputational risk as relevant, but, not exclusive to climate-related events and changes and as pivotal to maintaining business with our key customers. Successful management of reputational risks requires a coordinated risk management approach in order to prevent or mitigate the extent of such risks. An example included in our assessment is our reputation with our primary customer, the US Government, which is key to our business and being awarded contracts. The Federal Acquisition Regulations (FAR) account for contractor reliability in awarding contracts. The ability to maintain reliable delivery of products and meet performance requirements may be directly, and indirectly, impacted by how Lockheed Martin is able to mitigate and/or adapt to climate-related risks and opportunities.
Acute physical	Relevant, always included	At Lockheed Martin, the geographic distribution of our facilities, customers, and suppliers is on a global scale. While over 93% of our workforce is based in the United States, it is vital that we prepare for and assess the potential impact of acute weather events as physical risks to our operations and supply chain. In 2018, our initial climate-related risk assessment concluded that acute physical risks, in the form of extreme weather events were a key priority. In early 2020, we updated this assessment to distinguish different types of extreme weather events to better appreciate the geographic variation that occurs across our sites. Storms, wildfires, flooding and extreme heat are examples of key risk areas. In addition, through our formal risk assessment process, surveys of leaders provide an indication of top risk concerns including climate-related risks with varying degrees of impact. Survey findings are analyzed with risk data from our Treasury function to determine overlapping strategic and operational risk elements that warrant and provide direct input to the risk assessment process. Our assessment includes assumptions about business, industry, and economic risk factors associated with physical and transitional climate-related risks. We also consider feedback from functions such as Information Security, Global Supply Chain Operations and Human Resources. At an asset level, acute physical risks are assessed through our Business Resiliency, Business Continuity, and Global Security and Crisis Management functions. Business Resiliency ensures that resiliency capabilities are addressed through Crisis Management, Business Continuity, information technology disaster recovery, and medical response to protect human life, safeguard assets and sustain critical operations. Business Continuity outlines the preparation needed in anticipation of significant incidents that may disrupt business operations. Crisis Management promotes preparedness and response with the goal of protecting employees against injury and minimizing damage to Lockheed Martin assets. Our Crisis Management program establishes a strategic framework that directs prompt mobilization of responsibilities and operational practices to protect employees and Lockheed Martin assets prior to, during, and after an emergency.
Chronic physical	Relevant, always included	At Lockheed Martin, the geographic distribution of our facilities, customers, and suppliers is on a global scale and chronic physical risks are expected to develop over time. An example of a chronic physical risk considered in our assessment is sea level rise, which is the most prominent example that could impact our operations. Because of the global nature of our facilities, customers, and suppliers, chronic physical risks are deemed relevant based on climate-related risk assessments conducted in 2018 and updated in 2020. Many locations are not vulnerable to this type of risk, however, it is a risk that cannot be assessed solely based on Lockheed Martin facilities, but also on our local communities and those of our suppliers. Lockheed Martin's risk assessment process includes a senior leadership survey, a subject-matter expert survey, internal audit risk evaluation, global benchmark data, strategic planning assumptions, and interviews with the Executive Leadership Team. Through this process, we identify and prioritize key risks. These are reported to the Audit and other Board committees. Risks are prioritized based upon impact, likelihood, trends, and the availability and effectiveness of controls. This includes property insurance capacity and costs at facilities with company assets in close proximity to climate-related weather hazards. Surveys of leaders provide an indication of top risk concerns including climate-related risks with varying degrees of impact. Survey findings are analyzed with risk data from our Treasury function to determine overlapping strategic and operational risk elements that warrant and provide direct input to the risk assessment process. Climate-related physical risks are also monitored through engagement with property and hazard insurers. Additionally, Lockheed Martin's Corporate ESH function collaborates across all of our business segments to identify opportunities to mitigate the Corporation's contribution to climate-related risks. For example, sites from across business areas submit potential energy and water efficiency projects to Corporate ESH staff for technical and financial review. Technically sound projects that meet certain financial thresholds are earmarked as Go Green gated capital and are added to the respective business area's overall capital plan. In 2020, we implemented 64 energy efficiency projects that combined are estimated to avoid carbon emissions equal to ~7,000 homes' electricity use for one year.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**Identifier**

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
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Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Increased pricing of GHG emissions is considered a key potential regulatory-driven climate risk at Lockheed Martin. Based on our current operations, only the State of California operates a cap and trade program requiring facilities to offset a percentage of their GHG emissions; however, the likelihood of a carbon based tax is expected to be high as we look at our global operations in the future and the added operations cost that would accompany such a tax. Lockheed Martin seeks to understand and manage this risk by stress testing historical cost implications of localized emissions against localized energy expenditures, under multiple pricing scenarios, and through efforts to decarbonize and conserve energy based on per capita metrics. Decarbonization encompasses numerous activities to support the use of clean energy in the form of Renewable Energy Credit (REC) purchases and on-site renewable generation. Energy conservation efforts are aimed at process and operational efficiency improvements.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

18000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Lockheed Martin seeks to understand and manage this risk by stress testing historical cost implications of localized emissions against localized energy expenditures, under multiple pricing scenarios, and through efforts to decarbonize and conserve energy based on per capita metrics. \$18 million is the estimated annual financial impact based on a hypothetical carbon tax of \$20/MTCO_{2e} and our 2020 Scope 1 & 2 energy-specific emissions. We are assuming an estimated range of \$9,000,000 to \$90,000,000 based on hypothetical tax rates from \$10 to \$100 per MTCO_{2e}. This tax rate range and the tax rate of \$20 used in the financial impact estimate is based on analyses conducted by our Corporate Sustainability Office on recommended science-based CO₂ tax rates in 2020 and 2030, integrating various sources including the World Bank, High-Level Commission on Carbon Price, Shared Socio-Economic Pathways, and Carbon Pricing Corridors Initiative, that evaluate '1.5 °C and less' and '2°C and less' scenarios.

Cost of response to risk

15000000

Description of response and explanation of cost calculation

Lockheed Martin seeks to understand and manage this risk. Specifically, in 2019, the Enterprise Risk & Sustainability team began stress testing historical cost implications of localized emissions against localized energy expenditures, under multiple pricing scenarios. We are assuming a hypothetical tax rate range of \$10 to \$100 per mtCO_{2e} based on recommended science-based CO₂ tax rates in 2020 and 2030, from various sources including the World Bank, High-Level Commission on Carbon Price, Shared Socio-Economic Pathways, and Carbon Pricing Corridors Initiative. The cost of response to this risk was calculated based on a single-year expenditure for capital improvements dedicated to energy efficiency and conservation that reduce our emissions. Specifically, in 2020, Lockheed Martin spent approximately \$15 million on completed projects and initiatives related to energy efficiency and conservation. This cost is illustrative and at this time we cannot reasonably estimate the cost of mitigating or complying with any future carbon pricing mechanisms that might be imposed. One way we respond to this potential risk is by decarbonizing operations through renewable energy and energy efficiency, as demonstrated by our Go Green and Sustainability Management Plan goals in the Resource Efficiency section of Lockheed Martin's 2020 Sustainability Report. Our progress towards these decarbonization goals are also detailed in this CDP report in Section C4 Targets and Performance. We currently meet our renewable energy goals through a combination of on-site generation, Renewable Energy Certificates (RECs), and a power purchase agreement. In 2020, we set a new goal to match 30% of electricity used across Lockheed Martin global operations with electricity produced from renewable sources by 2030, via a combination of onsite or offsite generation. We meet our energy efficiency goals by investing in a dedicated cross-functional team that facilitates the identification and funding of technically and financially sound energy and water efficiency projects across the corporation. In 2020, we implemented 64 energy and water infrastructure improvement projects estimated to avoid ~19K MTCO_{2e} annually.

Comment

Each climate-related risk category is initially assessed by the Corporate Sustainability Office at Lockheed Martin. All submissions are estimations and are used to identify areas of further research. The magnitude of impact of each climate-related risk is a qualitative assessment made in relation to other climate-related physical and transitional risks to the Corporation and is not a measure of magnitude to the Corporation as a whole. In addition, the risks described in this section are not necessarily the greatest potential climate-related risks to Lockheed Martin; they are risks for which we are able to provide quantitative and qualitative estimates.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Climate change is directly impacting the strength and pace of storms and other weather-related events. The level of impact varies based on the location of our operations and supply chain and is not limited to just coastal regions. In addition to cyclones and flooding, other weather-related events such as tornado and wildfires will have a continued impact on our supply chain and operations. These impacts result in disruptions in manufacturing and the livelihoods of our workforce and families. In mid-September of 2017, Hurricane Maria, a Category 4 hurricane with 155 mph winds, destroyed infrastructure in Puerto Rico, causing power and communications outages and widespread flooding for the entire island, impeding transportation. Lockheed Martin's facility in Aguadilla, Puerto Rico, was impacted by Hurricane Maria as the site was closed over approximately a month and a half, due to loss of telecommunications. In 2017, Lockheed Martin was directly impacted by hurricanes in Texas and Florida. In 2017 and 2018, winter storms and other events disrupted operations on the East Coast, and in 2020, the CZU Lightning Complex fire in California directly impacted our Santa Cruz facility and surrounding communities. As risks increase so too will the cost of operations and the potential for delays. Future weather events are expected to grow stronger, with greater impact.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

500000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Based on our experience following Hurricane Maria, we estimate the cost of another similar acute weather event to be approximately \$500,000, which was the cost of repairs at our Aguadilla, Puerto Rico, facility after that event. This value includes damage to infrastructure, machinery and equipment; losses from business interruption and payroll; incurred costs from debris removal; and extra expenses from emergency items such as generators, equipment rentals, etc. The main assumption in this estimate is that future costs would be similar to those historical costs faced in 2017. Total loss of the value exposed at this facility is unlikely because Lockheed Martin has rigorous standards to mitigate loss and damage.

Cost of response to risk

500000

Description of response and explanation of cost calculation

Acute physical risks are managed by Lockheed Martin's Business Resiliency, Business Continuity and Global Security and Crisis Management organizations. Our Crisis Management Program establishes a strategic framework that directs prompt mobilization of responsibilities and practices to protect our employees and assets prior to, during, and after an emergency. In October of 2017, the Crisis Management team utilized the LM-100J to deliver over 80,000 pounds of critical supplies to our employees and the surrounding community. The Aguadilla site received minimal damage and was prepared with hurricane shelters, a fully operational generator and potable water. The greatest impact to the Aguadilla site was the loss of telecommunications, which was critical for a site that facilitates call center help desk operations. Thus, the closure of this site for over a month increased operating costs as the decrease in capacity resulted in work that had to be redirected to several other sites. In addition to formal management action, Lockheed Martin employees aided our Puerto Rico employees and the local community through monetary donations and supplies. Many of our facilities partnered with Lockheed Martin's Hispanic Organization for Leadership and Awareness (HOLA) employee group, collecting more than 300 pounds of supplies ranging from batteries, mosquito repellents, hygienic products, baby supplies and canned food. Through the donation of two LM-100J flights, at least 100 employees were able to receive a variety of critical supplies, including electric generators. Based on our experience following Hurricane Maria, we estimate the cost of responding to a similar acute weather event to be approximately \$500,000. This value is based on the total value exposed at our Aguadilla, Puerto Rico, facility, which includes damage to infrastructure, machinery and equipment; losses from business interruption and payroll; incurred costs from debris removal; and extra expenses from emergency items such as generators, equipment rentals, etc. The main assumption in this estimate is that future costs would be similar to historical costs of our response in 2017. Total loss of the value exposed at this facility is unlikely because Lockheed Martin has rigorous standards to mitigate loss and damage.

Comment

Each climate-related risk category is initially assessed by the Corporate Sustainability Office at Lockheed Martin. All submissions are estimations and are used to identify areas of further research. The magnitude of impact of each climate-related risk is a qualitative assessment made in relation to other climate-related physical and transitional risks to the Corporation and is not a measure of magnitude to the Corporation as a whole. In addition, the risks described in this section are not necessarily the greatest potential climate-related risks to Lockheed Martin; they are risks for which we are able to provide quantitative and qualitative estimates.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Increased pricing of GHG emissions is considered a key regulatory-driven climate risk at Lockheed Martin and extends to the affordability of our products, cost competitiveness in government contracts, and supply chain costs. The likelihood of a carbon based tax is expected to be high as we look at our global supply chain in the future and the added operational cost that would accompany such a tax for our suppliers. The majority of our sales are driven by pricing based on costs incurred to produce products or perform services under contracts with the U.S. Government. Cost-based pricing is determined under the Federal Acquisition Regulation (FAR). The FAR provides guidance on the types of costs that are allowable in establishing prices for goods and services under U.S. Government contracts. We closely monitor compliance with the consistent application of our critical accounting policies related to contract accounting. Increases in operational costs will directly affect the affordability of our products and our competitive position against industry peers.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

235000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Lockheed Martin's Enterprise Risk & Sustainability team calculated the annual financial impact estimate of \$235 million based on a hypothetical carbon tax of \$20/MtCO_{2e} on our 2020 Scope 3 emissions estimate for purchased goods and services and capital goods. This estimate assumes that not all Scope 3 emissions would be energy based. As energy costs are generally embedded in overall supplier costs and are often considered "allowable" under Defense Federal Acquisition Regulation Supplement (DFARS) regulation in Department of Defense acquisitions, the impact is represented as the added cost to suppliers. Our analysis takes considers a hypothetical tax rate range of \$10 to \$100 per mtCO_{2e}. This tax rate range and the tax rate of \$20 used in the financial impact estimate is based on analyses conducted by our Corporate Sustainability Office on recommended science-based CO₂ tax rates in 2020 and 2030, from various sources including the World Bank, High-Level Commission on Carbon Price, Shared Socio-Economic Pathways, and Carbon Pricing Corridors Initiative, that evaluate '1.5 °C and less' and '2°C and less' scenarios.

Cost of response to risk

0

Description of response and explanation of cost calculation

Lockheed Martin seeks to understand and manage this risk. In 2020, Lockheed Martin's Enterprise Risk and Sustainability team stress tested historical cost implications of directly applied carbon taxes (based on a hypothetical tax range of \$10 to \$100 per mtCO_{2e}) against estimated supply chain emissions for 2019. This tax rate range is based on recommended science-based CO₂ tax rates in 2020 and 2030, from various sources including the World Bank, High-Level Commission on Carbon Price, Shared Socio-Economic Pathways, and Carbon Pricing Corridors Initiative. Since energy costs are generally embedded in overall supplier costs and are often considered "allowable" under DFARS regulation in DoD acquisitions, the financial impact estimate is represented as the added cost to suppliers. These costs will drive up overall costs for our products and impact affordability for our customers. The cost of responding to a specific affordability issue cannot be disaggregated from Lockheed Martin's existing overhead expenditures, resulting in a disclosed value of "0". However, we do address the affordability of our products through our 2020 Sustainability Management Plan, where we worked to 1) Add criteria to fully identify cost drivers early in the product design cycle within each business segment's proposal planning and review processes; 2) Generate \$1 billion in life-cycle cost reductions from manufactured products related to the use of resources and impacts on human health and the environment from 2015 to the end of 2020; and 3) Achieve ≥\$700 million in corporate cost and supply chain efficiencies from 2015 to the end of 2020. We exceeded these goals by achieving a total \$1.08 billion in cumulative realized cost and supply chain efficiencies since inception and \$1.35 billion in life-cycle cost reductions through the end of 2020.

Comment

Each climate-related risk category is initially assessed by the Corporate Sustainability Office at Lockheed Martin. All submissions are estimations and are used to identify areas of further research. The magnitude of impact of each climate-related risk is a qualitative assessment made in relation to other climate-related physical and transitional risks to the Corporation and is not a measure of magnitude to the Corporation as a whole. In addition, the risks described in this section are not necessarily the greatest potential climate-related risks to Lockheed Martin; they are risks for which we are able to provide quantitative and qualitative estimates.

C2.4**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

C2.4a**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.****Identifier**

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Climate-related products and services represent the most significant climate-related opportunity for Lockheed Martin. As a company driven to provide technical solutions to the most complex challenges of our customers, our portfolio will expand to meet their needs, including to address climate change and adaptation solutions. Our customers have shaped product development and features based on climate-related risks and opportunities. Growing resource constraints and changes to our climate require technologies that strengthen society's resilience and solutions for monitoring and addressing impacts. For instance, Lockheed Martin has developed the meteorological observation systems that have improved weather forecasting. Our primary customers have been federal agencies including the National Oceanic and Atmospheric Administration (NOAA), the National Aeronautics and Space Administration (NASA), the United States Air Force (USAF) and the Federal Aviation Administration (FAA). Through a collaborative development and acquisition effort between NOAA and NASA, in November of 2016, Lockheed Martin completed and launched the first of four next-generation geostationary weather satellites, the Geostationary Operational Environmental Satellite-R Series (GOES-R). GOES-R was launched in 2016 and was renamed GOES-16 once it reached geostationary orbit. GOES-S was launched in March 2018 and renamed GOES-17, and GOES-T is scheduled to launch in December 2021, with GOES-U in 2024.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2000000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The approach used to generate a potential financial impact figure was by evaluating publicly available information. Specifically, financial impact is measured directly based on awarded amount of known contracts and the duration associated with those contracts related to a series of satellites developed to improve the monitoring and quality of climate data and inform climate adaptation solutions. The amount estimated above is the contract value of the NASA/NOAA GOES-R satellite program, which is valued at \$2 billion for the 4 next-generation satellites in the GOES series. This program was awarded to Lockheed Martin in 2008 and is scheduled to end in 2024.

Cost to realize opportunity

350000000

Strategy to realize opportunity and explanation of cost calculation

The GOES-R series satellites enable higher resolution images of weather patterns and severe storms five times faster than previous capabilities. These enhanced capabilities will contribute towards more accurate and reliable weather forecasts, severe weather outlooks and warnings, maritime forecasts, seasonal predictions, drought outlooks and space weather predictions. These advanced prediction capabilities will in turn, enable avoidance of adverse impacts from weather events and inform solutions for climate adaptation needs. GOES-16 and GOES-17 have already been launched. GOES-T is scheduled to launch in December 2021, with GOES-U in 2024. The estimated duration of this program is 16 years based on the scheduled launch of GOES-U in 2024. In addition to our GOES-R series satellites, Lockheed Martin's Space business segment's product portfolio includes spacecraft that contributes to deep-space exploration as well as advanced infrastructure resiliency for climate adaptation needs. These products include the Space Based Infrared System, the GPS III, and Orion. Lockheed Martin invested \$350 million in the development and construction of the Gateway Center near Denver, CO. The Gateway Center was developed in support of various US Government programs, including the GOES-R Series weather satellites. Other spacecraft currently in production at the site include the Air Force's GPS III satellites, NASA's Lucy spacecraft which will explore Jupiter's Trojan asteroids, and other next-generation US Government satellites. Annualized investment was based on construction beginning in 2017.

Comment

Each climate-related opportunity category is initially assessed by the Corporate Sustainability Office at Lockheed Martin. The results are temporal and inclusive of supply chain impacts vs. operations. All submissions are estimations and are used to identify areas of further research.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

At Lockheed Martin, we develop technologies and instruments that continuously monitor the climate from space to sea to support our customers in protecting and strengthening global infrastructure. We are principally engaged in the research, design, development, manufacture, integration, and sustainment of advanced technology systems, products and services that improve and promote long-term capabilities in national security, space exploration, and information technology. Our strategic planning process pays close attention to shifts in U.S. national security policy and listens to feedback about how our equipment is used on a forward-operating basis. Our design process focuses on building longevity and resiliency into our technology. We periodically assess key global security priorities by country and partner with public and private sector research laboratories. Our research and development efforts also include investing in entrepreneurial technologists who can disrupt conventional approaches to engineering solutions. Our senior vice president of Ethics and Enterprise Assurance is also an investment committee member of Lockheed Martin Ventures, which makes strategic investments in companies that are developing disruptive, cutting edge technologies in core businesses and new markets important to Lockheed Martin.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4900000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Our 2020 Sustainability Management Plan (SMP) goal of \$4 billion in annual product sales by 2020 with direct, measurable benefits to energy and advanced infrastructure resiliency captures the opportunity of this strategy. In 2020 we exceeded this goal with annual product sales that benefit energy and infrastructure resiliency totalling approximately \$4.9 billion. This figure does not include sales representing sustainment service contracts for many of our products. Calculation of the financial impact is measured directly based on annual sales in 2020 for energy and advanced infrastructure projects.

Cost to realize opportunity

4248000000

Strategy to realize opportunity and explanation of cost calculation

Our strategic planning process pays close attention to shifts in U.S. national security policy and listens to feedback about how our equipment is used on a forward-operating basis. Our customers have shaped product development based on climate-related risks and opportunities. Growing resource constraints and changes to our climate require technologies that strengthen society's resilience and solutions for addressing impacts. For instance, Lockheed Martin is developing an advanced energy storage system - GridStar Flow, which is an innovative redox flow battery designed to be a durable, flexible, scalable, and safe long duration energy storage solution. This will provide energy storage for consistent availability and distribution, addressing the uncertainties of intermittent renewable energy. Our design process focuses on building longevity and resiliency into our technology. We periodically assess key global security priorities by country and partner with public and private sector research laboratories. As an example, Lockheed Martin is developing a state-of-the-art Geostationary Carbon Observatory (GeoCarb) with the University of Oklahoma and NASA's Jet Propulsion Laboratory, to be launched in 2022. GeoCarb aims to advance our collective understanding of the global carbon cycle by mapping key carbon gases from geostationary orbit. Over time, this technology can contribute much-needed data to support climate adaptation and resiliency efforts. GeoCarb will allow NASA to see how different weather patterns influence carbon dioxide and methane concentrations and address unanswered questions in carbon cycle science. Our research and development efforts also include investing in entrepreneurial technologists who can disrupt conventional approaches to engineering solutions. Our senior vice president of Ethics and Enterprise Assurance is also an investment committee member of Lockheed Martin Ventures, which makes strategic investments in companies that are developing disruptive, cutting edge technologies in core businesses and new markets important to Lockheed Martin. The cost to realize the opportunity is \$4,248,000,000, which is the average ratio of cost of goods sold (~\$56.7B) to revenues (~\$65.4B) for Lockheed Martin applied to the sales (~\$4.9B) in this portfolio for 2020. Note that this gross profit margin on a corporate wide basis may not be representative of the gross profit margin for these sales and is purely illustrative as applied in this context.

Comment

Each climate-related opportunity category is initially assessed by the Corporate Sustainability Office at Lockheed Martin. The results are temporal and inclusive of supply chain impacts vs. operations. All submissions are estimations and are used to identify areas of further research.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Move to more efficient buildings

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

According to life-cycle-based assessments, the biggest environmental impact within our direct business operations relates to energy use and greenhouse gas (GHG) emissions. We believe that we have a responsibility to operate our own facilities with efficient use of resources and to minimize environmental impacts.

Time horizon

Long-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4600000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Lockheed Martin uses annual cost avoidance estimates to determine savings related to energy efficiency and decarbonization. Financial impact is measured directly based on these recurring annual cost avoidances (\$4.6 million) projected over a minimum of 10 years. In 2020, 64 energy efficiency projects were completed. These projects are estimated to avoid approximately 47,376,000 kWh and approximately 19,000MTCO2e each year. In order of financial impact, the project types include: 1) Thirty-four (34) lighting projects that are estimated to avoid approximately \$1,694,000 annually. 2) Three (3) projects categorized as "Other" (including a significant cogeneration optimization project) that are estimated to avoid approximately \$1,347,000 annually. 3) Nine (9) Building Control System projects that are estimated to avoid approximately \$579,000 annually. 4) Three (3) Building Envelope projects that are estimated to avoid approximately \$470,000 annually. 5) Eight (8) Compressed Air projects that are estimated to avoid approximately \$227,000 annually. 6) Three (3) HVAC projects that are estimated to avoid approximately \$166,000 annually. 7) Three (3) projects related to maintenance, manufacturing and irrigation which are estimated to avoid approximately \$54,000 annually. 8) One (1) Steam project that is estimated to avoid approximately \$51,000 annually.

Cost to realize opportunity

15000000

Strategy to realize opportunity and explanation of cost calculation

Lockheed Martin has adopted the United States Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) as the minimum standard for new construction, renovations, and/or retrofit projects. For existing buildings, installation of equipment should be life cycle cost effective and reduce the energy consumption for the building. The purpose of this procedure is to establish requirements for implementing green building practices in the design, construction and operations of all Lockheed Martin facilities and to meet the Corporation's goals on increasing our green footprint. We have also started utilizing advanced data analytics to optimize energy usage. For example, we have used regression analysis-based building modelling to measure the impact on energy consumption from production changes, weather variability, and energy efficiency projects to predict energy consumption with a high degree of confidence and to support decision making about upgrades. We are also piloting smart building algorithms that automatically gather data on existing building automation systems to reduce our carbon footprint and improve asset reliability. Cost to achieve this opportunity is represented by a single-year expenditure for capital improvements related to energy efficiency and conservation projects. Specifically, in 2020, Lockheed Martin spent approximately \$15 million to complete projects and initiatives related to energy efficiency and conservation.

Comment

Each climate-related opportunity category is initially assessed by the Corporate Sustainability Office at Lockheed Martin. The results are temporal and inclusive of supply chain impacts vs. operations. All submissions are estimations and are used to identify areas of further research.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative, but we plan to add quantitative in the next two years

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
RCP 2.6	Lockheed Martin is conducting qualitative scenario analyses based on two possible future scenarios at the facility, production operations, workforce, and supply chain levels. One scenario restricts global temperature warming to no more than 2°C by 2100, aligning with RCP 2.6, and the other scenario’s global temperature rise exceeds 2°C by 2100, aligning with RCP 8.5. In consideration of these two scenarios there are multiple sub-strategies used to incorporate variability in key performance measures representing both physical and transitional risks. Shared Socio-economic Pathways and Integrated Assessment Model data are being used to determine boundaries for impact trajectories in 2030 and 2100 for both scenarios.
RCP 8.5	Lockheed Martin is conducting qualitative scenario analyses based on two possible future scenarios at the facility, production operations, workforce, and supply chain levels. One scenario restricts global temperature warming to no more than 2°C by 2100, aligning with RCP 2.6, and the other scenario’s global temperature rise exceeds 2°C by 2100, aligning with RCP 8.5. In consideration of these two scenarios there are multiple sub-strategies used to incorporate variability in key performance measures representing both physical and transitional risks. Shared Socio-economic Pathways and Integrated Assessment Model data are being used to determine boundaries for impact trajectories in 2030 and 2100 for both scenarios.
Other, please specify (Shared Socioeconomic Pathways)	Lockheed Martin is conducting qualitative scenario analyses based on two possible future scenarios at the facility, production operations, workforce, and supply chain levels. One scenario restricts global temperature warming to no more than 2°C by 2100, aligning with RCP 2.6, and the other scenario’s global temperature rise exceeds 2°C by 2100, aligning with RCP 8.5. In consideration of these two scenarios there are multiple sub-strategies used to incorporate variability in key performance measures representing both physical and transitional risks. Shared Socio-economic Pathways and Integrated Assessment Model data are being used to determine boundaries for impact trajectories in 2030 and 2100 for both scenarios.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Lockheed Martin develops technologies that continuously monitor the climate from space to sea to support our customers in protecting and strengthening global infrastructure. Our business strategy related to climate change is influenced by our stakeholders including employees, academic institutions, investors, non-governmental organizations, customers, policy organizations, suppliers and analysts through our Core Issues Assessment process. Our 2025 SMP includes an Advancing Resource Stewardship sustainability priority. This priority contains an Energy Management related goal to annually increase carbon removal technology, installation, investment and support. Our customers have shaped product development and features based on climate-related risks and opportunities. Growing resource constraints and changes to our climate require technologies that strengthen society’s resilience and solutions for addressing impacts. As an example, Lockheed Martin is developing a state-of-the-art Geostationary Carbon Observatory (GeoCarb) with the University of Oklahoma and NASA’s Jet Propulsion Laboratory, to be launched in 2022. GeoCarb aims to advance our collective understanding of the global carbon cycle by mapping key carbon gases from geostationary orbit. Over time, this technology can contribute much-needed data to support climate adaptation and resiliency efforts. GeoCarb will allow NASA to see how different weather patterns influence carbon dioxide and methane concentrations and address unanswered questions in carbon cycle science. Our climate-based opportunities also address the uncertainties of intermittent renewable energy. Lockheed Martin is developing the GridStar Flow, which is an innovative redox flow battery designed to be a durable, flexible, scalable, and safe long-duration energy storage solution.
Supply chain and/or value chain	Yes	Our expectations of suppliers with respect to climate-related risks and opportunities are publicly outlined in the supplier code of conduct and our sustainable supplier web page. They also align with Lockheed Martin’s corporate-wide environmental program, known as Go Green, which are developed in consideration of climate risks and opportunities. Through our Supplier Code of conduct, we expect our suppliers to operate in a manner that actively manages risk, conserves natural resources, prevents pollution, and protects the environment. We expect our suppliers to apply environmental management system principles in order to establish a systematic approach to the management of risks/hazards and opportunities associated with the environment, including potential risk from regulatory non-compliance, reputational loss, as well as opportunities for business growth through operational and product stewardship. We also ask each supplier to reduce packaging waste from their facilities, investigate the use of reusable packaging at sites with high volume, follow Lockheed Martin’s Sustainable Packaging Guidelines, and identify and share how their company’s product lines can assist with our sustainability objectives. Lockheed Martin prescribes Sustainable Packaging Guidelines to all vendors. The criteria blend broad climate objectives with business considerations and strategies that address environmental concerns related to the life cycle of packaging. Packaging was identified as a large component of Lockheed Martin’s waste stream going to landfill. As part of Lockheed Martin’s Go Green waste goals, we are encouraging our suppliers to use these Guidelines to improve their packaging solutions. This supports Lockheed Martin’s goal to reduce total annual waste per occupant by 11% by 2025 from a 2016 baseline. Climate-related issues that have led to opportunities in Lockheed Martin’s value chain include the reclamation of precious metals at the end of our product life-cycle. At our facility in Fort Worth, TX, gold-containing gap and fastener material used in the production of aircraft is transported to a certified waste vendor for precious metals reclamation. Although the magnitude of this impact is low, the gold recovery at the end of our value stream replaces waste management costs with revenues.
Investment in R&D	Yes	Lockheed Martin Ventures makes strategic investments in companies that are developing disruptive, cutting edge technologies in core businesses and new markets important to Lockheed Martin. Additionally, our 2025 SMP includes an Advancing Resource Stewardship sustainability priority. This priority contains an Energy Management related goal to annually increase carbon removal technology, installation, investment and support.
Operations	Yes	According to life-cycle-based assessments, the biggest environmental impact within our direct business operations relates to energy use and greenhouse gas (GHG) emissions. Although these emissions are small compared to the estimated emissions of our products (70% overall) in use by our customers, we believe that we have a responsibility to operate our own facilities with efficient use of resources and to minimize environmental impacts. Our Go Green program objective is to reduce environmental, operational, and cost risks in our business practices and facility processes. Each year, teams of energy and water experts across the corporation evaluate potential energy and water savings projects. Based on their findings, we invest significantly to improve our facilities’ efficiency. We also partner with the U.S. Department of Energy’s Better Plants Program and the U.S. Environmental Protection Agency’s ENERGY STAR Program and Green Power Partnership to support our ongoing energy management. Since the inception of our Go Green Program in 2007, we’ve reduced carbon emissions by 47%, energy by 19%, and waste-to-landfill by 51%. These reductions are attributed to persistent efforts across the enterprise to improve efficiency gains from a combination of energy and water projects involving HVAC systems, controls, cooling towers, irrigation, and lighting. In 2020, we set our new fourth generation Go Green goals. In setting these goals we used a science-based methodology established by the Center for Sustainable Organizations to exceed science-based targets (SBT) for our carbon emission reductions with a baseline year of 2015 in alignment with SBT recommendation. This ambitious target will help to drive lean and efficient infrastructure, processes, and operations that support our continued leadership in a changing business and regulatory environment.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Assets Liabilities	The Go Green gated capital program, managed by Lockheed Martin's Corporate Environment, Safety and Health (ESH) function, is a financial planning element that responds to the opportunity of implementing energy efficiency projects to reduce carbon emissions. On an annual cycle, sites from across business areas submit potential energy and water efficiency projects to Corporate ESH for review. Technically sound projects that meet certain financial thresholds are earmarked as Go Green gated capital and are added to the respective business area's overall capital plan. In 2020, we implemented 64 energy efficiency projects at a cost of \$14.8 million that are projected to result in \$4.8 million in recurring annual cost avoidance. Combined these projects are estimated to avoid carbon emissions equal to ~7,000 homes' electricity use for one year. These improvements make us more resilient to climate-related risks and contribute to our Go Green 2030 goals for carbon emissions and energy. In 2020, we reduced carbon emissions per dollar of profit by 39% compared to 2015 and energy per facility occupant by 14% compared to 2016. Furthermore, Lockheed Martin has a dedicated budget for the purchase of green power (RECs) to reduce our emissions. In 2020, Lockheed Martin approved a plan and started work on a 20-megawatt, on-site, single-axis tracking photovoltaic system at our Palmdale, California facility. Once completed, this will be one of the largest "behind the meter" installations in the United States. Additionally, our Fort Worth site entered into an agreement to purchase power generated by a 15-megawatt solar facility in west Texas over a 15 year period. That system is expected to go live in 2021.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2020

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Intensity metric

Metric tons CO2e per USD(\$) value-added

Base year

2015

Intensity figure in base year (metric tons CO2e per unit of activity)

168

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

96

Target year

2030

Targeted reduction from base year (%)

70

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]

50.4

% change anticipated in absolute Scope 1+2 emissions

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year (metric tons CO2e per unit of activity)

102

% of target achieved [auto-calculated]

56.1224489795918

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but it has not been approved by the Science Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

Lockheed Martin's target includes Scope 1 and 2 emissions of CO₂, CH₄, N₂O, and HFC from the following sources: electricity generation, natural gas, chilled water, jet fuel, gasoline, diesel, propane, #2 fuel oil, biogenic, and refrigerants. We define our Go Green year as a twelve-month period from November 1 through October 31 to align with our internal reporting requirements while taking into account time for utility company invoicing.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

Other climate-related target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2015

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: energy carrier

All energy carriers

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

MWh

Target denominator (intensity targets only)

<Not Applicable>

Base year

2019

Figure or percentage in base year

321941

Target year

2020

Figure or percentage in target year

322000

Figure or percentage in reporting year

322000

% of target achieved [auto-calculated]

100

Target status in reporting year

Achieved

Is this target part of an emissions target?

In 2020, as part of Lockheed Martin's Sustainability Management Plan, we committed to increasing our annual renewable energy consumption. As of 2020 year-end, we have achieved this goal through on-site renewable energy installations, renewable electricity procurement through a 17-year power purchase agreement (PPA) and the purchase of renewable energy certificates (RECs).

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

In 2020, as part of Lockheed Martin's Sustainability Management Plan, we committed to increasing our annual renewable energy consumption. As of 2020 year-end, we achieved this goal through on-site renewable energy installations, renewable electricity procurement through a 17-year power purchase agreement (PPA) and the purchase of renewable energy certificates (RECs). In 2020, we consumed 322,000 megawatt hours (MWh) of clean energy, comprising 248,580 MWh of renewable energy certificates (RECs) and 73,420 MWh of on-site energy generation/PPA, which accounts for approximately 22% of the company's annual domestic electricity consumption. In 2019, we consumed 321,941 MWh of renewable energy.

Target reference number

Low 2

Year target was set

2014

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: energy carrier

Electricity

Target type: activity

Production

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

MWh

Target denominator (intensity targets only)

unit hour worked

Base year

2014

Figure or percentage in base year

2.2

Target year

2020

Figure or percentage in target year

10

Figure or percentage in reporting year

9.3

% of target achieved [auto-calculated]

91.025641025641

Target status in reporting year

Expired

Is this target part of an emissions target?

No, Lockheed Martin's voluntary commitment to EPA Green Power Partnership's On-site Renewables Challenge to quadruple our onsite renewable generation to 10 MW by 2020. This compliments our internal Go Green 2030 commitments of 70% reduction in carbon emissions per dollar profit by the year 2030 from a 2015 baseline.

Is this target part of an overarching initiative?

Other, please specify (EPA Green Power Partnership, EPA's Green Power Partnership On-Site Renewables Challenge)

Please explain (including target coverage)

EPA's Green Power Partnership program provides a framework that provides credible usage benchmarks, market information, technical assistance and public recognition to organizations that use green power. In 2010, Lockheed Martin joined EPA's Green Power Partnership, committing to use green power for a portion of our annual electricity consumption. In 2014, Lockheed Martin committed to the Green Power Partnership's On-site Renewables Challenge which aimed to double the use of onsite green power generated by partners by the end of 2020. Through this challenge, Lockheed Martin pledged to quadruple on-site renewable generation to 10 MW by the end of 2020. As of 2020, we have over 9 MW of capacity of on-site renewable generation. Since 2008, we have installed 13 on-site renewable energy systems, including 12 solar systems and one biomass facility, for a total of 9.3 MW AC of capacity.

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.**Target reference number**

Oth 1

Year target was set

2013

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Low-carbon buildings	Other, please specify (Green building footprint - square foot)
----------------------	--

Target denominator (intensity targets only)

<Not Applicable>

Base year

2013

Figure or percentage in base year

1100000

Target year

2020

Figure or percentage in target year

3600000

Figure or percentage in reporting year

3600000

% of target achieved [auto-calculated]

100

Target status in reporting year

Achieved

Is this target part of an emissions target?

Since 2013, Lockheed Martin has committed to annually increasing the percentage of our facilities with green building certifications. As of 2020, we operated 25 Leadership in Energy and Environment Design (LEED), 1 Building Research Establishment Environmental Assessment Method (BREEAM), and 9 ENERGY STAR certified buildings, totaling 3.6 million sq. ft. of green buildings.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

Since 2013, Lockheed Martin has committed to annually increasing the percentage of our facilities with green building certifications. As of 2020, we operated 25 Leadership in Energy and Environment Design (LEED), 1 Building Research Establishment Environmental Assessment Method (BREEAM), and 9 ENERGY STAR certified buildings, totaling 3.6 million sq. ft. of green buildings.

Target reference number

Oth 2

Year target was set

2019

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency	million Btu
----------------------------------	-------------

Target denominator (intensity targets only)

unit FTE employee

Base year

2016

Figure or percentage in base year

136

Target year

2025

Figure or percentage in target year

117

Figure or percentage in reporting year

116

% of target achieved [auto-calculated]

105.263157894737

Target status in reporting year

Underway

Is this target part of an emissions target?

We established an intermediate energy intensity reduction goal for 2025 on our path to 2030. An intensity target was established to account for business growth and contraction.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

We established an intermediate energy intensity reduction goal for 2025 on our path to 2030. An intensity target was established to account for business growth and contraction. To establish an intensity goal, we studied (using regression analysis) intensity factors against which to normalize and settled on occupancy as the best indicator for our operations

Target reference number

Oth 3

Year target was set

2019

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Waste management	Other, please specify (Percentage reduction of total waste disposed)
------------------	--

Target denominator (intensity targets only)

unit FTE employee

Base year

2016

Figure or percentage in base year

375

Target year

2025

Figure or percentage in target year

334

Figure or percentage in reporting year

343

% of target achieved [auto-calculated]

78.0487804878049

Target status in reporting year

Underway

Is this target part of an emissions target?

We established an intermediate waste intensity reduction goal for 2025 on our path to 2030. An intensity target was established to account for business growth and contraction.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

We established an intermediate waste intensity reduction goal for 2025 on our path to 2030. An intensity target was established to account for business growth and contraction. To establish an intensity goal, we studied (using regression analysis) intensity factors against which to normalize and settled on occupancy as the best indicator for our operations

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*		
Implemented*	64	18883
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

995

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

165735

Investment required (unit currency – as specified in C0.4)

521298

Payback period

1-3 years

Estimated lifetime of the initiative

Please select

Comment

In 2020, 3 HVAC projects were completed, resulting in approximately 2.5 million kWh of energy savings and nearly \$200,000 in recurring annual cost avoidance. These are voluntary projects that help to reduce Scope 2 emissions by allowing facility managers to more closely monitor and optimize energy use throughout the building.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Building Control System)
--------------------------------	---

Estimated annual CO2e savings (metric tonnes CO2e)

3250

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

578947

Investment required (unit currency – as specified in C0.4)

435200

Payback period

1-3 years

Estimated lifetime of the initiative

Please select

Comment

In 2020, 9 building control system projects were completed, resulting in approximately 7.0 million kWh of energy savings and nearly \$600,000 in recurring annual cost avoidance. These are voluntary projects that help to reduce Scope 2 emissions by allowing facility managers to more closely monitor and optimize energy use throughout the building.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

7510

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1694339

Investment required (unit currency – as specified in C0.4)

9477175

Payback period

4-10 years

Estimated lifetime of the initiative

Please select

Comment

In 2020, 34 Lighting projects were completed, resulting in approximately 18.5 million kWh of energy savings and nearly \$1,700,000 in recurring annual cost avoidance. These are voluntary projects that help to reduce Scope 2 emissions by allowing facility managers to more closely monitor and optimize energy use throughout the building.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Compressed Air)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

1176

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

227040

Investment required (unit currency – as specified in C0.4)

437945

Payback period

1-3 years

Estimated lifetime of the initiative

Please select

Comment

In 2020, 8 Compressed Air projects were completed, resulting in approximately 3.2 million kWh of energy savings and nearly \$230,000 in recurring annual cost avoidance. These are voluntary projects that help to reduce Scope 2 emissions by allowing facility managers to more closely monitor and optimize energy use throughout the building.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Building Envelope)
--------------------------------	---

Estimated annual CO2e savings (metric tonnes CO2e)

2691

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

470327

Investment required (unit currency – as specified in C0.4)

1915000

Payback period

4-10 years

Estimated lifetime of the initiative

Please select

Comment

In 2020, 3 Building Envelope projects were completed, resulting in approximately 6.1 million kWh of energy savings and nearly \$500,000 in recurring annual cost avoidance. These are voluntary projects that help to reduce Scope 2 emissions by allowing facility managers to more closely monitor and optimize energy use throughout the building.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	The Go Green gated capital program, managed by Lockheed Martin's Corporate Environment, Safety and Health (ESH) function, is a direct investment in emissions reduction activities. On an annual cycle, sites from across business areas submit potential energy and water efficiency projects to Corporate ESH for review. Technically sound projects that meet certain financial thresholds are earmarked as Go Green gated capital and are added to the respective business area's overall capital plan. In 2020, we implemented 64 energy efficiency projects at a cost of \$14.8 million that are projected to result in \$4.8 million in recurring annual cost avoidance. Combined these projects are estimated to avoid carbon emissions equal to ~7,000 homes' electricity use for one year. These improvements make us more resilient to climate-related risks and contribute to our Go Green 2030 goals for carbon emissions and energy. In 2020, we reduced carbon emissions intensity by 39% compared to 2015 and facility energy use intensity by 14% compared to 2016.
Partnering with governments on technology development	We partner with the U.S. Department of Energy's Better Plants Program and the U.S. Environmental Protection Agency's ENERGY STAR Program and Green Power Partnership to strengthen our Go Green program. Our investment in energy and emissions reduction activities benefit from the resources, expertise, and valuable peer networking opportunities offered through these partnerships, which help us achieve our energy and carbon reduction goals.
Compliance with regulatory requirements/standards	The Federal Mandatory Greenhouse Gas (GHG) Reporting Rule requires our four largest facilities to report on their GHG emissions. Additionally, state regulations such as California's Global Warming Solutions Act of 2006 (AB32) impact our facilities. Reduction of GHG emissions at these facilities would reduce the regulatory reporting burden; therefore, we prioritize many of our energy reduction projects at these locations since achievement of them could potentially lead to less burdensome reporting requirements.
Other (Go Green energy and carbon emission reduction goals)	Our Go Green/Sustainability Management Plan goals are established by policy that applies to the global enterprise and they are championed by executive leadership. These goals drive corporate investment in employee engagement and capital and operational improvement activities to reduce emissions. In 2020, the Go Green "Tiger Team" facilitated 21 cross-functional events with sites to identify good capital and operational improvement projects. Sites then develop strategic plans and annual tactical site-level plans to make practical, measurable investments that roll-up to corporate-wide reductions. 64 projects were completed in 2020, for a total investment of \$14.8 million. In 2020, compared to 2016, the overall Go Green program is estimated to have avoided \$25 million in energy-related costs on an annual basis. Furthermore, Lockheed Martin has adopted the United States Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) as the minimum standard for new construction, renovations, and/or retrofit projects through our Corporate Functional Procedure that applies to owned or commercially leased Lockheed Martin facilities. For existing buildings, installation of equipment should be life cycle cost effective and reduce the energy consumption for the building. In 2020, we added 134,000 LEED-certified square feet, for a total green building footprint of 3.7 million square feet as part of the 2020 SMP. Our new 2025 SMP includes a goal to increase square footage of LEED and/or BREEAM certified/rated facilities.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

No

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

November 1 2014

Base year end

October 31 2015

Base year emissions (metric tons CO2e)

298576

Comment

Our carbon emissions goal outperforms the science-based target methodology established by the Center for Sustainable Development to prevent 1.5°C warming through 2030 by cutting scope 1 and 2 emissions by 70% compared to 2015 levels.

Scope 2 (location-based)

Base year start

November 1 2014

Base year end

October 31 2015

Base year emissions (metric tons CO2e)

831360

Comment

Our carbon emissions goal outperforms the science-based target methodology established by the Center for Sustainable Development to prevent 1.5°C warming through 2030 by cutting scope 1 and 2 emissions by 70% compared to 2015 levels.

Scope 2 (market-based)

Base year start

November 1 2014

Base year end

October 31 2015

Base year emissions (metric tons CO2e)

628735

Comment

Our carbon emissions goal outperforms the science-based target methodology established by the Center for Sustainable Development to prevent 1.5°C warming through 2030 by cutting scope 1 and 2 emissions by 70% compared to 2015 levels.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

292755

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Our carbon emissions goal outperforms the science-based target methodology established by the Center for Sustainable Development to prevent 1.5°C warming through 2030 by cutting scope 1 and 2 emissions by 70% compared to 2015 levels. The combined Scope 1 and 2 emissions data in our Sustainability Report was calculated using The Greenhouse Gas Protocol's market-based methodology for scope 2, which reflects emissions net of unbundled RECs, off-site power Purchase Agreements and on-site renewable energy generation.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

626082

Scope 2, market-based (if applicable)

497780

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Our carbon emissions goal outperforms the science-based target methodology established by the Center for Sustainable Development to prevent 1.5°C warming through 2030 by cutting scope 1 and 2 emissions by 70% compared to 2015 levels. The combined Scope 1 and 2 emissions data in our Sustainability Report was calculated using The Greenhouse Gas Protocol's market-based methodology for scope 2, which reflects emissions net of unbundled RECs, off-site power Purchase Agreements and on-site renewable energy generation.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

7645417

Emissions calculation methodology

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.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Estimates are calculated based on amount spent with each supplier and their individually assigned NAICS code.

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO2e

2281459

Emissions calculation methodology

Applied lifecycle assessment calculation based on emissions intensity by NAICS, NAICS sector, or business type and supplier spend. Capital Goods categorized by NAICS.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Estimates are calculated based on amount spent with each supplier and their individually assigned NAICS code.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

101000

Emissions calculation methodology

Lockheed Martin calculated the estimates of the transportation and distribution loss associated with the delivery of electricity and natural gas from the utility to our facilities. We calculated the transmission and distribution (T&D) losses associated with electricity using the country-specific factors provided by World Bank, "Electric power transmission and distribution losses (% of output), 2011-2015." T&D losses associated with natural gas were calculated using the 4.7% loss factor provided by the EIA.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Our Scope 3 emissions for this is calculated annually using the current year electricity and natural gas consumption.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

A previous analysis evaluated upstream transportation of materials to and from our facilities from 15 of our largest transportation vendors, representing approximately 62% of our total transportation by spend. Lockheed Martin directly contacted our transportation vendors to receive information about their emissions. Transportation vendors provided MTCO2e/Year or Miles Travelled/Year associated with Lockheed Martin shipments. If the transportation vendor did not directly provide emissions data, we utilized EPA's SmartWay emission rates for vendors and applied these rates to their Miles Travelled/Year. EPA's SmartWay Partners fleet emissions rates are found at: <https://www3.epa.gov/smartway/forpartners/performance.htm> The amount of transportation and delivery both from suppliers and to customers is very small and is considered de minimis for Scope 3 reporting purposes. Previous analysis revealed that this category represents less than 0.5% of total emissions.

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

3400

Emissions calculation methodology

Emissions associated with operational waste generation are calculated using the U.S. EPA's WARM calculator. These emissions are reported as part of Scope 3 GHG emissions. The EPA WARM calculator also estimates Lockheed Martin's avoided emissions derived from recycling initiatives, which are approximately 68,545 MTCO2e.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Decrease in overall waste disposed in 2020

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

81000

Emissions calculation methodology

Rental car mileage data are obtained from our corporate approved car rental agency. Airline emissions are obtained from our corporate travel provider. The emissions are calculated based on the GHG protocol. NOTE: This data includes air travel for all of Lockheed Martin's business areas during 2020 plus additional services such as business relocation and recruiting.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Our Scope 3 emissions for this category decreased in 2020 (66% reduction in air travel emissions; 27% reduction in rental car emissions) as a result of pandemic response and situational work from home activities.

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

46000

Emissions calculation methodology

Emissions associated with employee commuting are estimated using a zip code analysis of the distance between our employees' home and assigned work location, for U.S. employees only. Telecommuters are not included in this estimate. The total daily distance is multiplied by an estimated 240 work days per year. We assume an average of 23.4 mpg based on U.S. Energy Information Administration "Annual Energy Review 2012, Table 2.8 Motor Vehicle Mileage, Fuel Consumption, and Fuel Economy, Selected Years, 1949-2012, Miles per Gallon for All Vehicles in 2013." We estimate the emissions from the total miles travelled per year using the EPA Mandatory Reporting Rule gasoline emission factor for MTCO2.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Our Scope 3 emissions for this category decrease in 2020 by approximately 78% compared to normally expected commuting activity as a result of pandemic response and situational work from home activities.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Leased assets are included in Lockheed Martin's Scope 1 and 2 emissions data in accordance with the operational control boundary.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Lockheed Martin manages the delivery of products and services directly to the customer. The amount of deliveries of products handled by the customer is extremely small and is considered de minimis for Scope 3 reporting purposes.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Lockheed Martin primarily acts as the final point in the manufacturing and assembly of products before delivery to the customer. This category would apply to our upstream supply chain.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

22000000

Emissions calculation methodology

In 2016, we conducted an analysis to estimate the environmental impacts across our entire value chain. We completed an economic input-output life cycle assessment (EIO-LCA) of our supply chain, our own facilities, and the use of our most material products and services to understand and prioritize the environmental issues that may have the most impact on our business. This LCA is a comprehensive analysis of our overall footprint, including the emissions attributed to our supply chain associated with purchased goods and services. For this category, we compiled 12 months of supplier spend, assigned a NAICS classification to each vendor and estimated the global warming potentials from multiple environmental and social impact categories.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Because of sensitive technology and impact to national security, end-of-life treatment is tightly dictated by the customer. Our platforms are typically durable goods with long lifespans of decades or more.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Lockheed Martin maintains several LMC-owned properties with portions of the space leased to other tenants. Because of the limited percentage of area represented by such examples, Lockheed Martin does not calculate emissions data for these tenants and consider it to be a relevant scope 3 emission category. Other leased assets (i.e., products) do not make up a measurable percentage of annual revenue at Lockheed Martin.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Lockheed Martin does not own or operate any franchises.

Investments

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Lockheed Martin is not a financial institution and therefore does not meet the relevancy as stated in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Other (upstream)

Evaluation status

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Yes

C6.7a

(C6.7a) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
Row 1	23138	The Lockheed Martin facility in Owego, New York operates a combined heat and power system (back pressure turbine) fueled by biomass that provides self-generation of electric power using the existing main steam system. The metric tonnes of CO2e released in 2020 were calculated based on the volume of wood burned (22,761 tons) with an estimated moisture content of 38%. Calculations were performed according to U.S. 40 CFR 98 - Greenhouse Gas Reporting, Tables A-1 (Global Warming Potentials), Solid, gaseous, liquid and biomass fuels; Federal Register (2009) EPA; 40 CFR Parts 86, 87, 89 et al; Mandatory Reporting of Greenhouse Gases; Final Rule, 30Oct09, 261 pp. Tables C-1 and C-2 at FR pp. 56409-56410. GWP: Intergovernmental Panel on Climate Change (IPCC), Fourth Assessment Report (AR4), 2007.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

8.06

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

918836

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

114000

Scope 2 figure used

Location-based

% change from previous year

8.41

Direction of change

Decreased

Reason for change

Lockheed Martin's employee population increased from 110,000 in 2019 to 114,000 in 2020. During this period, our total location based Scope 1 and 2 emissions decreased; therefore the intensity metric of MTCO2e per FTE employee decreased. Reduction in Scope 1 and 2 carbon emissions is also partially due to energy reduction initiatives and efficiency improvements within our manufacturing facilities, data centers and offices. In 2020, the Lockheed Martin Facilities teams completed 64 energy efficiency projects that resulted in estimated annual savings of 47.4 million kWh of electricity, 185,900 MMBTU of natural gas and avoided an estimated \$4.6 million in utility and maintenance costs. Lighting, waste heat recovery, building envelope, HVAC and compressed air projects netted significant savings across the corporation.

Intensity figure

0.0127

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

918836

Metric denominator

square foot

Metric denominator: Unit total

72500000

Scope 2 figure used

Location-based

% change from previous year

6.52

Direction of change

Decreased

Reason for change

Lockheed Martin's square footage increased by approximately 2% from 2019 to 2020 while Scope 1 and 2 carbon emissions decreased. Reduction in carbon emissions is also partially due to energy reduction initiatives and efficiency improvements within our manufacturing facilities, data centers and offices. In 2020, the Lockheed Martin Facilities teams completed 64 energy efficiency projects that resulted in estimated annual savings of 47.4 million kWh of electricity, 185,900 MMBTU of natural gas and avoiding an estimated \$4.6 million in utility and maintenance costs. Lighting, waste heat recovery, building envelope, HVAC and compressed air projects netted significant savings across the corporation.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	287882	IPCC Second Assessment Report (SAR - 50 year)
CH4	214	IPCC Second Assessment Report (SAR - 50 year)
N2O	535	IPCC Second Assessment Report (SAR - 50 year)
HFCs	4124	IPCC Second Assessment Report (SAR - 50 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Australia	0
Canada	1633
Mexico	0
Poland	1444
United Kingdom of Great Britain and Northern Ireland	181
United States of America	289497

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Aeronautics	122253
Enterprise Operations	7787
Missiles and Fire Control	21590
Rotary and Mission Systems	86371
Space	54753

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions, metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	292755	<Not Applicable>	Primary activities at Lockheed Martin include the design, development, manufacture, integration and sustainment of advanced technology systems, products and services, primarily for the defense industry and not in support of passenger transport or logistic services. The most appropriate sector boundary is one that includes all of our diverse offerings and facilities. Therefore, the figure reported here reflects Gross Scope 1 emissions.
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Australia	479	479	600	0
Canada	2139	2139	14258	0
Mexico	796	796	1572	0
Poland	7402	7402	9625	0
United Kingdom of Great Britain and Northern Ireland	2190	2190	5316	0
United States of America	613076	484774	1489673	322000

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Aeronautics	213628	203357
Enterprise Operations	35545	17117
Missiles and Fire Control	132648	132246
Rotary and Mission Systems	107663	92756
Space	136597	52304

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	626082		Primary activities at Lockheed Martin include the design, development, manufacture, integration and sustainment of advanced technology systems, products and services, primarily for the defense industry and not in support of passenger transport or logistic services. The most appropriate sector boundary is one that includes all of our diverse offerings and facilities. Therefore, the figure reported here reflects Gross Scope 2 emissions.
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-TO7.8

(C-TO7.8) Provide primary intensity metrics that are appropriate to your indirect emissions in Scope 3 Category 11: Use of sold products from transport.

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?
 Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	68284	Increased	35	In 2020, renewable energy consumption increased by approximately 60 MWh as compared to 2019. However, through our market-based emissions methodology used to meet our annual carbon reduction target, the emissions reductions associated with renewable energy translated to 128,302 MTCO2e reduction. Compared to the 2019 emissions reductions from renewable energy (196,586 MTCO2e) this represents a 68,284 MTCO2e increase in overall emissions. The difference in renewable energy consumption emissions reductions between 2019 and 2020 is (-68,284 MTCO2e / 196,586 MTCO2e (2019 value) = 35%)
Other emissions reduction activities	49184	Decreased	5	Our critical operations remained online throughout 2020. Impacts to energy usage included increased HVAC/air handling activity due to COVID-19 operating protocols combined with a minor offset in plug load from fewer employees working onsite. Overall Lockheed Martin's absolute Scope 1 and 2 emissions still decreased from 2019 to 2020 due to projects and initiatives that improve energy efficiency and reduce consumption. These projects and initiatives include Heating, Ventilation and Air Conditioning (HVAC), Building Control Systems, Lighting, Compressed air, and Building Envelope projects at facilities over which we have operational control. In 2019, our Scope 1 (305,362) and 2 (466,073) market-based emissions totaled 771,435 MTCO2e and in 2020, our Scope 1 (292,755) and 2 (626,082) market-based emissions totaled 790,535 MTCO2e. The difference in our absolute emissions from 2019 to 2020 is 49,184 MTCO2e, which we attribute to other emissions reductions activities because there were no other significant changes as a result of the remaining categories listed. The difference in Gross Emissions between 2019 and 2020 (49,184 MTCO2e / 968,021 MTCO2e (2019 value) = 5%)
Divestment		<Not Applicable >		
Acquisitions		<Not Applicable >		
Mergers		<Not Applicable >		
Change in output		<Not Applicable >		
Change in methodology		<Not Applicable >		
Change in boundary		<Not Applicable >		
Change in physical operating conditions		<Not Applicable >		
Unidentified		<Not Applicable >		
Other		<Not Applicable >		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	1513976	1513976
Consumption of purchased or acquired electricity	<Not Applicable>	308604	1506518	1815122
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	0	14525	14525
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	13396	<Not Applicable>	13396
Total energy consumption	<Not Applicable>	322000	3035019	3357019

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

1277368

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

1044288

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

233080

Emission factor

0.05311

Unit

metric tons CO2e per million Btu

Emissions factor source

U.S. EPA Mandatory Reporting Rule, 40 CFR 98 Subpart C, Table C-1, C-2

Comment

Lockheed Martin's natural gas consumption may be used for facility heating purposes

Fuels (excluding feedstocks)

Fuel Oil Number 2

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

1290

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.00271

Unit

metric tons CO2 per liter

Emissions factor source

U.S. EPA Mandatory Reporting Rule, 40 CFR 98 Subpart C, Table C-1, C-2 (converted from MTCO2e per gallon to MTCO2e per liter)

Comment

Lockheed Martin's #2 fuel oil is minimally used for heating and back-up generation purposes

Fuels (excluding feedstocks)

Propane Liquid

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

39399

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.00152

Unit

metric tons CO2 per liter

Emissions factor source

U.S. EPA Mandatory Reporting Rule, 40 CFR 98 Subpart C, Table C-1, C-2 (converted from MTCO2 per gallon to MTCO2 per liter)

Comment

Lockheed Martin's propane consumption may be used for heating purposes, equipment, and in our labs. We track total consumption and it is challenging to track in detail.

Fuels (excluding feedstocks)

Jet Gasoline

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

166120

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.00258

Unit

metric tons CO2 per liter

Emissions factor source

Comment

Lockheed Martin's aviation gasoline consumption

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

16963

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.00232

Unit

metric tons CO2 per liter

Emissions factor source

U.S. EPA Mandatory Reporting Rule, 40 CFR 98 Subpart C, Table C-1, C-2 (converted from MTCO2 per gallon to MTCO2 per liter)

Comment

Lockheed Martin's motor gasoline consumption is related to mobile combustion (e.g., use of various vehicles across our facilities) and does not apply to our energy consumption in CDP's predefined fields of electricity, heat, steam, cogeneration/trigeneration.

Fuels (excluding feedstocks)

Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

12837

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.0027

Unit

metric tons CO2 per liter

Emissions factor source

U.S. EPA Mandatory Reporting Rule, 40 CFR 98 Subpart C, Table C-1, C-2 (converted from MTCO2 per gallon to MTCO2 per liter)

Comment

Lockheed Martin's diesel consumption is related to mobile combustion (e.g. use of various vehicles across our facilities) and does not apply to our energy consumption in CDP's predefined fields of electricity, heat, steam, cogeneration/trigeneration.

Fuels (excluding feedstocks)

Wood

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

64366

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

93.8

Unit

kg CO2 per million Btu

Emissions factor source

U.S. EPA Mandatory Reporting Rule, 40 CFR 98 Subpart C, Table C-1, C-2

Comment

Lockheed Martin's wood consumption used for facility heating purposes

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	73013	73013	13396	13396
Heat				
Steam				
Cooling				

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

Low-carbon technology type

Solar

Country/area of consumption of low-carbon electricity, heat, steam or cooling

United States of America

MWh consumed accounted for at a zero emission factor

60024

Comment

In June 2016 Lockheed Martin became the off-taker of 30 MW from a solar power purchase agreement in North Carolina. The Renewable Energy Certificates (REC's) produced from this project contribute to the company's energy mix.

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, not supported by energy attribute certificates

Low-carbon technology type

Solar

Country/area of consumption of low-carbon electricity, heat, steam or cooling

United States of America

MWh consumed accounted for at a zero emission factor

1800

Comment

Participate in green tariff program for our Palo Alto, CA facility that receives Renewable Energy Certificates (RECs)

Sourcing method

Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type

Wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling

United States of America

MWh consumed accounted for at a zero emission factor

246780

Comment

Lockheed Martin purchases green power in the form of unbundled Renewable Energy Certificates (RECs).

Sourcing method

Other, please specify (Onsite Renewable Generation)

Low-carbon technology type

Solar

Country/area of consumption of low-carbon electricity, heat, steam or cooling

United States of America

MWh consumed accounted for at a zero emission factor

13396

Comment

Lockheed Martin onsite renewable installations total annual energy generation

C-T08.5

(C-T08.5) Provide any efficiency metrics that are appropriate for your organization's transport products and/or services.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Energy usage

Metric value

322000

Metric numerator

Metric denominator (intensity metric only)

% change from previous year

0.02

Direction of change

Increased

Please explain

We consumed 322,000 megawatt hours (MWh) of clean energy, comprising 248,580 MWh of renewable energy certificates (RECs) and 73,420 MWh of on-site energy generation/PPA, which accounts for approximately 22% of the company's annual domestic electricity consumption. In 2019, we consumed 321,941 MWh of renewable energy.

Description

Other, please specify (Green Buildings)

Metric value

3600000

Metric numerator

Metric denominator (intensity metric only)

% change from previous year

4

Direction of change

Increased

Please explain

We operated 25 Leadership in Energy and Environmental Design (LEED), 1 Building Research Establishment Environmental Assessment Methodology (BREEAM) and 9 Energy Star-certified buildings totaling 3.6 million square feet of green buildings, an increase of 4 percent over our 2019 total.

C-T09.3/C-TS9.3

(C-T09.3/C-TS9.3) Provide tracking metrics for the implementation of low-carbon transport technology over the reporting year.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-T09.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-T09.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Please select	

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Assurance Statement_LMCO.pdf

Page/ section reference

3

Relevant standard

Other, please specify (DNV VeriSustain)

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Assurance Statement_LMCO.pdf

Page/ section reference

3

Relevant standard

Other, please specify (DNV VeriSustain)

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Assurance Statement_LMCO.pdf

Page/ section reference

3

Relevant standard

Other, please specify (DNV VeriSustain)

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Purchased goods and services

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Assurance Statement_LMCO.pdf

Page/section reference

3

Relevant standard

Other, please specify (DNV VeriSustain)

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Assurance Statement_LMCO.pdf

Page/section reference

3

Relevant standard

Other, please specify (DNV VeriSustain)

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Capital goods

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Assurance Statement_LMCO.pdf

Page/section reference

3

Relevant standard

Other, please specify (DNV VeriSustain)

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Waste generated in operations

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Assurance Statement_LMCO.pdf

Page/section reference

3

Relevant standard

Other, please specify (DNV VeriSustain)

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Assurance Statement_LMCO.pdf

Page/section reference

3

Relevant standard

Other, please specify (DNV VeriSustain)

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Employee commuting

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Assurance Statement_LMCO.pdf

Page/section reference

3

Relevant standard

Other, please specify (DNV VeriSustain)

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Use of sold products

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Assurance Statement_LMCO.pdf

Page/section reference

3

Relevant standard

Other, please specify (DNV VeriSustain)

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Progress against emissions reduction target	DNV VeriSustain	DNV VeriSustain is based on international assurance best practice including AA1000AS, International Standard on Assurance Engagements 3000 (ISAE3000) and the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. Please see the 2020 Assurance statement on our sustainability website for more information.
C6. Emissions data	Progress against emissions reduction target	DNV VeriSustain	DNV VeriSustain is based on international assurance best practice including AA1000AS, International Standard on Assurance Engagements 3000 (ISAE3000) and the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. Please see the 2020 Assurance statement on our sustainability website for more information.
C1. Governance	Other, please specify (Sustainability)	DNV VeriSustain	DNV VeriSustain is based on international assurance best practice including AA1000AS, International Standard on Assurance Engagements 3000 (ISAE3000) and the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. Please see the 2020 Assurance statement on our sustainability website for more information.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Other, please specify (Engagement and data collection)

Details of engagement

Other, please specify (Collect climate change and carbon information at least annually from suppliers)

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

We conduct the DoD Sustainability Lifecycle Analysis annually to identify our top environmentally impactful suppliers (large and small) and we conduct a supplier sustainability assessment every 3 years. In 2020, we conducted additional analysis to determine eligible suppliers for the DOE Better Plants Program given the suppliers location relative to the program's Industrial Assessment Centers.

Impact of engagement, including measures of success

Comment

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Lockheed Martin is a member of the International Aerospace Environmental Group with participation in several applicable working groups. As an example, the GHG Management & Reporting Working Group was established to address the issue of GHG accounting and reporting by aerospace companies, specifically to promote industry-wide GHG emissions accounting and reporting and to drive consistent practices therein. The first deliverable from this group is the GHG Reporting Guidance for the Aerospace Industry – A Supplement to the GHG Protocol Corporate Accounting and Reporting Standard. This guidance provides a common framework of rules, methodologies, vocabulary and relevant recommendations for GHG accounting and reporting to promote consistent, complete and accurate reporting across the Aerospace industry.

We are leading the establishment of a supply chain sustainability forum across the Aerospace & Defense industry with the initial focus being Climate Change.

For our supply chain summer interns, we engage them to address sustainability challenges. In 2020, there were two teams who had climate-related challenges; The Climate It Is a-Changin' – Single Source Challenge and Clean Climate Crew – Small Business Emissions Reduction Challenge. The results of their projects are presented to supply chain leaders and sustainability SMEs.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

Trade associations

Funding research organizations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Cap and trade	Support with minor exceptions	Lockheed Martin and/or its service providers continue to evaluate impending changes to AB32, the California Cap-and-Trade Program, and engage directly with Air Resource Board (ARB) representatives, as needed. The Cap-and-Trade Program is a key element of California's strategy to reduce greenhouse gas (GHG) emissions. Lockheed Martin was a past participant in the program and recently exited the program due to favorable declining emissions. Lockheed Martin's interests include the evaluation of regulatory changes that potentially modify the scope and applicability of the Program.	Lockheed Martin's engagement contributed toward the California governor's action to extend the Cap and Trade program to 2030 and retain key program thresholds. Recent allowance auctions have yielded favorable program cost recovery and emission reductions.
Other, please specify (HFCs phase down under the AIMs Act)	Support with minor exceptions	Lockheed Martin and/or its consortium continue to evaluate impending rules related to the phase-down of hydrofluorocarbons under the 2020 American Innovations and Manufacturing (AIM) Act. EPA has been tasked to fast-track regulations in 2021 to reduce these moderate-to-high global warming potential (GWP) chemicals in line with the UN Kigali Amendments. Lockheed Martin and its consortia partners have meet with EPA and other key stakeholders to better understand where these chemicals are used and what steps are necessary to ensure adequate phasedown time, suitable replacement and where necessary, request allocations for critical uses based on national security concepts.	Lockheed Martin has engaged directly with EPA and others on the identification of HFC use within aerospace and defense. We intend to collaborate with our A&D partners and customers to leverage reasonable outcomes during the rulemaking process, that includes but is not limit to adequate time for the identification and deployment of suitable replacements and requests for necessary allocations in the interest of national security.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

American Council on Renewable Energy (ACORE)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

ACORE is a non-profit organization dedicated to building a secure and prosperous America with clean, renewable energy. ACORE provides a common educational platform for a wide range of interests in the renewable energy community, focusing on technology, finance, policy, and market development. ACORE convenes thought leadership forums and creates energy industry partnerships to communicate the economic, security, and environmental benefits of renewable energy.

How have you influenced, or are you attempting to influence their position?

Lockheed Martin serves on the Board of Directors of ACORE. We engage with ACORE on renewable energy education and speaks at various ACORE events to promote the use and development of renewable energy technology. Most recently, Lockheed Martin presented on a panel about how renewables and storage can replace inefficient peaker plants. Lockheed Martin and ACORE partnered with NASCAR Green, the sustainability arm of the National Association for Stock Car Auto Racing, Inc., to deliver educational content about the benefits of renewable energy, sustainability, and energy security to millions of fans.

Trade association

Aerospace Industries Association (AIA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The AIA does not have a formal stated position on climate change; however, it has stated the need for a comprehensive energy policy using a central/federal framework. It also emphasizes that the debate should be based on facts and science.

How have you influenced, or are you attempting to influence their position?

Lockheed Martin is a member of the Aerospace Industries Association (AIA). While AIA does not have an official position on climate change, it is engaged in specific programs that address greenhouse gas emission from civil aircraft engines, including the recent EPA decision to move forward on harmonization with the ICAO recommendations for reduced emission from new engine designs. To learn more about this program as well as other AIAs and US industry activities related to Climate Change, please visit <https://www.aia-aerospace.org/issue/environment/>

Trade association

US Chamber of Commerce

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Chamber's stated position on climate change is that the climate is changing and humans are contributing to these changes. It believes in policies that are practical, flexible, predictable, and durable and that a policy approach should acknowledge the costs of action and inaction and the competitiveness of the U.S. economy. Specifically, the Chamber believes that an effective climate policy should: 1. Leverage the power of business, 2. Maintain U.S. leadership in climate science, 3. Embrace technology and innovation, 4. Aggressively pursue greater energy efficiency, 5. Promote climate resilient infrastructure, 6. Support trade in U.S. technologies and products, 7. Encourage international cooperation. It looks to policymakers to develop an approach that leverages business leadership, expertise, and energy innovation. <https://www.uschamber.com/climate-change-position>

How have you influenced, or are you attempting to influence their position?

Lockheed Martin's participation and basis for membership in trade organizations that are not unanimous consensus organizations are not limited to a single topic. We continue to actively engage with the Chamber and its foundation and openly express our corporate views on the importance of energy efficiency and technology developments. In 2016, Lockheed Martin was awarded the U.S. Chamber's Corporate Citizenship Award in the "Best Environmental Stewardship" category. This award was for our efforts to design energy efficiency programs for commercial and government customers, helping them achieve both environmental stewardship and responsible growth.

Trade association

US Sustainable Purchasing Leadership Council

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Sustainable Purchasing Leadership Council is a non-profit organization whose mission is to support and recognize purchasing leadership that accelerates the transition to a prosperous and sustainable future. The Council's programs and community of practice will help institutional purchasers to prioritize opportunities to influence the social, environmental and economic life cycle impacts of purchased goods and services, identify existing leadership standards and approaches that address these priorities, benchmark progress toward goals, and receive recognition for advancement. <https://www.sustainablepurchasing.org/about/>

How have you influenced, or are you attempting to influence their position?

Lockheed Martin plays an active role in the US Sustainable Purchasing Leadership Council (SPLC) to support our goal of becoming a US leader in sustainable procurement. The SPLC platform is one of only a few forums world-wide focused entirely on supply chain sustainability, where members bring to the table common problems and work collectively to devise solutions with global applicability. As a member of the Founders Circle, we provide financial and technical support for the Council, and advise on its pilot rating system.

Trade association

Alliance to Save Energy

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Alliance to Save Energy promotes energy efficiency worldwide to achieve a healthier economy, a cleaner environment and energy security. To achieve this mission, the Alliance leads worldwide energy efficiency initiatives in policy advocacy, research, education, technology deployment and communications that impact all sectors of the economy; provides vision and activism which includes active and engaged members of Congress, leaders from business, the public interest sector and academia; initiates and participates in public-private partnerships, collaborative efforts, and strategic alliances to optimize resources and expand its sphere of influence; and executes its mission through a team of recognized energy efficiency experts and professionals.

How have you influenced, or are you attempting to influence their position?

Lockheed Martin served on the Board of Directors for the Alliance to Save Energy until November 2019. Its mission to promote worldwide energy efficiency directly aligns with our efforts to increase operational energy efficiency at our facilities worldwide as well as to develop and implement renewable energy technologies and efficiency services that support public-private partnerships and the advancement of collaboration in the global energy space.

Trade association

Business Roundtable

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Business Roundtable CEOs embrace sustainable practices across their businesses, resulting in stronger communities and a healthier environment. CEOs are leading the way through investments, innovation and strategic decisions, toward a more environmentally and economically sustainable future. For over a decade, Business Roundtable CEOs have been leading voices for the sustainability business case – demonstrating that environmental sustainability and economic growth in the U.S. can be achieved together. U.S. businesses are making a positive impact on sustainable outcomes which can be seen through major initiatives such as: Driving Efficiency, Reuse, and Recycling Growing Sustainable Investment Reducing Carbon Emissions Advancing Renewable Energy <https://www.businessroundtable.org/policy-perspectives/energy-environment/sustainability>

How have you influenced, or are you attempting to influence their position?

<https://s3.amazonaws.com/brt.org/Business-RoundtableAddressingClimateChangeReport.September2020.pdf>

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

No

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Lockheed Martin routinely engages with policy makers on matters of interest to the Corporation. Our engagement on specific policy issues is coordinated with internal stakeholders to ensure consistency and goes through our Government Affairs organization to ensure that we are in alignment with our overall climate change strategy. The process we have in place to ensure consistency across our corporate functions, business areas and different geographies is to bring representative areas into a Cross Corporate Sustainability Working Group for a cohesive sustainability strategy. Lockheed Martin also participates in a wide array of trade associations and coalitions, often sector specific or cross-sectoral in nature. Membership decisions in trade associations are not typically driven by one singular policy issue, but by multiple factors. Lockheed Martin seeks to engage on the policy issues that drive its membership in a particular trade association. Moreover, while trade associations tend to operate on a consensus basis, few require unanimity to adopt formal positions. When we engage in any trade association on climate change or related issues, we represent our positions and interests as reflected in the climate change strategy outlined in this report. The funding provided to research organizations such as the MIT Energy Initiative, aligns with our overall climate change strategy by providing sound science and objective analysis for global issues, such that we develop products and services that help our customers respond to climate change concerns.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Complete

Attach the document

Lockheed_Martin_2020_Sustainability_Report.pdf

Page/Section reference

8-10, 30-33, 38-39

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication

Other, please specify (Sustainability website)

Status

Complete

Attach the document

Page/Section reference

<https://sustainability.lockheedmartin.com/sustainability/core-issues/resource-efficiency/energy-and-carbon-management/>

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication

Other, please specify (2020 TCFD Report)

Status

Complete

Attach the document

Page/Section reference

https://www.lockheedmartin.com/content/dam/lockheed-martin/eo/documents/sustainability/LM%20Climate%20Risk%20and%20Opportunities%20Disclosure%202020.pdf?_ga=2.55711595.179313950.1621266198-452544595.1601591802

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication

Other, please specify (ESG Performance Data)

Status

Complete

Attach the document

Page/Section reference

https://sustainability.lockheedmartin.com/sustainability/content/Lockheed_Martin_2020_ESG_PerformanceData.pdf
<https://sustainability.lockheedmartin.com/sustainability/esg-portal/index.html>

Content elements

Emissions figures
Other metrics

Comment

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chairman, President and CEO	Chief Executive Officer (CEO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	65398000000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	US	5398301094

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
-----------------------	--

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Please select

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms