

Module: Introduction

Page: W0. Introduction

W0.1

Introduction

Please give a general description and introduction to your organization

Lockheed Martin is a global security and aerospace company. We research, design, develop, manufacture, integrate and sustain advanced technology systems, products and services, and provide management, engineering, technical, scientific, logistics and information services. Our primary customers are U.S. and allied government institutions and commercial entities in sectors including energy and transportation. In 2016, we employed approximately 97,000 people worldwide and generated net sales of \$47.2 billion. Lockheed Martin's operating units are organized into four business areas: Aeronautics, Missiles and Fire Control, Rotary and Mission Systems and Space Systems. Lockheed Martin's operations include owned or leased building space (including offices, manufacturing plants, warehouses, service centers, laboratories and other facilities) at approximately 400 locations primarily in the U.S. In late 2015, we acquired Sikorsky Aircraft Corporation (Sikorsky) and aligned it under our Rotary and Mission Systems (RMS) business segment. In late 2016, we completed the process of integrating Sikorsky water data into our internal accounting process. Our 2016 water data does not include Sikorsky, which will be included in 2017. Also in 2016, we divested part of our Integrated Systems and Global Solutions (IS&GS) business to Leidos, which is reflected in our water data for the first half of 2016. Our baseline has not been adjusted for the divestiture of IS&GS or the acquisition of Sikorsky.

W0.2

Reporting year

Please state the start and end date of the year for which you are reporting data

Period for which data is reported
Sun 01 Nov 2015 - Mon 31 Oct 2016

W0.3**Reporting boundary**

Please indicate the category that describes the reporting boundary for companies, entities, or groups for which water-related impacts are reported

Companies, entities or groups over which operational control is exercised

W0.4**Exclusions**

Are there any geographies, facilities or types of water inputs/outputs within this boundary which are not included in your disclosure?

Yes

W0.4a**Exclusions**

Please report the exclusions in the following table

Exclusion	Please explain why you have made the exclusion
Non-U.S. Locations	Our principal manufacturing facilities are located in the United States, with approximately 95% of our employees based in the United States. Therefore, our water data reflects only facilities within the United States. In preparing the responses to this disclosure, we have included some contextual information on our water programs in locations outside of the United States.
Acquisition	On November 6, 2015, we acquired Sikorsky Aircraft Corporation (Sikorsky) and aligned it under our Rotary and Mission Systems (RMS) business segment. In late 2016, we completed the process of integrating Sikorsky water data into our internal accounting process. Our 2016 water data does not include Sikorsky, which will be included in 2017. Also in 2016, we divested part of our Integrated Systems and Global

Exclusion	Please explain why you have made the exclusion
	Solutions business to Leidos, which is reflected in our water data for the first half of 2016. Our baseline has not been adjusted for the divestiture of IS&GS.

Further Information

Module: Current State

Page: W1. Context

W1.1

Please rate the importance (current and future) of water quality and water quantity to the success of your organization

Water quality and quantity	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	Lockheed Martin regularly measures and monitors total volumes of water withdrawn for over 40 of our largest facilities in the United States. These sites are prioritized based on their total annual water use with emphasis on the largest water using facilities. Sites that are not regularly measured and monitored fall outside of our control boundary and are typically leased sites where we do not pay directly for water nor operate the site's water systems. Freshwater is used within Lockheed Martin's operations including in manufacturing processes and in office space. It is used similarly throughout our supply chain. Freshwater use is selected as important but not vital because our manufacturing operations do not rely heavily on water.
Sufficient amounts of recycled, brackish and/or produced water available for use	Neutral	Neutral	Good quality water is essential for our operations; however, it is considered neutral as we have not specifically deemed recycled, brackish and/or produced water as important water sources operationally or within our value chain at this time. Recycled, brackish and/or produced water is not a large source of water use for Lockheed Martin operations, therefore it is of neutral importance. In facilities where we use small quantities of recycled water, some sites collect process water from

Water quality and quantity	Direct use importance rating	Indirect use importance rating	Please explain
			equipment and recirculate it into the machinery, while other sites use reclaimed municipal wastewater for irrigation.

W1.2

For your total operations, please detail which of the following water aspects are regularly measured and monitored and provide an explanation as to why or why not

Water aspect	% of sites/facilities/operations	Please explain
Water withdrawals- total volumes	76-100	Lockheed Martin regularly measures and monitors total volumes of water withdrawn for over 40 of our largest facilities in the United States. These sites are prioritized based on their total annual water use with emphasis on the largest facilities. Sites that are not regularly measured and monitored fall outside of our operational control boundary and are typically leased sites that do not pay directly for water nor operate the site's water systems.
Water withdrawals- volume by sources	76-100	Lockheed Martin regularly measures and monitors total volumes of water withdrawn by source for over 40 of our largest facilities in the United States. These sites are prioritized based on their total annual water use with emphasis on the largest facilities. Sites that are not regularly measured and monitored fall outside of our operational control boundary and are typically leased sites that do not pay directly for water nor operate the site's water systems.
Water discharges- total volumes	1-25	Data for this water parameter will be collected for additional high water stress facilities as they are identified. Additional facilities measure this information at a site level but do not regularly report this data to be included in our consolidated company reporting.
Water discharges- volume by destination	1-25	Data for this water parameter will be collected for additional high water stress facilities as they are identified. Additional facilities measure this information at a site level but do not regularly report this data to be included in our consolidated company reporting.

Water aspect	% of sites/facilities/operations	Please explain
Water discharges- volume by treatment method	1-25	Data for this water parameter will be collected for additional high water stress facilities as they are identified. Additional facilities measure this information at a site level but do not regularly report this data to be included in our consolidated company reporting.
Water discharge quality data- quality by standard effluent parameters	51-75	Lockheed Martin has approximately 30 facilities with permitted industrial water, stormwater and/or wastewater discharges that regularly measure and monitor water discharge quality in accordance with each permit. Over 20 of these facilities across states such as GA, CA, TX, FL, PA, MD, NY, NJ and CO are included within our water reporting boundary. Monitoring of water discharge quality data does not apply for the remainder of our facilities within our water reporting boundary and we are in compliance with applicable water-related regulations.
Water consumption- total volume	1-25	Data for this water parameter will be collected for additional high water stress facilities as they are identified. Additional facilities measure this information at a site level but do not regularly report this data to be included in our consolidated company reporting.
Facilities providing fully-functioning WASH services for all workers	76-100	Lockheed Martin provides clean water for drinking, sanitary, cooking and cleaning purposes for employees at all of our facilities worldwide.

W1.2a

Water withdrawals: for the reporting year, please provide total water withdrawal data by source, across your operations

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Fresh surface water	15.3	About the same	
Brackish surface water/seawater	0	Not applicable	
Rainwater	0	Not applicable	
Groundwater - renewable	38.0	Higher	
Groundwater - non-renewable	0	Not applicable	

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Produced/process water	0	Not applicable	
Municipal supply	4281.1	About the same	
Wastewater from another organization	52.1	Higher	
Total	4386.5	About the same	

W1.2b

Water discharges: for the reporting year, please provide total water discharge data by destination, across your operations

Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
Fresh surface water		Not applicable	Total water discharge data not collected at the corporate level.
Brackish surface water/seawater		Not applicable	Total water discharge data not collected at the corporate level.
Groundwater		Not applicable	Total water discharge data not collected at the corporate level.
Municipal/industrial wastewater treatment plant		Not applicable	Total water discharge data not collected at the corporate level.
Wastewater for another organization		Not applicable	Total water discharge data not collected at the corporate level.
Total		Not applicable	Total water discharge data not collected at the corporate level.

W1.2c

Water consumption: for the reporting year, please provide total water consumption data, across your operations

Consumption (megaliters/year)	How does this consumption figure compare to the last reporting year?	Comment
	Not applicable	Total water consumption data not collected at the corporate level.

W1.3

Do you request your suppliers to report on their water use, risks and/or management?

Yes

W1.3a

Please provide the proportion of suppliers you request to report on their water use, risks and/or management and the proportion of your procurement spend this represents

Proportion of suppliers %	Total procurement spend %	Rationale for this coverage
Less than 1%	51-75	Through our Sustainable Supply Chain Management program, in 2016 we completed our second voluntary survey for suppliers to report on their environmental, social and governance (ESG) management systems and performance. We expanded invitations to complete the survey from 23 to 166 suppliers that represent 54% of our supply chain spending. We received responses from 94 suppliers representing 45% of Lockheed Martin supply chain spending. In the environmental section of the assessment, suppliers

Proportion of suppliers %	Total procurement spend %	Rationale for this coverage
		<p>were asked questions about water-related risks and if there were any detrimental water impacts that may have affected business. Out of the responses received, only 3 suppliers (3%) identified that they had water-related risks that could generate a substantial change in their operations. Based on survey responses, we create a scorecard to benchmark suppliers based on their performance in ESG categories and our multi-tier mapping of these results allow us to identify any opportunities for partnerships. In addition to responding to the request of a large customer, suppliers are incentivized to participate in the survey through the scoring and ranking of their responses and through opportunities for increased engagement, such as resources like the Department of Energy's Better Plants Program.</p>

W1.3b

Please choose the option that best explains why you do not request your suppliers to report on their water use, risks and/or management

Primary reason	Please explain
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W1.4

Has your organization experienced any detrimental impacts related to water in the reporting year?

No

W1.4a

Please describe the detrimental impacts experienced by your organization related to water in the reporting year

Country	River basin	Impact driver	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
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W1.4b

Please choose the option below that best explains why you do not know if your organization experienced any detrimental impacts related to water in the reporting year and any plans you have to investigate this in the future

Primary reason	Future plans
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Further Information

Module: Risk Assessment

Page: W2. Procedures and Requirements

W2.1

Does your organization undertake a water-related risk assessment?

Water risks are assessed

W2.2

Please select the options that best describe your procedures with regard to assessing water risks

Risk assessment procedure	Coverage	Scale	Please explain
Comprehensive company-wide risk assessment	Direct operations and supply chain	All facilities and suppliers	In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from various internal and external stakeholders. Through this Core Issues Assessment, we have identified five sustainability objectives and developed a Sustainability Management Plan (SMP) which includes specific goals and performance initiatives that we monitor and voluntarily disclose. Although water was not identified as a high-risk concern, through our Go Green 2020 program, we have committed to reducing water usage by 30% by the year 2020, from a 2010 baseline. Furthermore, in 2016 we conducted an economic input-output life cycle assessment of our supply chain, facilities and the most material products and services to estimate environmental impacts across our value chain. Although energy and carbon were identified as part of our top 5 issues generating 92% of our total environmental impact, water did not materialize as a large impact. To identify regional water-related risks, we complete an annual analysis through the WBCSD Global Water Tool for facilities where we collect water data. We will conduct additional water analyses for sites that are projected to undergo high or extremely high water stress in the year 2020 based on our findings.

W2.3

Please state how frequently you undertake water risk assessments, at what geographical scale and how far into the future you consider risks for each assessment

Frequency	Geographic scale	How far into the future are risks considered?	Comment
Annually	River basin	>6 years	Each year, Lockheed Martin completes an analysis through the WBCSD Global Water Tool to identify which of our facilities are located in water-stressed regions. We will conduct additional water analyses for

Frequency	Geographic scale	How far into the future are risks considered?	Comment
			sites that are projected to undergo high or extremely high water stress in the year 2020 based on our findings.
Sporadically not defined	Facility	1 to 3 years	Assessments are conducted more frequently at our facilities with higher known water risks, as conditions may vary significantly in the short-term. Lockheed Martin completes water assessments for our largest facilities approximately every 3-4 years. Assessments help prioritize water related initiatives geographically based on water supply, drought indicators, long-term trends, and the most current water data.

W2.4

Have you evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy?

Not evaluated

W2.4a

Please explain how your organization evaluated the effects of water risks on the success (viability, constraints) of your organization's growth strategy?

W2.4b

What is the main reason for not having evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy, and are there any plans in place to do so in the future?

Main reason	Current plans	Timeframe until evaluation	Comment
Important but not any immediate business priority	Yes	Next 24-36 months	In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from employees, academic institutions, investors, NGOs, customers, policy organizations, suppliers and analysts. Through this Core Issues Assessment, we have identified five core sustainability objectives and developed a Sustainability Management Plan (SMP) which includes specific goals and performance initiatives that we monitor and voluntarily disclose. Although water was not identified as a high-risk concern, our Resource Efficiency core issue directly reflects internal and external stakeholder interest in overall environmental stewardship; and through our Go Green 2020 program, we have committed to reducing water usage by 30% by the year 2020, from a 2010 baseline. Furthermore, in 2016 we conducted an economic input-output life cycle assessment of our supply chain, facilities and the most material products and services to estimate environmental impacts across our value chain. Although energy and carbon were identified as part of our top 5 issues generating 92% of our total environmental impact, water did not materialize as a large impact. Direct impacts from water consumption were not as substantive as compared to energy usage and GHG emissions in terms of our operations, supply chain, customer product use, costs of potential environmental impact and stakeholder importance.

W2.5

Please state the methods used to assess water risks

Method	Please explain how these methods are used in your risk assessment
Internal company knowledge Regional government databases WBCSD Global Water Tool Other: Economic input-output life cycle assessment; Voluntary supplier sustainability surveys; ACCO Duke University Study	In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from employees, academic institutions, investors, NGOs, customers, policy organizations, suppliers and analysts. Through this Core Issues Assessment, we have identified five core sustainability objectives and developed a Sustainability Management Plan (SMP) which includes specific goals and performance initiatives that we monitor and voluntarily disclose. Although water was not identified as a high-risk concern, our Resource Efficiency core issue directly reflects internal and external stakeholder interest in overall environmental stewardship. Also in 2016, we conducted an economic input-output life cycle assessment of our supply chain, facilities and the most material products and services to estimate environmental impacts across our value chain. Although energy and carbon were identified as part of our top 5 issues generating 92% of our total environmental impact, water did not materialize as a large impact. Furthermore,

Method	Please explain how these methods are used in your risk assessment
	<p>through our Sustainable Supply Chain Management (SSCM) program in 2016 we completed our second voluntary survey for suppliers to report on their environmental, social and governance (ESG) management systems and performance. In the environmental section of the assessment, suppliers were asked questions about water-related risks and if there were any detrimental impacts that may have affected business. Only 3 suppliers (3%) who responded to the survey identified any water-related risk that impacted their business. To identify regional water-related risks, we complete an annual analysis of our operations through the WBCSD Global Water Tool for facilities where we collect water data. We will conduct additional water analyses for sites that are projected to undergo high or extremely high water stress in the year 2020 based on our findings from the WBCSD tool and regional government databases. In 2015, Lockheed Martin partnered with Duke University to produce a report titled "Assessing Climate Change Vulnerability Across Lockheed Martin United States Facilities and Supply Chain Locations". The objective of this project was to assess the climate change vulnerabilities of the company's major facilities in the U.S., as well as its Tier 1 and Tier 2 suppliers for one component of the C-130 military transport aircraft project. The research indicated that from 2015 to 2040, water stress and flooding are the main risks for Lockheed Martin and that resiliency efforts should be focused on addressing these risks in regions with significant water stress and flooding risks and where we have a significant number of facilities, employees and suppliers.</p>

W2.6

Which of the following contextual issues are always factored into your organization's water risk assessments?

Issues	Choose option	Please explain
Current water availability and quality parameters at a local level	Relevant, included	<p>Lockheed Martin conducts an annual assessment of water risks through the WBCSD Global Water Tool to identify which of our facilities that we operate and report data for are located in water-stressed regions. Lockheed Martin regularly measures and monitors total volumes of water withdrawn for over 40 of our largest facilities in the United States. These sites represent 84% of our total square footage and are prioritized based on their total annual water use with emphasis on the largest facilities. Sites that are not regularly measured and monitored fall outside of our operational control boundary and are typically leased sites that do not pay directly for water nor operate the site's water systems. Over 97% of our water is from municipal suppliers that provide good quality water to our operations.</p>

Issues	Choose option	Please explain
Current water regulatory frameworks and tariffs at a local level	Relevant, included	Lockheed Martin's Environment, Safety & Health (ESH) Policy outlines key processes and integration methods for managing the ESH requirements of our business, which include compliance with all relevant federal or foreign, state, local, customer and corporate requirements and resources relevant to emerging legislative and regulatory requirements and industry trends. We use internal company knowledge to build upon our strong compliance foundation and this would include any relevant current water regulatory frameworks and tariffs at a local level. Our California facilities are a top priority for water conservation projects and engagement with regulators. Due to a multi-year drought, the state of California had mandated a 25% reduction in water usage, which was lifted recently in 2017 but was still effective during the reporting year. We use internal company knowledge, such as conducting water balances for our three largest California sites to identify water reduction and re-use opportunities for these high water stress sites. Most of the water restrictions in California focus on irrigation and our facilities have already implemented practices to reduce irrigation time or eliminate irrigation completely where possible. As an example, irrigation at our Sunnyvale facility accounts for 10-15% of their water use. In 2015, Sunnyvale implemented a water conservation project that included irrigation control upgrades and in 2016, the site also installed new equipment including cooling towers and chillers which are more energy and water efficient than the older systems that were replaced.
Current stakeholder conflicts concerning water resources at a local level	Relevant, included	Lockheed Martin is not a large water user in most locations and therefore has not encountered any local water stakeholder conflicts. We use internal company knowledge to address any potential stakeholder conflicts through facility ESH managers who are responsible for monitoring all local issues, including water resources and any potential issues in the local community that may impact business operations. Our California facilities are a top priority for water conservation projects and engagement with stakeholders at a local level. Due to a multi-year drought, the state of California had mandated a 25% reduction in water usage, which was lifted recently in 2017 but was still effective during the reporting year. We use internal company knowledge, such as conducting water balances for our three largest California sites to identify water reduction and re-use opportunities for these high water stress sites. Most of the water restrictions in California focus on irrigation and our facilities have already implemented practices to reduce irrigation time or eliminate irrigation completely where possible. As an example, irrigation at our Sunnyvale facility accounts for 10-15% of their water use. In 2015, Sunnyvale implemented a water conservation project that included irrigation control upgrades and in 2016, the site also installed new equipment including cooling towers and chillers which are more energy and water efficient than the older systems that were replaced.
Current implications of water on your key commodities/raw materials	Relevant, included	Lockheed Martin uses internal company knowledge, such as lifecycle assessments, to assess risks related to water implications on our key commodities/raw materials. In 2016 we conducted an economic input-output life cycle assessment of our supply chain, facilities and the most material products and services to estimate environmental impacts across our value chain. Although energy and carbon were identified as part of our top 5 issues generating 92% of our total environmental impact, water did not materialize as a large impact.

Issues	Choose option	Please explain
Current status of ecosystems and habitats at a local level	Not relevant, explanation provided	Lockheed Martin is not a large water user in most locations and therefore typically does not withdraw or discharge water in ways that impact local ecosystems and habitats. Facility and operations ESH managers are responsible for monitoring all local issues, including water resources and any potential issues in the local community that may impact business operations.
Current river basin management plans	Relevant, included	Lockheed Martin conducts an annual assessment of water risks through the WBCSD Global Water Tool to identify which of our facilities that we operate and report data for are located in water-stressed regions. Lockheed Martin regularly measures and monitors total volumes of water withdrawn for over 40 of our largest facilities in the United States. These sites represent 84% of our total square footage and are prioritized based on their total annual water use with emphasis on the largest facilities. We will conduct additional water analyses for sites that are projected to undergo high or extremely high water stress in the year 2020 based on our findings from the WBCSD Global Water Tool and determine if river basin management plans are appropriate for these high-risk facilities. Although individual facilities may evaluate current river basin management plans and work with river basin authorities at a local level, Lockheed Martin does not collect this information at a corporate level.
Current access to fully-functioning WASH services for all employees	Relevant, included	Lockheed Martin has an expectation to always provide clean water for drinking and sanitation purposes for employees at all facilities. Our principal manufacturing facilities are located in the United States, with approximately 95% of our employees based in the United States. We provide WASH services at all of the facilities under our operations control. Our facilities are not in areas of the world where people do not have access to safe drinking water or adequate sanitation. We use internal company knowledge to assess this issue.
Estimates of future changes in water availability at a local level	Relevant, included	Lockheed Martin conducts an annual assessment of water risks through the WBCSD Global Water Tool to identify which of our facilities that we operate and report data for are located in water-stressed regions. We will conduct additional water analyses for sites that are projected to undergo high or extremely high water stress in the year 2020. We will conduct additional in-depth water risk assessments for these sites based on our findings, focusing on facilities in California, Texas and Colorado such as Sunnyvale, Palmdale, Grand Prairie, Fort Worth and Waterton. Although individual facilities may estimate future changes in water availability at a local level, Lockheed Martin does not collect this information at a corporate level. Any significant water availability risks would be identified in the site and enterprise risk assessment process.
Estimates of future potential regulatory changes at a local level	Relevant, included	Through internal company knowledge, we monitor emerging regulatory initiatives that are applicable to our business. Water regulations are included in these assessments. Our California facilities are a top priority for water conservation projects and engagement with regulators. Due to a multi-year drought, the state of California had mandated a 25% reduction in water usage, which was lifted recently in 2017 but was still effective during the reporting year. We use internal company knowledge, such as conducting water balances for our three largest California sites to identify water reduction and re-use opportunities for these high water stress sites. Most of the water restrictions in California focus on irrigation and our facilities have already implemented practices to reduce

Issues	Choose option	Please explain
		irrigation time or eliminate irrigation completely where possible. As an example, irrigation at our Sunnyvale facility accounts for 10-15% of their water use. In 2015, Sunnyvale implemented a water conservation project that included irrigation control upgrades and in 2016, the site also installed new equipment including cooling towers and chillers which are more energy and water efficient than the older systems that were replaced.
Estimates of future potential stakeholder conflicts at a local level	Relevant, included	Lockheed Martin is not a large water user in most locations and therefore has not been in conflict with other local water stakeholders. Facility ESH managers are responsible for monitoring all local issues, including water resources and any potential issues in the local community that may impact business operations. This process will identify any future potential water stakeholder conflicts. Our California facilities are a top priority for water conservation projects and engagement with stakeholders at a local level. Due to a multi-year drought, the state of California had mandated a 25% reduction in water usage, which was lifted recently in 2017 but was still effective during the reporting year. We use internal company knowledge, such as conducting water balances for our three largest California sites to identify water reduction and re-use opportunities for these high water stress sites. Most of the water restrictions in California focus on irrigation and our facilities have already implemented practices to reduce irrigation time or eliminate irrigation completely where possible. As an example, irrigation at our Sunnyvale facility accounts for 10-15% of their water use. In 2015, Sunnyvale implemented a water conservation project that included irrigation control upgrades and in 2016, the site also installed new equipment including cooling towers and chillers which are more energy and water efficient than the older systems that were replaced.
Estimates of future implications of water on your key commodities/raw materials	Relevant, included	In 2016 we conducted an economic input-output life cycle assessment of our supply chain, facilities and the most material products and services to estimate environmental impacts across our value chain. Although energy and carbon were identified as part of our top 5 issues generating 92% of our total environmental impact, water did not materialize as a large impact. Lockheed Martin's products and operations do not rely on commodities that are dependent on significant amounts of water for production or availability. Therefore, future implications of water on key commodities/raw materials are not a material concern.
Estimates of future potential changes in the status of ecosystems and habitats at a local level	Not relevant, explanation provided	Lockheed Martin is not a large water user in most locations and therefore typically does not withdraw or discharge water in ways that impact local ecosystems and habitats. Facility ESH managers are responsible for monitoring all local issues, including water resources and any potential issues in the local community that may impact business operations. This process will identify any future potential changes in the status of ecosystems and habitats at the local level.
Scenario analysis of availability of sufficient quantity and quality of water relevant for your operations at a local level	Relevant, included	As a member of Association of Climate Change Officers (ACCO), Lockheed Martin partnered with Duke University to produce a report titled "Assessing Climate Change Vulnerability Across Lockheed Martin United States Facilities and Supply Chain Locations". We used internal company knowledge to assess this issue. The objective of this project was to assess the climate change vulnerabilities of the company's major facilities in the U.S., as well as its Tier 1 and Tier 2 suppliers for one component of the C-130 military transport aircraft project. The project sought to provide Lockheed

Issues	Choose option	Please explain
		<p>Martin with a practical and user-friendly instrument designed for decision-makers, and specifically serves to achieve the following: 1) Identify climate-change related regional risk factors; 2) Determine potential disruption vulnerabilities in existing facilities and supply chains; 3) Prioritize potential vulnerabilities and resulting investment targets; 4) Recommend adaptation strategies; and 5) Provide vulnerability criteria to consider when establishing options at new facilities and selecting suppliers. The research indicated that from 2015 to 2040, water stress and flooding are the main risks for Lockheed Martin and that resiliency efforts should be focused on addressing these risks in regions with significant water stress and flooding risks and where we have a significant number of facilities, employees and suppliers.</p>
<p>Scenario analysis of regulatory and/or tariff changes at a local level</p>	<p>Not relevant, explanation provided</p>	<p>Lockheed Martin's manufacturing operations are not water intensive and through our Go Green 2020 program, we have committed to reducing water use by 30% by the year 2020, from a 2010 baseline. In addition to our absolute water reduction target, the energy and water efficiency projects that we complete contribute towards managing water-related risks and enable our facilities' resiliency in water constrained environments. We are currently in compliance with all of local water regulations, and therefore conducting an alternate scenario analysis would not be applicable for our business operations.</p>
<p>Scenario analysis of stakeholder conflicts concerning water resources at a local level</p>	<p>Not relevant, explanation provided</p>	<p>Lockheed Martin's manufacturing operations are not water intensive and through our Go Green 2020 program, we have committed to reducing water use by 30% by the year 2020, from a 2010 baseline. In addition to our absolute water reduction target, the energy and water efficiency projects that we complete contribute towards managing water-related risks and enable our facilities' resiliency in water constrained environments. We do not currently have stakeholder conflicts concerning water resources at a local level, and therefore conducting an alternate scenario analysis would not be applicable for our business operations.</p>
<p>Scenario analysis of implications of water on your key commodities/raw materials</p>	<p>Relevant, included</p>	<p>As a member of Association of Climate Change Officers (ACCO), Lockheed Martin partnered with Duke University to produce a report titled "Assessing Climate Change Vulnerability Across Lockheed Martin United States Facilities and Supply Chain Locations". We used internal company knowledge to assess this issue. The objective of this project was to assess the climate change vulnerabilities of the company's major facilities in the U.S., as well as its Tier 1 and Tier 2 suppliers for one component of the C-130 military transport aircraft project. The project sought to provide Lockheed Martin with a practical and user-friendly instrument designed for decision-makers, and specifically serves to achieve the following: 1) Identify climate-change related regional risk factors; 2) Determine potential disruption vulnerabilities in existing facilities and supply chains; 3) Prioritize potential vulnerabilities and resulting investment targets; 4) Recommend adaptation strategies; and 5) Provide vulnerability criteria to consider when establishing options at new facilities and selecting suppliers. The research indicated that from 2015 to 2040, water stress and flooding are the main risks for Lockheed Martin and that resiliency efforts should be focused on addressing these risks in regions with significant water stress and flooding risks and where we have a significant number of facilities, employees and suppliers.</p>

Issues	Choose option	Please explain
Scenario analysis of potential changes in the status of ecosystems and habitats at a local level	Not relevant, explanation provided	Lockheed Martin's manufacturing operations are not water intensive and through our Go Green 2020 program, we have committed to reducing water use by 30% by the year 2020, from a 2010 baseline. In addition to our absolute water reduction target, the energy and water efficiency projects that we complete contribute towards managing water-related risks and enable our facilities' resiliency in water constrained environments. We currently do not withdraw or discharge water in a way that impacts ecosystems and habitats at a local level, and therefore conducting an alternate scenario analysis would not be applicable for our business operations.
Other		

W2.7

Which of the following stakeholders are always factored into your organization's water risk assessments?

Stakeholder	Choose option	Please explain
Customers	Relevant, included	In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from various stakeholders, including our customers. This inclusive, formal, five-step assessment included 1) Topic Initiation, in which internal leaders conducted a review of environmental, social and governance (ESG) data; 2) Stakeholder Review, in which a diverse group of internal and external stakeholders expressed their views on selected topics; 3) Stakeholder Scoring, where participants scored topics of importance to stakeholders and business success; 4) Factor Linking, where interdependencies among factors were deemed high priority; and 5) Issue Clustering, in which internal leaders clustered correlated topics into our five core issues. Through this Core Issues Assessment, we have identified five core sustainability objectives and developed a Sustainability Management Plan (SMP) which includes specific goals and performance initiatives that we monitor and voluntarily disclose. Although water was not identified as a high-risk concern, our Resource Efficiency core issue directly reflects internal and external stakeholder interest in overall environmental stewardship; and through our Go Green 2020 program, we have committed to reducing water usage by 30% by the year 2020, from a 2010 baseline.
Employees	Relevant, included	In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from various stakeholders, including employees. This inclusive, formal, five-step assessment included 1) Topic Initiation, in which internal leaders conducted a review of environmental, social and governance (ESG) data; 2) Stakeholder Review, in which a diverse group of internal and external stakeholders expressed their views on selected topics; 3) Stakeholder Scoring, where

Stakeholder	Choose option	Please explain
		<p>participants scored topics of importance to stakeholders and business success; 4) Factor Linking, where interdependencies among factors were deemed high priority; and 5) Issue Clustering, in which internal leaders clustered correlated topics into our five core issues. Although water was not identified as a high-risk concern, our Resource Efficiency core issue directly reflects internal and external stakeholder interest in overall environmental stewardship; and through our Go Green 2020 program, we have committed to reducing water usage by 30% by the year 2020, from a 2010 baseline. Lockheed Martin ESH, Facilities and key program employees are involved in the development of our overall water strategy, targets and assessments of water risks. Our business areas are measured on their performance towards the Go Green 30% water reduction goal by 2020. Since 2010, a team of subject matter experts from facilities engineering and production and process engineering called the “Tiger Team” have been conducting in-depth analyses of energy and water systems across the company to identify projects for implementation. In 2016, the Tiger Team conducted 12 structured improvement events resulting in energy and water savings through infrastructure and process/production optimizations. In 2016 alone, Lockheed Martin avoided approximately \$26 million (compared to a 2010 baseline) in energy and water costs through the implementation of similar projects over the years.</p>
Investors	Relevant, included	<p>In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from various stakeholders, including our investors. This inclusive, formal, five-step assessment included 1) Topic Initiation, in which internal leaders conducted a review of environmental, social and governance (ESG) data; 2) Stakeholder Review, in which a diverse group of internal and external stakeholders expressed their views on selected topics; 3) Stakeholder Scoring, where participants scored topics of importance to stakeholders and business success; 4) Factor Linking, where interdependencies among factors were deemed high priority; and 5) Issue Clustering, in which internal leaders clustered correlated topics into our five core issues. Through this Core Issues Assessment, we have identified five core sustainability objectives and developed a Sustainability Management Plan (SMP) which includes specific goals and performance initiatives that we monitor and voluntarily disclose. Although water was not identified as a high-risk concern, our Resource Efficiency core issue directly reflects internal and external stakeholder interest in overall environmental stewardship; and through our Go Green 2020 program, we have committed to reducing water usage by 30% by the year 2020, from a 2010 baseline. Furthermore, we engage with our investors by responding to the Water CDP Report which helps increase corporate transparency on environmental impact and performance.</p>
Local communities	Relevant, included	<p>Lockheed Martin is not a water intensive industry and therefore does not encounter conflicts with other water users at a local level. Our current water quantity and quality meet our demands without materially impacting the water basins in which we operate. However, facility ESH managers are responsible for monitoring all local issues, including water resources and any potential issues in the local community that may impact business operations. This process will identify any future potential water stakeholder conflicts. Lockheed Martin seeks to raise awareness of water-related risks and conservation initiatives in the communities where we operate. We will expand a pilot program in the next reporting year through an organization called Businesses for the Bay. The Alliance for the Chesapeake Bay’s Businesses for the Bay Membership Association encourages businesses within the Chesapeake Bay watershed to take voluntary and measurable actions to support protection and restoration of the Chesapeake Bay and help the public understand the valuable role of the business community in sustaining the health of the Bay and its watershed.</p>

Stakeholder	Choose option	Please explain
NGOs	Relevant, included	<p>In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from various stakeholders, including NGOs. This inclusive, formal, five-step assessment included 1) Topic Initiation, in which internal leaders conducted a review of environmental, social and governance (ESG) data; 2) Stakeholder Review, in which a diverse group of internal and external stakeholders expressed their views on selected topics; 3) Stakeholder Scoring, where participants scored topics of importance to stakeholders and business success; 4) Factor Linking, where interdependencies among factors were deemed high priority; and 5) Issue Clustering, in which internal leaders clustered correlated topics into our five core issues. Through this Core Issues Assessment, we have identified five core sustainability objectives and developed a Sustainability Management Plan (SMP) which includes specific goals and performance initiatives that we monitor and voluntarily disclose. Although water was not identified as a high-risk concern, our Resource Efficiency core issue directly reflects internal and external stakeholder interest in overall environmental stewardship; and through our Go Green 2020 program, we have committed to reducing water usage by 30% by the year 2020, from a 2010 baseline. Furthermore, we utilize resources developed by NGOs such as the WBCSD Water Tool to inform our water strategy and respond to the Water CDP Report to increase corporate transparency on our environmental impact and performance.</p>
Other water users at a local level	Relevant, included	<p>Lockheed Martin is not a water intensive industry and therefore does not encounter conflicts with other water users at a local level. Our current water quantity and quality meet our demands without materially impacting the water basins in which we operate. However, facility and operations ESH managers are responsible for monitoring all local issues, including water resources and any potential issues in the local community that may impact business operations. This process will identify any future potential water stakeholder conflicts. Lockheed Martin seeks to raise awareness of water-related risks and conservation initiatives in the communities where we operate. We will expand a pilot program in the next reporting year through an organization called Businesses for the Bay. The Alliance for the Chesapeake Bay's Businesses for the Bay Membership Association encourages businesses within the Chesapeake Bay watershed to take voluntary and measurable actions to support protection and restoration of the Chesapeake Bay and help the public understand the valuable role of the business community in sustaining the health of the Bay and its watershed.</p>
Regulators	Relevant, included	<p>Lockheed Martin requires full compliance with all local laws and regulations at all facilities. Although our water usage is not material, we work with regulators through ongoing permitting and compliance issues, which include water. Our California facilities are a top priority for water conservation projects and engagement with regulators. Due to a multi-year drought, the state of California had mandated a 25% reduction in water usage, which was lifted recently in 2017 but was still effective during the reporting year. We use internal company knowledge, such as conducting water balances for our three largest California sites to identify water reduction and re-use opportunities for these high water stress sites. Most of the water restrictions in California focus on irrigation and our facilities have already accordingly implemented practices to reduce irrigation time or eliminate irrigation completely where possible. As an example, irrigation at our Sunnyvale facility accounts for 10-15% of their water use. In 2015, Sunnyvale implemented a water conservation project that included irrigation control upgrades and in 2016, the site also installed new equipment including cooling towers and chillers which are more energy and water efficient than the older systems that were replaced.</p>

Stakeholder	Choose option	Please explain
River basin management authorities	Relevant, included	<p>Lockheed Martin is not a water intensive industry and therefore does not encounter conflicts with other water users at a local level. Our current water quantity and quality meet our demands without materially impacting the water basins in which we operate. However, facility ESH managers are responsible for monitoring all local issues, including water resources and any potential issues in the local community that may impact business operations. This process will identify any future potential water stakeholder conflicts. Our California facilities are a top priority for water conservation projects and engagement with river basin management authorities. Due to a multi-year drought, the state of California had mandated a 25% reduction in water usage, which was lifted recently in 2017 but was still effective during the reporting year. We use internal company knowledge, such as conducting water balances for our three largest California sites to identify water reduction and re-use opportunities for these high water stress sites. Most of the water restrictions in California focus on irrigation and our facilities have already implemented practices to reduce irrigation time or eliminate irrigation completely where possible. As an example, irrigation at our Sunnyvale facility accounts for 10-15% of their water use. In 2015, Sunnyvale implemented a water conservation project that included irrigation control upgrades and in 2016, the site also installed new equipment including cooling towers and chillers which are more energy and water efficient than the older systems that were replaced.</p>
Statutory special interest groups at a local level	Relevant, included	<p>Lockheed Martin is not a water intensive industry and therefore does not encounter conflicts with other water users at a local level. Our current water quantity and quality meet our demands without materially impacting the water basins in which we operate. However, facility ESH managers are responsible for monitoring all local issues, including water resources and any potential issues in the local community that may impact business operations. This process will identify any future potential water stakeholder conflicts. Lockheed Martin seeks to raise awareness of water-related risks and conservation initiatives in the communities where we operate. We will begin piloting a program in the next reporting year through an organization called Businesses for the Bay. The Alliance for the Chesapeake Bay's Businesses for the Bay Membership Association encourages businesses within the Chesapeake Bay watershed to take voluntary and measurable actions to support protection and restoration of the Chesapeake Bay and help the public understand the valuable role of the business community in sustaining the health of the Bay and its watershed.</p>
Suppliers	Relevant, included	<p>In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from stakeholders, including suppliers. Although water was not identified as a high-risk concern, our Resource Efficiency core issue directly reflects internal and external stakeholder interest in overall environmental stewardship; and through our Go Green 2020 program, we have committed to reducing water usage by 30% by the year 2020, from a 2010 baseline. Furthermore, in 2016 we conducted an economic input-output life cycle assessment of our supply chain, facilities and the most material products and services to estimate environmental impacts across our value chain. Although energy and carbon were identified as part of our top 5 issues generating 92% of our total environmental impact, water did not materialize as a large impact. Through our Sustainable Supply Chain Management (SSCM) program, in 2016 we completed our second voluntary survey for suppliers to report on their ESG management systems and performance. We expanded invitations to complete the survey from 23 to 166 suppliers that represent 54% of our supply chain spending. We selected a mix of small and large businesses with varying contract length and value, suppliers to our business travel program and those who were prior participants in our corporate ethics mentoring program and supplier sustainability summit. We received responses from 94 suppliers representing 45% of Lockheed Martin supply chain spending. Based on survey responses, we create a</p>

Stakeholder	Choose option	Please explain
		scorecard to benchmark suppliers based on their performance in ESG categories and our multi-tier mapping of these results allow us to identify any opportunities for partnerships. In addition to responding to the request of a large customer, suppliers are incentivized to participate in the survey through the scoring and ranking of their responses and through opportunities for increased engagement, such as resources like the Department of Energy's Better Plants Program.
Water utilities at a local level	Relevant, included	Lockheed Martin is not a water intensive industry and therefore does not encounter conflicts with other water users at a local level. Our current water quantity and quality meet our demands without materially impacting the water basins in which we operate. However, facility ESH managers are responsible for monitoring all local issues, including water resources and any potential issues in the local community or water utilities that may impact business operations. This process will identify any future potential water stakeholder conflicts. Our California facilities are a top priority for water conservation projects and engagement with water utilities at a local level. Due to a multi-year drought, the state of California had mandated a 25% reduction in water usage, which was lifted recently in 2017 but was still effective during the reporting year. We use internal company knowledge, such as conducting water balances for our three largest California sites to identify water reduction and re-use opportunities for these high water stress sites. Most of the water restrictions in California focus on irrigation and our facilities have already implemented practices to reduce irrigation time or eliminate irrigation completely where possible. As an example, irrigation at our Sunnyvale facility accounts for 10-15% of their water use. In 2015, Sunnyvale implemented a water conservation project that included irrigation control upgrades and in 2016, the site also installed new equipment including cooling towers and chillers which are more energy and water efficient than the older systems that were replaced.
Other		

W2.8

Please choose the option that best explains why your organisation does not undertake a water-related risk assessment

Primary reason	Please explain
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Further Information

Module: Implications

Page: W3. Water Risks

W3.1

Is your organization exposed to water risks, either current and/or future, that could generate a substantive change in your business, operations, revenue or expenditure?

No

W3.2

Please provide details as to how your organization defines substantive change in your business, operations, revenue or expenditure from water risk

Lockheed Martin considers water-related risks to be location specific but currently does not deem water to pose a material impact to our business. For the purposes of Water CDP disclosure, we would define substantive change from water-related risks as those that are present within certain regions where we or key suppliers operate that could lead to a 1% deviation from normal business operations (e.g. increased process time, disrupted material flow, supply chain delay, etc.) and/or a change in revenue or costs to the affected facility and/or supplier caused by a water shortage, regulatory water restriction, water-related natural catastrophe, or other water-related impact. Water impacts currently do not constitute 1% of deviation in our normal business operations or our supply chain, and thus do not constitute a substantive change.

Lockheed Martin is not in a water intensive industry and therefore does not encounter conflicts with other water users at a local level. Our current water quantity and quality meet our demands without materially impacting the water basins in which we operate. If water were to be identified by our stakeholders in our Core Issues Assessment as a high priority factor, we would consider evolving our definition of substantive change to reflect our stakeholders' concerns and address specific water issues with targeted goals. We will continue to evaluate whether our internal and external stakeholders consider water to be a material impact in the future.

W3.2a

Please provide the number of facilities* per river basin exposed to water risks that could generate a substantive change in your business, operations, revenue or expenditure; and the proportion of company-wide facilities this represents

Country	River basin	Number of facilities exposed to water risk	Proportion of company-wide facilities that this represents (%)	Comment
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W3.2b

For each river basin mentioned in W3.2a, please provide the proportion of the company's total financial value that could be affected by water risks

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected	Comment
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W3.2c

Please list the inherent water risks that could generate a substantive change in your business, operations, revenue or expenditure, the potential impact to your direct operations and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
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W3.2d

Please list the inherent water risks that could generate a substantive change in your business operations, revenue or expenditure, the potential impact to your supply chain and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
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W3.2e

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your direct operations that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain
Risks exist, but no substantive impact anticipated	In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from various stakeholders. Although water was not identified as a high-risk concern, our Resource Efficiency core issue directly reflects internal and external stakeholder interest in overall environmental stewardship; and through our Go Green 2020 program, we have committed to reducing water usage by 30% by the year 2020, from a 2010 baseline. In addition to our absolute water reduction target, the energy and water efficiency projects that we complete contribute towards managing water-related risks and enable our facilities' resiliency in water constrained environments. Furthermore, in 2016 we conducted an economic input-output life cycle assessment of our supply chain, facilities and the most material products and services to estimate environmental impacts across our value chain. Although energy and carbon were identified as part of our top 5 issues generating 92% of our total environmental impact, water use did not materialize as a large impact for our own operations, Tier 1 and 2 suppliers, other suppliers and client product use. The first lifecycle analysis of our products was conducted in 2012 and has been updated twice since then. We have not determined when we will conduct our next life cycle assessment, as this voluntary process is extensive and requires significant resources, but we anticipate updating the analysis every 2-4 years.

W3.2f

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your supply chain that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain
Risks exist, but no substantive impact anticipated	In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from various stakeholders, including suppliers. Although water was not identified as a high-risk concern, our Resource Efficiency core issue directly reflects internal and external stakeholder interest in overall environmental stewardship; and through our Go Green 2020 program, we have committed to reducing water usage by 30% by the year 2020, from a 2010 baseline. In addition to our absolute water reduction target, the energy and water efficiency projects that we complete contribute towards managing water-related risks and enable our facilities' resiliency in water constrained environments. Furthermore, in 2016 we conducted an economic input-output life cycle assessment of our supply chain, facilities and the most material products and services to estimate environmental impacts across our value chain. Although energy and carbon were identified as part of our top 5 issues generating 92% of our total environmental impact, water use did not materialize as a large impact for our own operations, Tier 1 and 2 suppliers, other suppliers and client product use. The first lifecycle analysis of our products was conducted in 2012 and has been updated twice since then. We have not determined when we will conduct our next life cycle assessment, as this voluntary process is extensive and requires significant resources, but we anticipate updating the analysis every 2-4 years.

W3.2g

Please choose the option that best explains why you do not know if your organization is exposed to water risks that could generate a substantive change in your business operations, revenue or expenditure and discuss any future plans you have to assess this

Primary reason	Future plans
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Further Information

W4.1

Does water present strategic, operational or market opportunities that substantively benefit/have the potential to benefit your organization?

Yes

W4.1a

Please describe the opportunities water presents to your organization and your strategies to realize them

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Comment
Company-wide	Improved water efficiency	As part of our Go Green program, Lockheed Martin established a 30% water reduction goal by 2020 measured from a 2010 baseline. This program promotes smart water stewardship to improve operational efficiencies. Since 2010, a team of subject matter experts from facilities engineering and production and process engineering called the "Tiger Team" have been conducting in-depth analyses of energy and water systems across the company to identify projects for implementation. In 2016, the Tiger Team conducted 12 structured improvement events resulting in energy and water savings through infrastructure and process/production optimizations. In 2016 alone, Lockheed Martin avoided approximately \$26 million (compared to a 2010 baseline) in energy and water costs through the implementation of similar projects over the years.	>6 years	Lockheed Martin has reduced absolute water usage by 24% from 2010-2016. Lockheed Martin's water management is focused on attaining the Corporation's Go Green goal for water conservation through increased efficiency, on-site water re-use, and best management practices at all facilities. Our strategy is expanding to place a stronger focus on initiatives in water-stressed regions.

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Comment
Company-wide	Sales of new products/services	<p>In 2015, Lockheed Martin demonstrated our commitment to energy solutions by combining several commercial energy products and service businesses into a single organization. Lockheed Martin Energy now delivers a comprehensive portfolio including: our bioenergy technology that converts waste into clean fuel; tidal energy technology; energy storage solutions that improve electrical grid efficiency and enable increased use of renewables; and energy management solutions and performance contracts that enable our customers to reduce their energy and deliver cost avoidances. Some of the renewable energy offerings we have in-place or in development today include ocean thermal energy conversion (OTEC), wave and tidal power, and waste-to-energy generation. Many of these technologies utilize the existing power in the oceans to generate clean energy. These provide energy generation opportunities that are less water intensive than traditional energy generation processes such as fossil fuel generation.</p>		<p>As an example, in 2015, Lockheed Martin was awarded a contract by global tidal energy leader Atlantis Resources Ltd. to produce and integrate major elements of a next-generation 1.5-megawatt tidal turbine, the AR1500, as Phase 1a of the MeyGen tidal energy project. The technology will initially support the MeyGen project in Scotland's Pentland Firth and deployment in Canada's Bay of Fundy. Once completed, the MeyGen project – the world's largest tidal stream project under development – will encompass up to 265 tidal turbines and is expected to deliver up to 398 MW of power, which is enough energy to power 200,000 homes, significantly reducing Scope 2 emissions. The MeyGen project will contribute to Scotland's goal of 100 percent renewable energy by 2020.</p>
Company-wide	Climate change adaptation	<p>Lockheed Martin was selected by NASA to design and build the U.S. geostationary operational environment satellite series, GOES-R, which will be used by NOAA for short-term weather forecasting, to estimate rainfall and snow accumulation, detect early identification of storm intensification and severe weather. In 2016, Lockheed Martin completed and launched the GOES-R weather satellite which will provide the U.S. National Weather Service with advanced severe weather prediction capabilities to save lives in storm-threatened areas and help meteorologists issue winter storm warnings and spring snow melt advisories.</p>	>6 years	<p>Data from NOAA's GOES-R satellites provides accurate real-time weather forecasts and early warning products to NOAA's National Weather Service and other public and private sectors. The advanced spacecraft and instrument technology on the GOES-R series will vastly improve forecasting quality and timeliness, generating significant benefits to the United States and Western Hemisphere in the areas of public safety, severe weather monitoring, space weather prediction, ecosystems management, commerce and transportation.</p>

Please choose the option that best explains why water does not present your organization with any opportunities that have the potential to provide substantive benefit

Primary reason	Please explain
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W4.1c

Please choose the option that best explains why you do not know if water presents your organization with any opportunities that have the potential to provide substantive benefit

Primary reason	Please explain
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Further Information

Module: Accounting

Page: W5. Facility Level Water Accounting (I)

W5.1

Water withdrawals: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain
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Further Information

Page: W5. Facility Level Water Accounting (II)

W5.1a

Water withdrawals: for the reporting year, please provide withdrawal data, in megaliters per year, for the water sources used for all facilities reported in W5.1

Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
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W5.2

Water discharge: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Total water discharged (megaliters/year) at this facility	How does the total water discharged at this facility compare to the last reporting year?	Please explain
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W5.2a

Water discharge: for the reporting year, please provide water discharge data, in megaliters per year, by destination for all facilities reported in W5.2

Facility reference number	Fresh surface water	Municipal/industrial wastewater treatment plant	Seawater	Groundwater	Wastewater for another organization	Comment
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W5.3

Water consumption: for the reporting year, please provide water consumption data for all facilities reported in W3.2a

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain
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W5.4

For all facilities reported in W3.2a what proportion of their water accounting data has been externally verified?

Water aspect	% verification	What standard and methodology was used?
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Further Information

Module: Response

Page: W6. Governance and Strategy

W6.1

Who has the highest level of direct responsibility for water within your organization and how frequently are they briefed?

Highest level of direct responsibility for water issues	Frequency of briefings on water issues	Comment
Board of individuals/Sub-set of the Board or other committee appointed by the Board	Scheduled-quarterly	Lockheed Martin's Sustainability Governance Structure includes our 1) Board of Directors; 2) Executive Leadership Team; and 3) Sustainability Working Group. The Senior Vice President Internal Audit, Ethics & Sustainability manages the sustainability program, reporting directly to the Chairman, President & Chief Executive Officer and to the Ethics and Sustainability Committee of the Board of Directors. The Sustainability Working Group (SWG) is chaired by the Senior Vice President Internal Audit, Ethics & Sustainability and includes key functional executive leaders. As part of the SWG, the vice president of Corporate Energy, Environment, Safety & Health leads the implementation of Lockheed Martin's environmental programs, which includes water-related activities.

W6.2

Is water management integrated into your business strategy?

Yes

W6.2a

Please choose the option(s) below that best explains how water has positively influenced your business strategy

Influence of water on business strategy	Please explain
Establishment of sustainability goals	As part of our Go Green program, Lockheed Martin established a 30% water reduction goal by 2020 measured from a 2010 baseline. This program promotes smart water stewardship to improve operational efficiencies. Our public commitment to water stewardship has influenced our business because we have put more emphasis on water conservation initiatives, achieved our first water reduction target, and then established a second, more aggressive target. In 2016, we achieved a 24% reduction in water usage from a 2010 baseline, as well as energy and water cost avoidances of approximately \$26 million compared to 2010.
Publicly demonstrated our commitment to water	Lockheed Martin has publicly demonstrated our commitment to water stewardship through our comprehensive Lockheed Martin-wide Go Green program. This program is focused on attaining the Corporation's goals for water conservation through increased efficiency, on-site water re-use, and best management practices at all facilities. The program has recently expanded to include a more in-depth focus at facilities located in water-stressed regions. Lockheed Martin addresses our water program at external conferences, in public communications, and in our annual Corporate Sustainability Report.
Tighter operational performance standards	Lockheed Martin's water management is focused on attaining the Corporation's Go Green goals for water conservation through increased efficiency, on-site water re-use, and best management practices at all facilities. Our strategy is expanding to place a stronger focus on initiatives in water-stressed regions. Since 2010, a team of subject matter experts from facilities engineering and production and process engineering called the "Tiger Team" have been conducting in-depth analyses of energy and water systems across the company to identify projects for implementation. In 2016, the Tiger Team conducted 12 structured improvement events resulting in energy and water savings through infrastructure and process/production optimizations. In 2016 alone, Lockheed Martin avoided approximately \$26 million (compared to a 2010 baseline) in energy and water costs through the implementation of similar projects over the years. Furthermore, Lockheed Martin has a Green Buildings Corporate Functional Procedure that requires implementation of green building practices in the design, construction and operations of owned or commercially leased Lockheed Martin facilities. From our 2013 baseline year to 2016, Lockheed Martin has more than doubled our green footprint through Energy Star®, LEED and BREEAM certifications.
Water management incentives established for senior management	Lockheed Martin's executive team, environmental/sustainability managers and various business leaders responsible for addressing climate change and environmental sustainability 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 Go Green goals, which include water usage reduction.

W6.2b

Please choose the option(s) below that best explains how water has negatively influenced your business strategy

Influence of water on business strategy	Please explain
No measurable influence	<p>In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from various stakeholders, including suppliers. Although water was not identified as a high-risk concern, our Resource Efficiency core issue directly reflects internal and external stakeholder interest in overall environmental stewardship; and through our Go Green 2020 program, we have committed to reducing water usage by 30% by the year 2020, from a 2010 baseline. In addition to our absolute water reduction target, the energy and water efficiency projects that we complete contribute towards managing water-related risks and enable our facilities' resiliency in water constrained environments. Furthermore, in 2016 we conducted an economic input-output life cycle assessment of our supply chain, facilities and the most material products and services to estimate environmental impacts across our value chain. Although energy and carbon were identified as part of our top 5 issues generating 92% of our total environmental impact, water did not materialize as a large impact. There are no future negative influences expected at this time because the results from our Core Issues Assessment reflect that our stakeholders do not consider water risks as a material impact to our business and our lifecycle assessment reflects that water impacts are not material in our operations and value chain.</p>

W6.2c

Please choose the option that best explains why your organization does not integrate water management into its business strategy and discuss any future plans to do so

Primary reason	Please explain
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W6.3

Does your organization have a water policy that sets out clear goals and guidelines for action?

Yes

W6.3a

Please select the content that best describes your water policy (tick all that apply)

Content	Please explain why this content is included
Publicly available Company-wide Performance standards for direct operations Incorporated within group environmental, sustainability or EHS policy Acknowledges the human right to water, sanitation and hygiene	Lockheed Martin's water management is focused on attaining the Corporation's Go Green goals for water conservation through increased efficiency, on-site water reuse and best management practices at all facilities. Our company-wide goals for water conservation are publicly available to further the transparency of our global efforts related to water stewardship and innovation. Performance standards for our facilities include implementation of water conservation projects and green building practices in the design, construction and operations of all owned or commercially leased Lockheed Martin facilities. At this time our water policy does not apply our standards to our suppliers or address water education of our customers. We provide WASH services at all of the facilities under our operational control. Our facilities are not in areas of the world where people do not have access to safe drinking water or adequate sanitation.

W6.4

How does your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) during the most recent reporting year compare to the previous reporting year?

Water CAPEX (+/- % change)	Water OPEX (+/- % change)	Motivation for these changes
100	1.3	There were no significant capital expenditure projects related to water in reporting year 2015, but there were in 2016. Operational expenditure related to water is only an estimate as water cost data is not collected at the Corporate level.

Further Information

Page: **W7. Compliance**

W7.1

Was your organization subject to any penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations in the reporting year?

Yes, significant

W7.1a

Please describe the penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations and your plans for resolving them

Facility name	Incident	Incident description	Frequency of occurrence in reporting year	Financial impact	Currency	Incident resolution
Marietta	Penalty	This incident was the result of third party failure to maintain equipment. Lockheed Martin considers a Notice of Violation to be "significant" if it meets one	1	10500	USD(\$)	Repaired equipment

Facility name	Incident	Incident description	Frequency of occurrence in reporting year	Financial impact	Currency	Incident resolution
		of the following criteria: 1) Criminal proceeding resulting in a conviction, or; 2) Civil or administrative proceeding resulting in a penalty of \$5,000 or more, or; 3) Civil or administrative proceeding resulting in a combination of penalty and/or other obligation which totals \$5,000 or more in cost to Lockheed Martin				

W7.1b

What proportion of your total facilities/operations are associated with the incidents listed in W7.1a?

0.2%

W7.1c

Please indicate the total financial impacts of all incidents reported in W7.1a as a proportion of total operating expenditure (OPEX) for the reporting year. Please also provide a comparison of this proportion compared to the previous reporting year

Impact as % of OPEX	Comparison to last year
0.00	No change

Further Information

Page: W8. Targets and Initiatives

W8.1

Do you have any company wide targets (quantitative) or goals (qualitative) related to water?

Yes, targets and goals

W8.1a

Please complete the following table with information on company wide quantitative targets (ongoing or reached completion during the reporting period) and an indication of progress made

Category of target	Motivation	Description of target	Quantitative unit of measurement	Base-line year	Target year	Proportion of target achieved, % value
Absolute reduction of water withdrawals	Water stewardship	As part of our Go Green program, Lockheed Martin has publicly committed to reducing water usage by 30% by the year 2020, from a 2010 baseline. Our public commitment to water stewardship has influenced our business because we have put more emphasis on water conservation initiatives, achieved our first water reduction target, and the established a second, more aggressive target. In 2016, we achieved a 24% reduction in water usage from a 2010 baseline, as well as energy and water cost avoidances of approximately \$26 million compared to 2010.	Other: % reduction of water use from all sources	2010	2020	80%

W8.1b

Please describe any company wide qualitative goals (ongoing or reached completion during the reporting period) and your progress in achieving these

Goal	Motivation	Description of goal	Progress
Other: Product Total Cost of Ownership	Water stewardship	In 2016, Lockheed Martin developed goals around Product Total Cost of Ownership with indirect impacts for water consumption, which include: 1) Add design-to-cost analysis criteria to each business segment's proposal planning and proposal review processes by 2020. 2) Generate \$1 billion in life-cycle cost reductions from products, resulting in decreased resource consumption and impacts on human health and the environment by 2020.	As of 2016, our progress around our Product Total Cost of Ownership includes: 1) We established an employee training module and a corporate-wide working group to plan the implementation of a standardized design-to-cost methodology, which is a systematic approach to controlling the costs of product development and manufacturing during the capture and design phases. 2) We conducted life-cycle assessment case studies on three products, identifying cost savings of \$250 million versus a business-as-usual scenarios. Considering that this is our first year reporting towards these targets, we are 25% complete with this goal and therefore are on track and have made significant progress.

W8.1c

Please explain why you do not have any water-related targets or goals and discuss any plans to develop these in the future

Further Information

Module: Linkages/Tradeoff

Page: W9. Managing trade-offs between water and other environmental issues

W9.1

Has your organization identified any linkages or trade-offs between water and other environmental issues in its value chain?

Yes

W9.1a

Please describe the linkages or trade-offs and the related management policy or action

Environmental issues	Linkage or trade-off	Policy or action
Energy Water Nexus - Direct	Linkage	Lockheed Martin understands the synergies between water usage and energy efficiency and carbon emissions. Our Corporate policies address both carbon emissions and water and our Go Green 2020 program aims for a 35% carbon reduction and a 30% water reduction by the year 2020, from a 2010 baseline. We are ensuring that water infrastructure at our facilities is properly maintained and efficient to conserve water, energy, and maintain integrity. Over the past 5 years, we've conducted Structured Improvement Activities (SIAs) at our top energy and water consuming sites to identify opportunities and develop plans for achieving carbon and water reductions. One focus area of the activities was to assess the energy required to supply water in aging infrastructure and identify opportunities for improvement. Since 2010, a team of subject matter experts from facilities engineering and production and process engineering called the "Tiger Team" have been conducting in-depth analyses of energy and water systems across the company to identify projects for implementation. In 2016, the Tiger Team conducted 12 structured improvement events resulting in energy and water savings through infrastructure and process/production optimizations. In 2016 alone, Lockheed Martin avoided approximately \$26 million (compared to a 2010 baseline) in energy and water costs through the implementation of similar projects over the years.
Energy Water Nexus - Indirect	Linkage	Lockheed Martin understands the synergies between water usage and energy efficiency and carbon emissions. Our Corporate policies address both carbon emissions and water and our Go Green 2020 program aims for a 35% carbon reduction and a 30% water reduction by the year 2020, from a 2010 baseline. In 2016, our energy efficiency efforts produced indirect water savings of over 5.7 billion gallons through reductions in electricity consumption at our facilities compared to 2010. Water savings were calculated using the U.S. Geological Survey's "Estimated Use of Water in the United States in 2010" average thermoelectric power water usage rate of 19 gallons per kilowatt hour, assuming Lockheed Martin's thermoelectric supply is approximately 76% of total electricity purchased, which is derived from Energy Information Administration (EIA) data on total electricity produced in the U.S. These figures are calculated against cumulative savings from the Go Green baseline year of 2010.

Further Information

Module: Sign Off

Page: Sign Off

W10.1

Please provide the following information for the person that has signed off (approved) your CDP water response

Name	Job title	Corresponding job category
Bruce L. Tanner	Executive Vice President and Chief Financial Officer (CFO)	Chief Financial Officer (CFO)

W10.2

Please indicate that your organization agrees for CDP to transfer your publicly disclosed data regarding your response strategies to the CEO Water Mandate Water Action Hub.

Note: Only your responses to W1.4a (response to impacts) and W3.2c&d (response to risks) will be shared and then reviewed as a potential collective action project for inclusion on the WAH website.

By selecting Yes, you agree that CDP may also share the email address of your registered CDP user with the CEO Water Mandate. This will allow the Hub administrator to alert your company if its response data includes a project of potential interest to other parties using water resources in the geographies in which you operate. The Hub will publish the project with the associated contact details. Your company will be provided with a secure log-in allowing it to amend the project profile and contact details.

Yes

Further Information

CDP