

Independent Assurance Statement

Scope and Objectives

DNV GL Business Assurance USA, Inc. (DNV GL) was commissioned by Lockheed Martin Corporation (Lockheed Martin) to conduct independent assurance of its 2017 Sustainability Report ('the Report'), as published on the company's website at <http://www.lockheedmartin.com/us/who-we-are/sustainability.html> and to carry out an independent verification of selected 2017 Global Reporting Initiative (GRI) indicators.

Our assurance engagement was planned and carried out in accordance with AA1000 Assurance Standard (AA1000 AS), using DNV GL's VeriSustain methodology.

VeriSustain is based on international assurance best practice including AA1000AS, International Standard on Assurance Engagements 3000 (ISAE 3000) and the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines and draws from our experience as a leading third-party assurance provider. We understand that the reported financial data and information are based on data from Lockheed Martin's 10-K, which is subject to a separate independent audit process. The review of financial data taken from the company's Annual Report and 10-K is not within the scope of our work.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. We were engaged to provide Type 2 moderate level assurance, which covers:

- Evaluation of adherence to the AA1000AS (2008) principles of inclusivity, materiality and responsiveness (the Principles); and
- The reliability of specified sustainability performance information along with related claims in the report including:
 - The 16 reportable performance indicators within Lockheed Martin's Sustainability Management Plan (SMP) that represent its five core issues: Business Integrity, Product Impact, Information Security, Employee Wellbeing, and Resource Efficiency;
 - GRI Indicators:
 - 102-46: Report Content & Boundaries; 102-47: Material Topics; 102-40 and 102-42to102-44: Stakeholder Engagement
 - 205-2: Anti-Corruption
 - 302-1: Energy Consumption; 302-4: Reduction of Energy Consumption; 305-1: Direct GHG Emissions; 305-2: Indirect GHG Emissions; 305-3: Other Indirect GHG Emissions; 305-5: Reduction of GHG Emissions
 - 403-2: Occupational Health and Safety; 405-1: Diversity and Equal Opportunity

- Energy use and greenhouse gas (GHG) Scope 1, 2, and 3 emissions¹, with and without Renewable Energy Credits (RECs), waste generated, and water use assertions.

A 'high level' of assurance would have required additional work at the headquarters and site level to gain further evidence to support the basis of our assurance opinion. We evaluated the performance data using the reliability principle.

We followed the procedures as outlined in the VeriSustain protocol to complete the project. We used the Global Reporting Initiative (GRI) Quality of Information Principles (Balance, Clarity, Accuracy, Reliability, Timeliness and Comparability) as criteria for evaluating performance information, together with Lockheed Martin's data protocols for how the data are measured, recorded and reported. The assurance of energy, GHG emissions, waste generation and water use assertions were conducted to a limited level of assurance. The reporting criteria against which the GHG verification was conducted is the World Business Council for Sustainable Development (WBCSD)/World Resources Institute (WRI) greenhouse gas protocol. The organizational boundaries are all global sites under Lockheed Martin's operational control except where noted. All environmental footprint data were verified for the period between 1 November 2016 to 31 October 2017. All other data were verified for the fiscal year 1 January, 2017 – 31 December, 2017.

Responsibilities of Lockheed Martin Corporation and of the Assurance Providers

Lockheed Martin has sole responsibility for preparation of the Report. In performing our assurance work, our responsibility is to the management of Lockheed Martin. Our statement, however, represents our independent opinion and is intended to inform all Lockheed Martin's stakeholders. DNV GL was not involved in the preparation of any statements or data included in the Report, except for this Assurance Statement.

DNV GL's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Independence

DNV GL's established policies and procedures are designed to ensure that DNV GL, its personnel, and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV GL) and maintain independence where required by relevant ethical requirements. This engagement was carried out by an independent team of sustainability assurance providers.

This is our third year of providing assurance for Lockheed Martin. We adopt a balanced approach towards all stakeholders when performing our evaluation.

¹ Scope 3 categories verified include; Category 1-7, Category 11

Basis of our opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at headquarters and site level.

We undertook the following activities:

- Review of the current corporate responsibility issues that could affect Lockheed Martin and are of interest to stakeholders;
- Review of Lockheed Martin's approach to stakeholder engagement and recent outputs;
- Review of information provided to us by Lockheed Martin on its reporting and management processes relating to the Principles;
- Conducted in-person and phone interviews at the corporate headquarters in Bethesda, MD as well as Rockville, MD with a selection of the senior directors and managers who are responsible for areas of management and stakeholder relationships covered by the Report. The objective of these discussions was to understand top level commitment and strategy related to corporate responsibility and Lockheed Martin's governance arrangements, stakeholder engagement activity, management priorities, and systems;
- Visited one site in Orlando, Florida. We were free to choose the site location. During the site visit, we met with ethics, human resources, and environmental, health and safety representatives. The review work on site focused on ethics, diversity and inclusion, energy consumption, GHG emissions, waste generated, water consumption, and health and safety management;
- Assessed documentation and evidence that supported and substantiated claims made in the Report;
- Reviewed the specified data collated at the corporate level, including that gathered by other parties, and statements made in the Report. We interviewed managers responsible for internal data validation, reviewed their work processes, and undertook sample-based audits of the processes for generating, gathering, and managing the quantitative and qualitative sustainability data;
- Examined data and information to support the reported energy use, GHG, waste generated and water use assertions;
- Evaluated whether the evidence and data are sufficient to support our opinion and Lockheed Martin's assertions.
- Provided feedback on a draft of the report based on our assurance scope.

In addition, the following methods were applied during the verification of Lockheed Martin's environmental footprint inventories and management processes:

- Review of documentation, data records and sources relating to the corporate environmental data claims and GHG emission assertions
- Review of the processes and tools used to collect, aggregate and report on all environmental data and metrics;
- Assessment of environmental information systems and controls, including:
 - Selection and management of all relevant environmental data and information;
 - Processes for collecting, processing, consolidating, and reporting the relevant environmental data and information;
 - Design and maintenance of the environmental information system;
 - Systems and processes that support the environmental information system.

- Performed sample-based audits of the processes for generating, gathering and managing the quantitative and qualitative environmental data;
- Examination of all relevant environmental data and information to develop evidence for the assessment of the environmental claims and assertions made;
- Confirmation of whether or not the organization conforms to the verification criteria.

Findings

On the basis of the work conducted, nothing came to our attention to suggest that the Report does not properly describe Lockheed Martin's adherence to the Principles of Inclusivity, Materiality, and Responsiveness. In terms of the reliability of performance data, nothing came to our attention to suggest that these data and claims have not been properly collated from information reported at operational level, nor that the assumptions used were inappropriate.

In our opinion, the Report provides sufficient information for readers to understand Lockheed Martin's management approach to its most material issues and impacts.

Observations

Without affecting our assurance opinion, we also provide the following observations.

Inclusivity: the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

Lockheed Martin has exhibited proactive engagement throughout its business operations and value chain. This is evidenced by the feedback gained through a variety of avenues such as Supplier Sustainability Voluntary Assessments, the Employee Insight survey, and through the company's collaborative efforts and memberships with industry organizations such as the Aerospace Industry Association and SAE International's G19 Counterfeit Electronic Parts Committee. We commend Lockheed Martin for its efforts to engage stakeholders at all levels of the organization in order to increase awareness of the company's sustainability priorities and increase stakeholder confidence that the company is addressing its most material issues.

With a number of SMP goals sunsetting in 2017, Lockheed Martin is undertaking a systematic review process to ensure that any newly established or refined goals and metrics continue to be meaningful and relevant. The goals will be reviewed and approved by the Sustainability Working Group, Executive Leadership Team, and the Board of Directors. We recommend that Lockheed Martin also seek the viewpoint of key external stakeholders to validate whether the publicly reported metrics measure the characteristics and issues that are of interest to them.

Materiality: identification of those issues, which are necessary for stakeholders to make informed judgments concerning the organization and its impacts.

Lockheed Martin has demonstrated a robust and effective process for determining and prioritizing its material issues. While there were no materiality updates in 2017, the materiality process conducted in 2015-2016

considered a wide range of inputs, including internal and external stakeholder feedback, global mega-trends, and the company's sustainability context. The Report presents an update of the company's activities and performance against its SMP.

As part of ongoing monitoring of the relevance and impact of its Core Issues and Sustainability Factors, Lockheed Martin conducted a benchmark against sustainability leaders and industry sustainability practices and mapped its enterprise risks against its sustainability risks. These exercises support the continued integration of sustainability criteria into decision-making throughout the company and will inform the development of the new metrics and goals to be implemented for the period 2018-2020.

Responsiveness: the extent to which the organization responds to stakeholder issues.

The Report provides details on the company's approach to engaging the different stakeholder categories including customers, employees, and suppliers. There are also details of the company's response to stakeholder feedback such as modeling safe behavior to promote a culture of safety and wellbeing and mentoring of small business suppliers to help strengthen their own ethics program.

During our review, we found evidence that stakeholder ideas and concerns influence decision-making throughout the organization. Based on the findings of the Employee Insight Survey, Lockheed Martin implemented enterprise-wide efforts such as increasing the visibility of the company's Ethics Program and re-emphasizing its criticality to business success. In addition, leaders throughout the company received reports with actionable items in response to the results.

Performance Information:

Lockheed Martin's reporting of performance including the disclosure of data is comprehensive and the performance indicators are disclosed in a balanced manner.

Lockheed Martin provides a clear description of the boundaries and scope on the reported information. The tone of the Report is broadly neutral with no obvious and deliberate intent to unduly influence the reader.

For the specified data presented in the report, minimal technical errors were identified during our sampling. These errors have been corrected for the final report. Lockheed Martin applies multiple checks and balances on reported data and requires peer review or approval by management throughout the reporting year and before collection by the sustainability team.

Based on the processes and procedures conducted with a moderate assurance, there is no evidence that the GHG assertions and environmental footprint data are not materially correct and are not a fair representation of GHG and environmental data and information and have not been prepared with the calculation method referenced above.

Our review found evidence to support the below listed environmental data for Lockheed Martin’s environmental reporting year 2017 (1 November 2016 to 31 October 2017):

- Energy
 - Total Energy Consumption: 8,948,579 MMBtu
- Greenhouse Gas Emissions
 - Scope 1 Emissions 291,523 MtCO₂e
 - Scope 2 Emissions (location-based) 745,682 MtCO₂e
 - Scope 2 Emissions (market-based) 552,851 MtCO₂e
 - Scope 3 Emissions
 - Purchased Goods 7,700,000 MtCO₂e
 - Fuel and Energy Related Activities (not included in Scope 1 and 2) 100,000 MtCO₂e
 - Capital Goods 370,000 MtCO₂e
 - Upstream Transportation and Distribution 60,000 MtCO₂e
 - Waste Generated in Operations 5,000 MtCO₂e
 - Business Travel 170,000 MtCO₂e
 - Employee Commuting 200,000 MtCO₂e
 - Use of Sold Products 22,000,000 MtCO₂e
- REC Total: 303,000 MWh
- Waste Generated: 59,578,521 pounds
- Water Used: 1,324,000,000 gallons

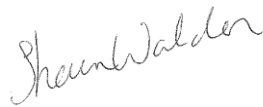
DNV GL Business Assurance USA Inc.
Oakland, California
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