2019

ESH YEAR-END
PROGRAM SUMMARY

01. GO GREEN
02. GOVERNANCE
03. TARGET ZERO
04. REMEDIATION
GO GREEN

2020 GOALS

REDUCE WATER 30%
REDUCE CARBON EMISSIONS 35%
REDUCE FACILITY ENERGY 25%
REDUCE TOTAL WASTE 7%

ENERGY AND WATER COST AVOIDANCE

$32M *COMPARED TO 2010

REDUCTIONS FOR WATER, CARBON EMISSIONS, AND FACILITY ENERGY ARE MEASURED AGAINST 2010 LEVELS AND WASTE IS MEASURED AGAINST 2014

2019 PERFORMANCE

20% 39% 22% 12%

ENERGY STAR PARTNER OF THE YEAR

ENERGY STAR CHALLENGE WINNER

23% ENERGY REDUCTION (in one year) by RMS Sikorsky, A Lockheed Martin Company, Troy, AL Operations

TRIPLED our green building footprint from 2013 baseline year to 2019

41 energy efficiency projects implemented; reducing 45 million kilowatt hours (kWh) per year and avoiding $3.9 million annually

20% of the Corporation’s total electricity usage is associated with green power

$32M *COMPARED TO 2010

REDUCTIONS FOR WATER, CARBON EMISSIONS, AND FACILITY ENERGY ARE MEASURED AGAINST 2010 LEVELS AND WASTE IS MEASURED AGAINST 2014
### ESH MANAGEMENT SYSTEM

Completed successful gap analysis, demonstrating readiness of ESH management system for integrated enterprise, multi-site certification to the ISO 14001 and 45001 International Management System standards.

### GLOBAL COMPLIANCE ASSURANCE AND RISK MANAGEMENT

- **35** forums hosted to communicate existing and emerging ESH regulatory and compliance needs including 2 regionally-focused events
- **14** compliance peer assessments facilitated across all business areas (BAs), including first-ever international events at 2 UK facilities
- **5** employee electronic waste events sponsored, collecting 35,000 lbs of e-waste for recycling, and 1 household hazardous waste event with 3,000 lbs of hazardous waste collected for disposal
- **15** sites hosted ESH Week events across Lockheed Martin’s Australia and New Zealand operations, engaging leaders and employees with dedicated activities

### ESH DIGITAL TRANSFORMATION

Implemented modernized compliance and risk based modules in the ESH Management Information System, achieving real-time access to:

<table>
<thead>
<tr>
<th>Metric</th>
<th>Number</th>
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</thead>
<tbody>
<tr>
<td>Active Compliance Tasks</td>
<td>5,429</td>
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<tr>
<td>Permits</td>
<td>530</td>
</tr>
<tr>
<td>Inspections</td>
<td>345</td>
</tr>
<tr>
<td>Job/Task Hazard Assessments</td>
<td>214</td>
</tr>
</tbody>
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- Go Green metrics tracked: 100%
- New data visualization dashboards launched: 5
- Sites (within 2 BAs) have ESH cognitive assistance artificial intelligence (AI) pilots underway: 4
TARGET ZERO

2019 GOAL | PERFORMANCE
---|---
**RECORDABLE INCIDENT (N/A)** | 1.03
**DAY AWAY CASE (0.18)** | 0.18
**SEVERITY (5.17)** | 3.89

- **22ND INTERNATIONAL ANNUAL APPLIED ERGONOMICS CONFERENCE (AAEC) COMPETITION**
- **7TH ANNUAL LOCKHEED MARTIN ERGO CUP COMPETITION**
- **59 INNOVATIONS 55% INCREASE OVER 2018**
- **7400+ EMPLOYEES VISITED THE ERGO CUP PAGE AND 3515 EMPLOYEES VOTED 233% INCREASE OVER COMPETITION HIGH**
- **AERONAUTICS LEADERSHIP IS HIGHLY ENGAGED IN SAFETY WHICH RESULTED IN A 34% REDUCTION IN INJURIES (VS 3 YEAR AVERAGE)**
- **TARGET ZERO LEADER INITIATIVE CUSTOMER RECOGNITION**
- **PEER RECOGNITION**

- **LOCKHEED MARTIN TEAMS (FROM ALL BAS) PARTICIPATED**
- **2 TEAMS WON**

**NAEM NexGen LEADER AWARD**
From 1959 through 1987, Lockheed Shipbuilding and Construction Company operated a shipyard on the Elliott Bay in Seattle, WA. Lockheed Martin has worked collaboratively with the U.S. EPA, Native American Tribes, and the Port of Seattle for nearly 20 years on effective cleanup measures for sediment impacted by shipbuilding and repair activities that date back to 1898.

In 2015, Lockheed Martin and the U.S. EPA entered into a cooperative agreement to design and implement the sediment remedy. After two seasons of in-water dredging in Elliott Bay, the sediment remedy is complete, and the following accomplishments were achieved:

- 180,000 tons of impacted sediment removed
- 1,500 tons of debris removed
- 100,000 tons of clean backfill placed

In 2019, we continued our Remedial System Optimization initiative to reduce long-term Operations & Maintenance (O&M) across the program. Efficiency projects were implemented associated with:

- Energy Usage
- Groundwater Monitoring / Inspection Requirements
- Time to Project Closure
- Reactivated Carbon

RESULTING IN $17 MILLION REDUCTION IN LONG-TERM O&M COSTS.