

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

2019 PERFORMANCE

20%

39%

22%

12%

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

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

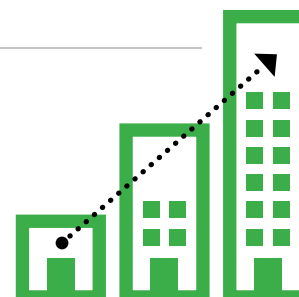
41

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



TRIPLED

our green building footprint
from 2013 baseline year to 2019

ADVOCACY AND GOVERNANCE

☑ 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:



5,429

Active Compliance Tasks



530

Permits



345

Inspections



214

Job/Task Hazard Assessments

100%

Go Green metrics tracked

5

new data visualization dashboards launched

4

sites (within 2 BAs) have ESH cognitive assistance artificial intelligence (AI) pilots underway



TARGET ZERO



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

THREE-YEAR RATE



✓ **22ND INTERNATIONAL ANNUAL APPLIED ERGONOMICS CONFERENCE (AAEC) COMPETITION**



4 LOCKHEED MARTIN TEAMS (FROM ALL BAS) PARTICIPATED

2 TEAMS WON



✓ **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**



U.S. AIR FORCE



✓ **PEER RECOGNITION**



ORCHSE

2019 INNOVATION AWARD



NAEM NexGen LEADER AWARD

REMEDIATION

✓ FORMER LOCKHEED SHIPBUILDING AND CONSTRUCTION COMPANY



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



SEATTLE,
WASHINGTON



✓ REMEDIAL SYSTEM OPTIMIZATION INITIATIVE

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.

