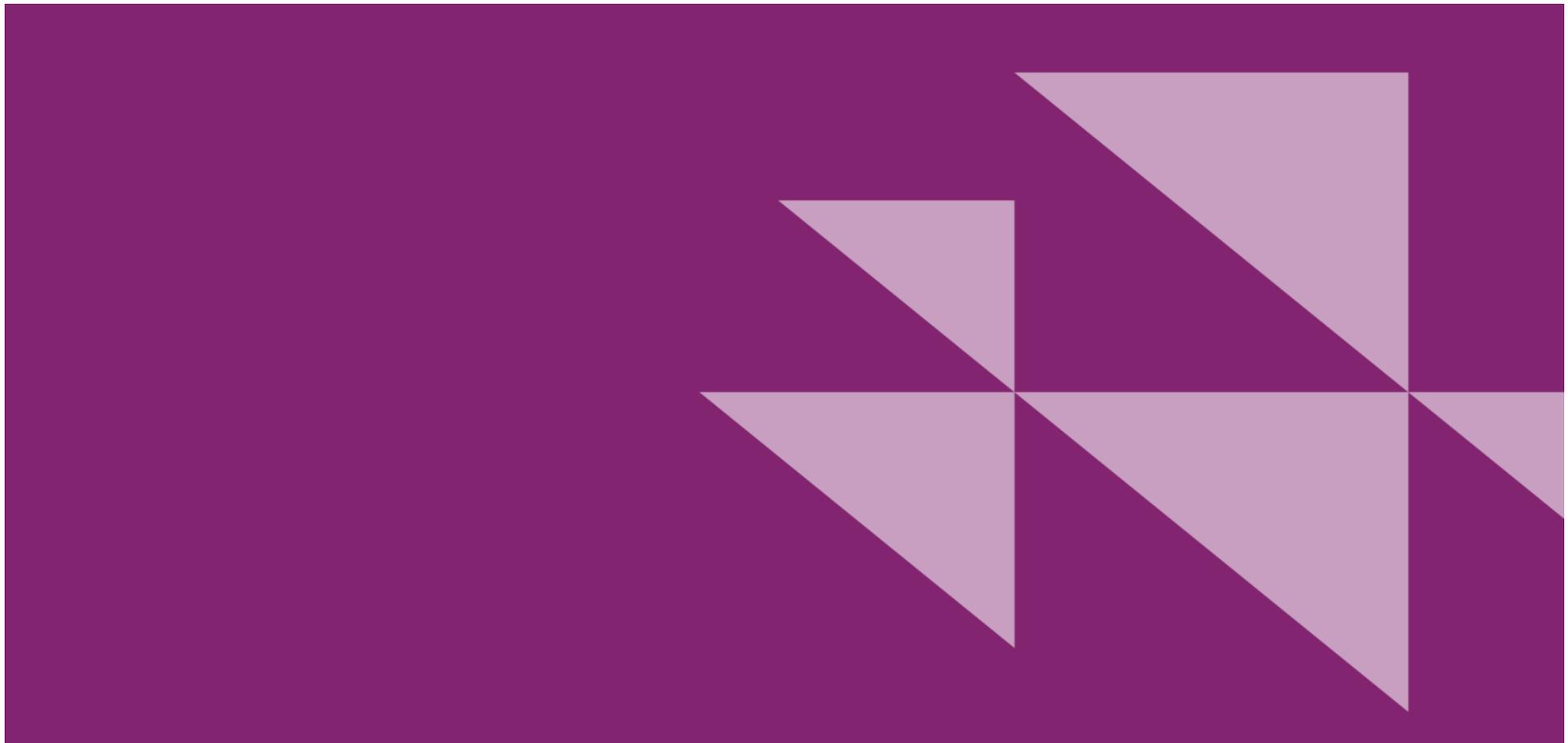

CDP Climate Change Questionnaire 2018



C0 Introduction

Introduction

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

Lockheed Martin is a publicly traded, 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, systems integration and cybersecurity services, primarily to U.S. and allied government agencies. Our mission is to solve complex challenges, advance scientific discovery and deliver innovative solutions to help our customers keep people safe. In addition to our primary customers, other customers include commercial entities in various sectors, such as energy. Lockheed Martin operates in both owned and leased building spaces (including offices, manufacturing plants, warehouses, service centers, laboratories and other facilities) at more than 590 facilities in 50 U.S. states, and Lockheed Martin has business locations in more than 50 nations and territories. In 2017, we employed approximately 100,000 people worldwide and generated net sales of \$51.0 billion. Lockheed Martin's operating units are organized into four business areas: Aeronautics, Missiles and Fire Control, Rotary and Mission Systems and Space. 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 energy and carbon data into our internal sustainment assessment and have included this data in our response to CDP's questionnaire for the first time.

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

Start date	End date	Indicate if you are providing emissions data for past reporting years
11/01/2016	10/31/2017	No

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

Country – SELECTION; NOT FREE TEXT

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

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

Currency – SELECTION; NOT FREE TEXT

USD

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this value should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory. (SELECTION; NOT FREE TEXT)

Operational control

C1 Governance

Board oversight

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

Yes

(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s) – SELECTION; NOT FREE TEXT	Please explain (1,000 characters)
Board/Executive board	<p>Lockheed Martin's Board of Directors monitors the Corporation's adherence to our Code of Ethics and Business Conduct, with oversight responsibilities that include corporate responsibility, employee safety and health, environmental stewardship, ethical business practices, and diversity and inclusion.</p> <p>The Board is involved in strategic planning and review throughout the year. Executive management provides updates on risks managed at the Corporate level. Business segment management provides updates on risks to respective business segment objectives. Oversight of risk drivers and mitigation is assigned to the full Board unless delegated to one of the committees. In 2017, climate-related issues were addressed by the Ethics and Sustainability and the Strategic Affairs committees of the Board.</p>

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

Frequency with which climate-related issues are a scheduled agenda item – SELECTION; NOT FREE TEXT	Governance mechanisms into which climate-related issues are integrated – SELECTION; NOT FREE TEXT	Please explain (2,400 CHARACTERS)
Scheduled - all meetings	<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Monitoring implementation and performance of objectives</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p>	<p>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 (SVP) of Internal Audit, Ethics and Sustainability is head of Lockheed Martin's Corporate Sustainability Office and acts as the Chief Sustainability Officer, the highest-level management position with responsibility for climate-related issues, and reports directly to the Chairman, President and Chief Executive Officer and to the Ethics and Sustainability committee of the Board of Directors.</p> <p>Lockheed Martin's Board of Directors monitors the Corporation's adherence to our Code of Ethics and Business Conduct, with oversight responsibilities that include corporate responsibility, employee safety and health, environmental stewardship, ethical business practices, and diversity and inclusion.</p> <p>The Board of Directors is involved in strategic planning and review throughout the year. Oversight of risk drivers and mitigation is assigned to the full Board unless delegated to one of its committees. The Board and its committees receive risk updates throughout the year. Executive management provides updates on risks managed at the Corporate level. Business segment management provides updates on risks to respective business segment objectives. In 2017, climate-related issues were addressed by the Board's Ethics and Sustainability committee in all its meetings, and by the Strategic Affairs committee in some of its meetings.</p>

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

Name of the position(s) and/or committee(s) – SELECTION; NOT FREE TEXT	Responsibility – SELECTION; NOT FREE TEXT	Frequency of reporting to the board on climate-related issues – SELECTION; NOT FREE TEXT
Chief Sustainability Officer (CSO)	Both assessing and managing climate-related risks and opportunities	Quarterly

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored. (5,000 CHARACTERS)

Lockheed Martin's Sustainability Governance Structure manages our Sustainability Management Plan (SMP). Its constituents include our: 1) Board of Directors; 2) Executive Leadership Team; and 3) Sustainability Working Group (SWG). The SWG is chaired by the Senior Vice President (SVP) of Internal Audit, Ethics and Sustainability, who heads Lockheed Martin's Corporate Sustainability Office and acts as the Chief Sustainability Officer, the highest-level management position with responsibility for climate-related issues.

As chair of the SWG and head of the Corporate Sustainability Office, the SVP of Internal Audit, Ethics and Sustainability reports directly to Lockheed Martin's Chairman, President and Chief Executive Officer (CEO) and to the Ethics and Sustainability Committee of the Board of Directors. The Corporate Sustainability Office coordinates with the Office of the General Counsel, the SVP of Corporate Engineering and Technology, and the Chief Financial Officer (CFO), who also serves as the Chief Risk Officer (CRO). Certain climate-related risks to facilities are also monitored by the Treasury Risk Management and Business Continuity functions.

The SWG includes key functional executive leaders such as the vice president of Corporate Energy, Environment, Safety and Health (EESH) who leads the implementation of Lockheed Martin's environmental programs, including our Go Green 2020 strategy to achieve a 35% reduction in carbon emissions and a 25% reduction in energy usage by 2020, from a 2010 baseline. Lockheed Martin's Go Green 2020 strategy is included as part of our broader SMP goals. The vice president of Corporate EESH also chairs the Environment, Safety and Health (ESH) Leadership Council, which sets policies and direction for ESH-related issues. The ESH Leadership Council is comprised of ESH Directors from all business segments as well as functional representation from Global Supply Chain Operations, Corporate Engineering and Technology, Internal Audit, Finance, Business Operations, Human Resources, Government Affairs, Health and Wellness, and Legal. This organizational structure allows high leadership visibility into all environmental issues, including climate-related issues, while enabling cross-functional partnerships and action plans. The ESH Leadership Council maintains a functional scorecard that measures performance. One of the focus areas within the scorecard is our Go Green 2020 strategy, which includes performance objectives and tactics to achieve carbon and energy reductions. The ESH Leadership Council maintains direct responsibility for achieving these goals as the Corporate EESH function holds primary responsibility for the execution of Corporate-wide energy and carbon-related programs. The vice president of Corporate EESH reports to the Board of Directors on outcomes of the ESH Leadership Council and relevant ESH-related issues.

Lockheed Martin views sustainability as complementing how we manage risks and opportunities based on long-term outcomes. In 2017, we placed Sustainability and Enterprise Risk Management (ERM) under one department to align their business relevancy and broaden each program's impact. This department is managed by the SVP of Internal Audit, Ethics and Sustainability. As a result of this strategic alignment, our risk assessments explicitly examine sustainability factors, the tracking of our sustainability goals informs risk mitigation plans more efficiently, and our overall reporting is better able to address relevant Environmental, Social and Governance (ESG) topics. Our risk assessments and sustainability performance inform scenario planning exercises for management teams, enhance business strategy elements such as human capital and manufacturing, and bolster our comprehensive risk controls, such as Corporate policies and internal audits. Additionally, our Corporate Internal Audit function periodically audits our sites and/or programs for conformance to our ESH-related internal standards and for compliance with legal requirements. These audits provide a check-and-balance approach to risk mitigation across the enterprise.

ERM reports to the Board of Directors throughout the year. The audit process and audit results are reported to the Audit Committee on a quarterly basis. Enterprise Executive Champions and Risk Owners report the status of Risk Mitigation Action Plans to the Strategic Affairs Committee. Enterprise risk management is governed by the Integrated Risk Council (IRC), chaired by the CFO, who also serves as the CRO.

The Risks and Compliance Committee (RCC), chaired by the SVP of Internal Audit, Ethics and Sustainability, is responsible for the execution of the Corporation's ERM program and reports to the IRC.

Employee incentives

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets? SELECTION; NOT FREE TEXT

Yes

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.

Who is entitled to benefit from these incentives? – SELECTION; NOT FREE TEXT	Types of incentives – SELECTION; NOT FREE TEXT	Activity incentivized – SELECTION; NOT FREE TEXT	Comment (2,400 CHARACTERS)
Corporate executive team	Monetary reward	Emissions reduction target	Lockheed Martin's executive team and various business leaders including Senior Vice Presidents, vice presidents and directors responsible for achieving climate change and environmental sustainability targets, may receive financial incentives as part of their variable compensation based on performance commitments. Lockheed Martin's executive team may include leaders from business functions such as the Senior Vice President of Internal Audit, Ethics and Sustainability; the vice president of Corporate Energy, Environment, Safety and Health; and vice presidents directly overseeing the Facilities function of our business elements. Commitments related to the management of climate-related issues are measured on an annual basis and may include performance against our Sustainability Management Plan (SMP) metrics and Go Green goals, which include GHG emissions and energy reductions.
Environment/Sustainability manager	Monetary reward	Emissions reduction target	Lockheed Martin's environmental/sustainability managers and various business leaders including directors and senior managers responsible for achieving climate change and environmental sustainability targets may receive financial incentives as

			part of their variable compensation based on performance commitments. These commitments are measured on an annual basis and may include performance against our Sustainability Management Plan (SMP) and Go Green goals, which include GHG emissions and energy reductions.
Facilities manager	Monetary reward	Energy reduction target	Lockheed Martin's facility managers and various business leaders, including directors and senior managers responsible for achieving climate change and environmental sustainability targets, may receive financial incentives as part of their variable compensation based on performance commitments. These commitments are measured on an annual basis and may include performance towards our Go Green goals which include GHG emissions and energy reductions. Lockheed Martin's facility managers may also receive recognition for energy efficiency or reduction projects by implementing projects such as improvements in HVAC systems, building control systems, lighting, and building envelopes. Effective management leading to reductions in energy and carbon are recognized through our Facilities Excellence Awards and Environment, Safety and Health (ESH) Excellence Awards.
All employees	Recognition (non-monetary)	Behavior change related indicator	Lockheed Martin presented its annual 2017 Environment, Safety and Health (ESH) Excellence Awards to recognize individuals and teams that have made significant contributions through their dedication to improving business operations and performance. Employees are selected for the ESH Excellence Awards based on qualities such as superiority in customer satisfaction, leadership, application of technology, tools/processes that improve efficiency and productivity, benchmarking, best practices, and affordability. Furthermore, Lockheed Martin has partnered with SunPower Corporation since 2008 to provide employees a way to reduce their homes' carbon footprint using renewable energy generated from solar power. This special program, designed specifically for Lockheed Martin employees, enables savings on electricity bills and provides eligibility to receive rebates worth \$1,000 each for the purchase or lease of a SunPower System for employees' homes.

C2 Risks and opportunities

Time horizons

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

Time horizon – SELECTION; NOT FREE TEXT	From (years) – CONSECUTIVE NUMERICAL FIELD ONLY	To (years) – CONSECUTIVE NUMERICAL FIELD ONLY	Comment – 2,400 CHARACTERS
Short-term	0	1	<p>As part of Lockheed Martin's Go Green 2020 strategy, we set goals to achieve a 35% reduction in carbon emissions and a 25% reduction in energy use by 2020, from a 2010 baseline.</p> <p>We consider our short-term goals to be the annual goals that our business segments must achieve to contribute towards the multi-year Corporate-wide Go Green 2020 goals.</p>
Medium-term	1	3	<p>In 2015, Lockheed Martin reassessed our sustainability issues through a formal Core Issues Assessment which evaluated various sustainability factors based on their importance to our business and stakeholders. Our Corporate Sustainability Office convened internal and external stakeholders and worked in conjunction with our Sustainability Working Group of business leaders to refine the results from stakeholder feedback and cluster these issues into closely correlated topics. These efforts resulted in the five Sustainability Core Issues and 26 performance measures outlined in Lockheed Martin's Sustainability Management Plan (SMP). Twelve of the 26 measures had 2017 end dates, with others expiring in 2020. Each of our five core sustainability issues have Tier 1 factors, representing areas with the potential to have material impact to our business. We seek to accelerate performance for our Tier 1 factors by setting goals between 2017 and 2020. We consider these Tier 1 goals between 2017 and 2020 to be our medium-term goals.</p> <p>These goals include:</p> <ul style="list-style-type: none"> - Adding criteria to fully identify cost drivers early in the product design cycle within each business segment's planning and proposal review processes; - Generating \$1 billion in product life-cycle cost reductions, resulting in lower resource consumption and reduced adverse impact on health and the environment; - Achieving \$4 billion in product sales with direct, measurable benefits to energy and advanced infrastructure resiliency; - Increasing the square footage of facilities with green building certifications; and - Helping our energy customers reduce carbon emissions by at least twice the carbon impact of our business operations.
Long-term	3	10	<p>In 2008, to increase operational efficiency, Lockheed Martin established the Go Green Initiative against a 2007 baseline to track our environmental performance and measure progress toward specific environmental targets. In</p>

		<p>2012, we launched our Go Green 2020 goals, which were new environmental stewardship goals for 2020, from a 2010 baseline, to:</p> <ul style="list-style-type: none"> - Reduce carbon emissions by 35%; - Reduce facility energy use by 25%; - Reduce water use by 30%; and - Reduce total waste generated by 7% <p>We consider our Go Green 2020 goals to be aligned with a long-term timeframe, set for a 10-year span to 2020, from a 2010 baseline. Our Go Green 2020 goals are part of our larger Sustainability Management Plan (SMP) goals.</p>
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Management processes

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management. SELECTION; NOT FREE TEXT

Integrated into multi-disciplinary company-wide risk identification, assessment and management processes

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying, and assessing climate-related risks.

Frequency of monitoring – SELECTION; NOT FREE TEXT	How far into the future are risks considered? – SELECTION; NOT FREE TEXT	Comment – 1,000 CHARACTERS
Six-monthly or more frequently	> 6 years	The Sustainability Working Group (SWG) is part of Lockheed Martin's Sustainability Governance Structure, which includes the Board of Directors. As part of the SWG, the vice president of Corporate Energy, Environment, Safety and Health (EESH) leads the implementation of environmental programs related to climate change. As an example, performance against our Go Green 2020 goals to achieve a 35% reduction in carbon emissions and 25% reduction in energy are reviewed quarterly. Examples that consider risk beyond 10 years include Corporate EESH's facilitation of gated capital project funding, which result in long-term infrastructure

		energy and carbon reductions, as well as renewable energy procurement such as a 17-year power purchase agreement.
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(C2.2b) Provide further details on your organization’s process(es) for identifying and assessing climate-related risks. (5,000 CHARACTERS)

Guidance:

- 1. How climate-related risks are identified and assessed at a company level**
- 2. How climate-change risks are identified and assessed at an asset level**
- 3. The process you have for assessing the potential size and scope of identified risks**
- 4. The process by which your organization determines the relative significance of climate-related risks in relation to other risks**
- 5. The definitions of risk terminologies used**
- 6. How your organization defines substantive or strategic impact on your business**

At a Corporate level, our risk assessment process includes a senior leadership survey, a subject-matter expert survey, internal audit risk evaluation, global benchmark data and strategic planning assumptions and interviews with the Executive Leadership Team. Through this process, we identify and prioritize key risks. These are reported to the Audit and other Board committees. Risks are prioritized based upon impact, likelihood, trends and the availability and effectiveness of controls. Surveys of leaders provide an indication of concerns from a risk universe, including climate-related risks, with varying degrees of potential size and scope. Survey findings are analyzed with risk data from our Treasury function to determine overlapping strategic and operational elements that warrant consideration in the overall risk assessment. Climate-related risks in global benchmark data and strategic planning assumptions are monitored by the Corporate Sustainability Office and provide direct input to the risk assessment process. Our assessment includes assumptions about business, industry, and economic risk factors associated with physical and transitional climate-related risks.

At an asset level, acute physical risks are managed by Lockheed Martin's Business Resiliency, Business Continuity, and Global Security and Crisis Management functions. Business Resiliency ensures that resiliency capabilities are addressed through Crisis Management, Business Continuity, information technology disaster recovery, and medical response to protect human life, safeguard assets and sustain critical operations. Business Continuity outlines the preparation needed in anticipation of significant incidents that may disrupt business operations. Crisis Management promotes preparedness and response with the goal of protecting employees against injury and minimizing damage to Lockheed Martin assets. Our Crisis Management program establishes a strategic framework that directs prompt mobilization of responsibilities and operational practices to protect employees and Lockheed Martin assets prior to, during, and after an emergency.

Furthermore, Lockheed Martin's Corporate Energy, Environment, Safety and Health (EESH) function has developed and implemented the Environment, Safety and Health Management System (ESHMS) to ensure compliance for the Corporation, reduce operational ESH risks, and ensure continual improvement. The ESHMS goes beyond compliance by providing a risk-based, systematic framework to evaluate the management and performance of ESH processes, programs, and tasks against established standards. Through the ESH risk and self-assessment process, our business locations (sites) are first profiled to define ESH program categories or requirements applicable to their operations. The applicable ESH categories are then assigned a relative risk assessment of high, medium or low. Based on these risk assessments, sites are required to conduct self-assessments, provided with checklists to evaluate compliance, and given mechanisms to track corrective actions. The ESHMS directs sites to complete

corrective actions within a specified timeframe depending on the nature and severity of incidents and provides internal documentation tools that serve as the record of authority. Self-assessments are typically conducted annually for high risks, biannually for medium risks and at least every four years for low risks. The Corporate EESH function also implements a process to report incidents, ensure timely communication, assure that appropriate response processes are initiated, and prevent further incidents. If non-compliance is identified, systematic interim control, root cause, corrective and preventive action processes must be applied and monitored to prevent future occurrence. Additionally, our Corporate Internal Audit function periodically audits our sites and/or programs for conformance to our ESH-related internal standards and for compliance with legal requirements. These audits provide a check-and-balance approach to risk mitigation across the enterprise.

For the purposes of CDP, we define substantive impact as material issues that have the potential to disrupt our business operations. Our operations are subject to various environmental laws and regulations. While the extent of our financial exposure cannot be reasonably estimated in all cases, the costs of environmental compliance have not had (and we do not expect these costs will have), a material, adverse effect on our earnings, financial position and cash flow. In addition to regulatory requirements, natural disasters (e.g., floods, fires, hurricanes, etc.) have the potential to cause substantive impact. However, our Business Continuity management system framework proactively and adequately responds to business disruptions, identifies potential impacts, and maintains continuity of operations.

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

Risk type – SELECTION; NOT FREE TEXT	Relevance & inclusion – SELECTION; NOT FREE TEXT	Please explain – 2,400 CHARACTERS INCLUDE COMPANY-SPECIFIC EXAMPLE OF RISK TYPE AND HOW IT IS INCLUDED IN CLIMATE-RISK ASSESSMENTS
Current regulation	Relevant, always included	<p>At the Corporate level, regularly scheduled Executive Leadership Council meetings are held by all business elements. These serve as a forum for assessing the impacts of current regulation and our compliance.</p> <p>At an asset level, Lockheed Martin's Corporate Energy, Environment, Safety and Health (EESH) function has developed and implemented the Environment, Safety and Health Management System (ESHMS) to ensure compliance for the Corporation, reduce operational ESH risks, and ensure continual improvement. The ESHMS goes beyond compliance by providing a risk-based, systematic framework to evaluate the management and performance of ESH processes, programs, and tasks against established standards. Through the ESHMS, our business locations (sites) are required to conduct self-assessments based on their respective risk assessment profiles, provided with checklists to evaluate compliance, and mechanisms to track corrective actions. The ESHMS directs sites to complete corrective action within a specified timeframe depending on the nature and severity of incidents and provides internal documentation tools that serve as the record of authority. The Corporate EESH function also implements a process to report incidents, ensure timely communication, assure that appropriate response processes are initiated, and prevent further incidents. If non-compliance is identified, systematic interim control, root cause, corrective and preventive action processes must be applied and monitored to prevent future occurrence. Additionally, our Corporate Internal Audit function periodically audits our sites and/or programs for conformance to our ESH-related internal standards and for compliance with legal requirements. These audits provide a check-and-balance approach to risk mitigation across the enterprise.</p>

		<p>The review of compliance with legal requirements may include emissions regulations, such as the U.S. Greenhouse Gas Mandatory Reporting Rule, pursuant to which four of our largest facilities (Sunnyvale, Stratford, Fort Worth and Marietta) are required to report.</p>
Emerging regulation	Relevant, always included	<p>At the Corporate level, regularly scheduled Executive Leadership Council meetings are held by all business elements. Emerging regulations that are deemed to present an enterprise risk are identified through our risk assessment process and elevated as appropriate to senior executives and the Board.</p> <p>Furthermore, Lockheed Martin's Corporate Energy, Environment, Safety and Health (EESH) function tracks and provides analysis of impending new and revised environment, safety and health (ESH) legal requirements and other standards that could have an impact on the Corporation's operations and products. We provide three monthly forums for our business elements to learn and discuss trending ESH advocacy topics including international, U.S. domestic and California-specific events.</p> <p>Corporate EESH has also developed and implemented the Environment, Safety and Health Management System (ESHMS) to ensure compliance for the Corporation, reduce operational ESH risks, and ensure continual improvement. The ESHMS goes beyond compliance by providing a risk-based, systematic framework to evaluate the management and performance of ESH processes, programs and tasks against established standards. Through the ESHMS, our business locations (sites) are required to conduct self-assessments based on their respective risk assessment profiles, are provided with checklists to evaluate compliance, and given mechanisms to track corrective actions. The ESHMS directs sites to complete corrective actions within a specified timeframe depending on the nature and severity of incidents and provides internal documentation tools that serve as the record of authority. The Corporate EESH function also implements a process to report incidents, ensure timely communication, assure that appropriate response processes are initiated, and prevent further incidents. If non-compliance is identified, systematic interim control, root cause, corrective and preventive action processes must be applied and monitored to prevent future occurrence.</p> <p>The review of emerging regulations may include emissions regulations, such as changes to California's Global Warming Solutions Act (AB32), which provides requirements for our Sunnyvale facility to participate in California's Cap and Trade program.</p>
Technology	Relevant, always included	<p>Lockheed Martin's risk assessment process includes a senior leadership survey, a subject-matter expert survey, internal audit risk evaluation, global benchmark data, strategic planning assumptions, and interviews with the Executive Leadership Team. Through this process, we identify and prioritize key risks. These are reported to the Audit and other Board committees. Risks are prioritized based upon impact, likelihood, trends and the availability and effectiveness of controls.</p> <p>Surveys of leaders provide an indication of top risk concerns including climate-related risks with varying degrees of impact. Survey findings are analyzed with risk data from our Treasury function to determine overlapping strategic and operational risk elements that warrant and provide direct input to the risk assessment process. Our assessment includes assumptions about business, industry, and economic risk factors associated with physical and transitional climate-related risks. We also consider feedback from functions such as Information Security, Global Supply Chain Operations and Human Resources.</p>

		<p>Our Business Continuity team manages Corporate-wide information technology disaster recovery, crisis management and pandemic planning activities. They have established a strategic framework and operational practices to continuously improve Lockheed Martin's resilience to disruption or loss in supplying products and services. The Business Continuity function is also responsible for developing and managing responses to some aspects of physical climate-related risks that pose a threat to business operations. As an example, this organization was one of many functions that played a critical role in reestablishing telecommunications infrastructure at our Aguadilla, Puerto Rico facility, which was impacted by Hurricane Maria.</p> <p>Lockheed Martin has developed a Technology Roadmap Initiative which aims to identify alternative products that will be needed in a long-term climate change scenario. We also have working groups exploring new markets and other opportunities for space instruments, rotary aircraft and other products that may emerge as a result of climate-related developments.</p>
Legal	Relevant, always included	<p>Lockheed Martin routinely engages with policy makers on matters of interest to the Corporation. Lockheed Martin's advocacy and engagement on specific policy issues is coordinated with internal stakeholders to ensure a consistent, Corporate-wide approach. Our policy engagement is managed by our Corporate Government Affairs organization. Our process to ensure consistency across Corporate functions and business elements on climate-related issues is to bring representative internal stakeholders into the Cross Corporate Sustainability Working Group, established specifically to ensure a coordinated, cohesive sustainability strategy and messaging.</p> <p>Lockheed Martin's Corporate Energy, Environment, Safety and Health (EESH) function tracks and provides analysis of new and revised environment, safety and health (ESH) legal requirements and other standards that could have an impact on the Corporation's operations and products.</p> <p>Corporate EESH has also developed and implemented the ESH Management System (ESHMS) which goes beyond compliance by providing a risk-based, systematic framework to evaluate the management and performance of ESH processes, programs, and tasks against established standards. The ESHMS directs our business locations (sites) to complete corrective action within a specified timeframe depending on the nature and severity of incidents and provides internal documentation tools that serve as the record of authority. The Corporate EESH function also implements a process to report incidents, ensure timely communication, assure that appropriate response processes are initiated, and prevent further incidents. If non-compliance is identified, systematic interim control, root cause, corrective and preventive action processes must be applied and monitored to prevent future occurrence. Additionally, our Corporate Internal Audit function periodically audits our sites and/or programs for conformance to our ESH-related internal standards and for compliance with legal requirements. These audits provide a check-and-balance approach to risk mitigation across the enterprise.</p> <p>An example of legal compliance includes emissions regulation, such as the U.S. Greenhouse Gas Mandatory Reporting Rule, pursuant to which four of our largest facilities (Sunnyvale, Stratford, Fort Worth and Marietta) are required to report.</p>
Market	Relevant, always included	<p>Lockheed Martin monitors our customers' analysis of climate-related risks they expect to confront in the near and long term. In some instances, these risks have been publicly shared by our customers. As part of our overall market</p>

		<p>assessment and strategic decision-making we assess the extent to which Lockheed Martin is and will be able to address the market's changing requirements associated with climate change. Opportunities to provide new products and/or services are considered along with risks that may impact demand for current products and/or services.</p> <p>As an example, the mission of Lockheed Martin's Ventures business element is to make strategic investments in companies that are developing disruptive, cutting-edge technologies in core businesses and new markets important to Lockheed Martin. Since 2007, we have invested more than \$100 million in startup companies. These emerging innovations have the potential to become foundational technologies that solve the complex challenges our customers face. Lockheed Martin Ventures includes energy and power systems within their areas of interest, as well as autonomous systems and robotics, cyber security, space technologies, advanced communications and sensors, undersea technologies, data analytics, artificial intelligence and machine learning, NextGen electronics, and advanced materials and manufacturing. In addition to providing a source of capital, Lockheed Martin Ventures provides partner companies with access to our world-class engineering talent, state-of-the-art technologies and access to the company's international business relationships and supply chain.</p>
Reputation	Not relevant, included	<p>Lockheed Martin's risk assessment process includes a senior leadership survey, a subject-matter expert survey, internal audit risk evaluation, global benchmark data, strategic planning assumptions, and interviews with the Executive Leadership Team. Through this process, we identify and prioritize key risks. These are reported to the Audit and other Board committees. Risks are prioritized based upon impact, likelihood, trends, and the availability and effectiveness of controls.</p> <p>Surveys of leaders provide an indication of top risk concerns including climate-related risks with varying degrees of impact. Survey findings are analyzed with risk data from our Treasury function to determine overlapping strategic and operational risk elements that warrant and provide direct input to the risk assessment process. Our assessment includes assumptions about business, industry, and economic risk factors associated with physical and transitional climate-related risks. We also consider feedback from functions such as Information Security, Global Supply Chain Operations and Human Resources.</p> <p>Reputation is currently a minor factor considered during assessment of climate-related risks. This is due to the non-consumer facing nature of our main products. However, we do consider reputation as it relates to major investors and our primary customers. In both cases we monitor evolving attitudes toward climate-related issues and the associated expectations that may impact how Lockheed Martin's actions and products are viewed.</p>
Acute physical	Relevant, always included	<p>Lockheed Martin's risk assessment process includes a senior leadership survey, a subject-matter expert survey, internal audit risk evaluation, global benchmark data, strategic planning assumptions, and interviews with the Executive Leadership Team. Through this process, we identify and prioritize key risks. These are reported to the Audit and other Board committees. Risks are prioritized based upon impact, likelihood, trends, and the availability and effectiveness of controls.</p> <p>Surveys of leaders provide an indication of top risk concerns including climate-related risks with varying degrees of impact. Survey findings are analyzed with risk data from our Treasury function to determine overlapping strategic and operational risk elements that warrant and provide direct input to the risk assessment process. Our assessment includes</p>

		<p>assumptions about business, industry, and economic risk factors associated with physical and transitional climate-related risks. We also consider feedback from functions such as Information Security, Global Supply Chain Operations and Human Resources.</p> <p>At an asset level, acute physical risks are managed by Lockheed Martin's Business Resiliency, Business Continuity, and Global Security and Crisis Management functions. Business Resiliency ensures that resiliency capabilities are addressed through Crisis Management, Business Continuity, information technology disaster recovery, and medical response to protect human life, safeguard assets and sustain critical operations. Business Continuity outlines the preparation needed in anticipation of significant incidents that may disrupt business operations. Crisis Management promotes preparedness and response with the goal of protecting employees against injury and minimizing damage to Lockheed Martin assets. Our Crisis Management program establishes a strategic framework that directs prompt mobilization of responsibilities and operational practices to protect employees and Lockheed Martin assets prior to, during, and after an emergency.</p> <p>As an example, these functions were critical in restoring operations to our facilities impacted by severe natural disasters in 2017, such as our sites in Orlando, FL; Ocala, FL; Aguadilla, Puerto Rico; and Goleta, CA.</p>
Chronic physical	Relevant, always included	<p>Lockheed Martin's risk assessment process includes a senior leadership survey, a subject-matter expert survey, internal audit risk evaluation, global benchmark data, strategic planning assumptions, and interviews with the Executive Leadership Team. Through this process, we identify and prioritize key risks. These are reported to the Audit and other Board committees. Risks are prioritized based upon impact, likelihood, trends, and the availability and effectiveness of controls.</p> <p>Surveys of leaders provide an indication of top risk concerns including climate-related risks with varying degrees of impact. Survey findings are analyzed with risk data from our Treasury function to determine overlapping strategic and operational risk elements that warrant and provide direct input to the risk assessment process. Climate-related physical risks are also monitored through engagement with property and hazard insurers.</p> <p>Lockheed Martin's Corporate Energy, Environment, Safety and Health (EESH) function collaborates across all of our business segments to identify opportunities to mitigate the Corporation's contribution to climate-related risks. As an example, Corporate EESH coordinates a dedicated capital infrastructure fund, referred to as the Go Green gated capital program. This fund is primarily used to fund major energy or water-related efficiency projects, with the recipient business segment funding the capital depreciation. Prior to approval through Corporate management, Corporate EESH reviews each submitted project to ensure they meet the criteria established for use of this fund. In 2017, through the gated capital program, one of Lockheed Martin's facilities in Orlando, FL completed a 2 MW solar carport project that features over 6,600 solar panels and provides shade for close to 600 cars.</p>
Upstream	Relevant, always included	<p>Lockheed Martin's Global Emergency Operations Center (GEOC) monitors, analyzes and communicates information on threats and events that could impact the safety and security of our personnel, facilities, and business operations. In 2017, we expanded our GEOC services to monitor select suppliers. In the first month of the pilot, GEOC analyzed more than 800,000 threats with the potential to impact approximately 5,000 supplier locations in over 40 countries.</p>

		<p>Through the Sustainable Supply Chain Management (SSCM) program, in 2017, we completed our third voluntary Supplier Sustainability Assessment for suppliers to report on their Environmental, Social and Governance (ESG) management systems and performance. In the environmental section of this annual survey, suppliers were asked a series of questions related to climate change risks, GHG emissions and water. In 2017, we expanded invitations to complete the survey from 166 to 299 suppliers, representing 48% of our supply chain spending. We selected a mix of small and large businesses with varying contract lengths and values, suppliers to our business travel program, and those who were prior participants in our Corporate Ethics Mentoring Program. Our methodology in the selection of suppliers for this voluntary survey prioritized suppliers of concern, or those deemed at higher risk to Lockheed Martin, as well as small businesses identified through our Ethics Mentoring Program. In addition to factoring in supplier spend and risk factors, other key internal stakeholders contributed input in shaping the supplier list. This past year, we expanded the number of recipients, enhanced the questions based on prior year stakeholder feedback, and integrated applicable survey questions from the International Aerospace Environmental Group (IAEG) industry-wide survey harmonization efforts.</p>
Downstream	Relevant, always included	<p>In 2015, Lockheed Martin reassessed our sustainability issues from our formal Core Issues Assessment, which evaluated various sustainability factors based on their importance to our business and our stakeholders. Our Corporate Sustainability Office then convened internal and external stakeholders, including our customers. The Corporate Sustainability Office, in conjunction with our Sustainability Working Group of business leaders, refined the results from stakeholder feedback and clustered these issues into closely correlated topics, which resulted in the five Sustainability Core Issues and 26 performance measures outlines in Lockheed Martin's Sustainability Management Plan (SMP).</p> <p>To address customer-related risks and opportunities, we made commitments through our Resource Efficiency core issue within the SMP, to help our energy customers reduce their carbon emissions by at least twice the carbon impact of our business operations. Furthermore, as 85% of the life-cycle cost of products in our sector is decided during the design phase, we have formulated commitments around our Product Impact core issue. Specifically, we aim to: 1) Add criteria to fully identify cost drivers early in the product design cycle within each business segment's proposal planning and review processes; 2) Generate \$1 billion in product life-cycle cost reductions, resulting in lower resource consumption and reduced adverse impacts on health and the environment; and 3) Achieve \$4 billion in product sales with direct, measurable benefits to energy and advanced infrastructure resiliency.</p>

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities. – 5,000 CHARACTERS

Guidance:

- 1. Description of a process for managing climate-related risks**
- 2. Description of a process for managing climate-related opportunities**
- 3. Case study of how process is applied to**
 - 1. Physical risks and opportunities**
 - 2. Transitional risks and opportunities**

At the Corporate level, climate-related risks and opportunities are identified, tracked and managed through Lockheed Martin's Sustainability Management Plan (SMP). An example of a transitional opportunity to develop or expand low emission goods and services is addressed through our SMP. Specifically, Lockheed Martin has committed to achieve \$4 billion in product sales with direct, measurable benefits to energy and advanced infrastructure resiliency by 2020. As of 2017, product sales that benefit energy and infrastructure resiliency totaled \$2.1 billion toward that 2020 goal.

At an asset level, acute physical risks are managed by Lockheed Martin's Business Resiliency, Business Continuity, and Global Security and Crisis Management functions. Business Resiliency ensures that resiliency capabilities are addressed through Crisis Management, Business Continuity, information technology disaster recovery, and medical response to protect human life, safeguard assets and sustain critical operations. Business Continuity outlines the preparation needed in anticipation of significant incidents that may disrupt business operations. Crisis Management promotes preparedness and response with the goal of protecting employees against injury and minimizing damage to Lockheed Martin's assets. Our Crisis Management program establishes a strategic framework that directs prompt mobilization of responsibilities and operational practices to protect employees and Lockheed Martin assets prior to, during, and after an emergency. As an example, these functions were critical in restoring operations to our facilities impacted by severe natural disasters in 2017, such as our sites in Orlando, FL; Ocala, FL; Aguadilla, Puerto Rico; and Goleta, CA.

Also at an asset level, Lockheed Martin's Corporate Energy, Environment, Safety and Health (EESH) function has developed and implemented the Environment, Safety and Health Management System (ESHMS) to ensure compliance for the Corporation, reduce operational ESH risks, and ensure continual improvement. The ESHMS goes beyond compliance by providing a risk-based, systematic framework to evaluate the management and performance of ESH processes, programs, and tasks against established standards. Through the ESH risk and self-assessment process, our business locations (sites) are first profiled to define ESH program categories or requirements applicable to their operations. The applicable ESH categories are then assigned a relative risk assessment of high, medium or low. Based on these risk assessments, sites are required to conduct self-assessments, provided with checklists to evaluate compliance, and given mechanisms to track corrective actions. The ESHMS directs sites to complete corrective actions within a specified timeframe depending on the nature and severity of incidents and provides internal documentation tools that serve as the record of authority. Self-assessments are typically conducted annually for high risks, biannually for medium risks and at least every four years for low risks. The Corporate EESH function also implements a process to report incidents, ensure timely communication, assure that appropriate response processes are initiated and prevent further incidents. If non-compliance is identified, systematic interim control, root cause, corrective and preventive action processes must be applied and monitored to prevent future occurrence. Additionally, our Corporate Internal Audit function periodically audits our sites and/or programs for conformance to our ESH-related internal standards and for compliance with legal regulations. These audits provide a check-and-balance approach to risk mitigation across the enterprise.

An example of a transitional risk managed by Corporate EESH includes emissions reporting obligations, such as the U.S. Greenhouse Gas Mandatory Reporting Rule, pursuant to which four of our largest facilities (Sunnyvale, Stratford, Fort Worth and Marietta) are required to report.

An example of a physical opportunity managed by Corporate EESH includes the implementation of energy and water-related efficiency projects. Since 2010, a team of subject-matter experts from facilities, engineering, and production operations called the "Tiger Team" have been conducting in-depth analyses of energy and water systems across the Corporation to identify projects for implementation. In 2017, the Tiger Team conducted 10 structured improvement events resulting in energy and water savings through infrastructure and process/production optimizations. In 2017, Lockheed Martin avoided approximately \$34 million (compared to a 2010 baseline) in energy and water costs through the implementation of similar projects over the years.

Risk disclosure

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business? – SELECTION; NOT FREE TEXT

Yes

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

Identifier	Where in the value chain does the risk driver occur? – SELECTION; NOT FREE TEXT	Risk type – SELECTION; NOT FREE TEXT	Primary climate-related risk driver – SELECTION; NOT FREE TEXT	Type of financial impact driver – SELECTION; NOT FREE TEXT	Company- specific description – 2,400 CHARACTERS	Time horizon – SELECTION; NOT FREE TEXT
Risk 1	Direct operations	Transition Risk	Policy and legal: Enhanced emissions-reporting obligations	Policy and legal: Increased operating costs (e.g. higher compliance costs, increased insurance premiums)	Emissions reporting requirements could potentially impact Lockheed Martin through increased costs for compliance. An example of an emissions regulation that could potentially impact our business is the U.S. Greenhouse Gas (GHG) Mandatory Reporting Rule that requires reporting of GHG data and other relevant information from large sources and suppliers in the U.S. Four of Lockheed Martin's largest facilities (Sunnyvale, Stratford, Fort Worth and Marietta) are required to report GHG emissions under the U.S. GHG Mandatory Reporting Rule. Additionally, state regulations related to climate change and mandatory and/or voluntary GHG reporting impact our facilities.	Current
Likelihood – SELECTION; NOT FREE TEXT	Magnitude of impact – SELECTION; NOT FREE TEXT	Potential financial impact – NUMERICAL FIELD ONLY	Explanation of financial impact – 1,000 CHARACTERS	Management method – 1,500 CHARACTERS	Cost of management – NUMERICAL FIELD ONLY	Comment – 1,000 CHARACTERS

Unlikely	Low	37,500	<p>Regulatory risks are factored into our costs of doing business. Four of Lockheed Martin's largest facilities (Sunnyvale, Stratford, Fort Worth and Marietta) are required to report GHG emissions under the U.S. GHG Mandatory Reporting Rule. Non-compliance with the U.S. GHG Mandatory Reporting Rule could involve fines of up to \$37,500 per day. Although each of our four sites are in compliance with EPA's GHG Mandatory Reporting Rule, hypothetical non-compliance would result in over \$54,000,000 per year for all four sites combined.</p>	<p>Across the Corporation, we invested over \$13 million to complete approximately 70 energy-efficiency and GHG emissions reductions projects in 2017, which contributed towards a 23% energy reduction and a 33% reduction in attributed GHG emissions. In 2017, Lockheed Martin avoided approximately \$34 million (compared to a 2010 baseline) in energy and water costs through the implementation of similar projects over the years.</p> <p>Lockheed Martin incorporates our own products to optimize energy management through internally developed software, known as SEEview. Approximately 50 Lockheed Martin sites are monitored by SEEview. We have installed SEEview along with over 850 real-time energy meters at our largest facilities, which provides near real-time situational analysis of utility use, manages building control system data and integrates key operational and business system data. Reduction of GHG emissions attributed to reductions in fuel use by these facilities would reduce the regulatory reporting burden; therefore, we prioritize many of our energy reduction projects at these locations as these reductions are preferable to burdensome reporting requirements. In addition to metering, over six Lockheed Martin sites were enrolled in energy demand response programs, which offer incentives to businesses that reduce energy use during times of peak demand, resulting in over \$79,000 in earned revenue for the Corporation in 2017.</p>	13,600,000	
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Identifier	Where in the value chain does the risk driver	Risk type – SELECTION; NOT FREE TEXT	Primary climate-related risk driver – SELECTION;	Type of financial impact driver – SELECTION; NOT FREE TEXT	Company- specific description – 2,400 CHARACTERS	Time horizon – SELECTION; NOT FREE TEXT
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occur? – SELECTION; NOT FREE TEXT		NOT FREE TEXT					
Risk 2	Direct operations	Physical Risk	Acute: Increased severity of extreme weather events such as cyclones and floods	Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants)	In mid-September of 2017, Hurricane Maria, a Category 4 hurricane with 155 mph winds, destroyed infrastructure in Puerto Rico, causing power and communications outages and widespread flooding for the entire island, impeding transportation. Lockheed Martin's facility in Aguadilla, Puerto Rico was also impacted by Hurricane Maria as the site was closed over approximately a month and a half, due to loss of telecommunications.		Current
Likelihood – SELECTION; NOT FREE TEXT	Magnitude of impact – SELECTION; NOT FREE TEXT	Potential financial impact – NUMERICAL FIELD ONLY	Explanation of financial impact – 1,000 CHARACTERS	Management method – 1,500 CHARACTERS	Cost of management – NUMERICAL FIELD ONLY	Comment – 1,000 CHARACTERS	
Unlikely	Low	500,000	Based on our experience following Hurricane Maria, we estimate the cost of another similar acute weather event to be approximately \$500,000. The total value exposed at our Aguadilla, Puerto Rico facility includes damage to infrastructure, machinery and equipment; losses from business interruption and payroll; incurred costs from debris removal; and extra expenses from emergency items such as generators, equipment rentals, etc.	Acute physical risks are managed by Lockheed Martin's Business Resiliency, Business Continuity and Global Security and Crisis Management organizations. Lockheed Martin's Crisis Management Program establishes a strategic framework that directs prompt mobilization of responsibilities and operational practices to protect employees and Lockheed Martin assets prior to, during, and after an emergency. Various teams within Lockheed Martin including Crisis Management, Global Emergency Operations Center, Corporate Air, Facilities and Business Continuity and Recovery worked cross-functionally to	500,000	In addition to formal management action, Lockheed Martin employees across the Corporation aided our Puerto Rico employees and the local community through monetary donations and supplies. Many of our facilities partnered with Lockheed Martin's Hispanic Organization for Leadership and Awareness (HOLA) employee group, collecting over 6 pallets (or more than 300 pounds) of supplies ranging from batteries, mosquito repellants, hygienic products, baby supplies and	

			Total loss of the value exposed at this facility is unlikely because Lockheed Martin has rigorous standards to mitigate loss and damage.	provide relief to our employees in Puerto Rico. In October of 2017, Lockheed Martin's Crisis Management team utilized the LM-100J (the first flight of our new commercial freighter), to deliver a total of over 80,000 pounds of critical supplies to Lockheed Martin employees and the surrounding community. The Aguadilla site received minimal damage and was prepared with hurricane shelters, a fully operational generator and potable water. The greatest impact to the Aguadilla site was the loss of telecommunications, which was critical for a site that facilitates call center help desk operations. Thus, the closure of this site for over a month increased operating costs as the decrease in capacity resulted in work that had to be redirected to several other sites.		canned food. Through the donation of two LM-100J flights, at least 100 employees were able to take electric generators home, in addition to receiving a variety of other critical supplies. Puerto Rico employees were also eligible for financial assistance from Lockheed Martin's Employee Disaster Relief fund, which assists employees in federally declared disaster areas.
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Identifier	Where in the value chain does the risk driver occur? – SELECTION; NOT FREE TEXT	Risk type – SELECTION; NOT FREE TEXT	Primary climate-related risk driver – SELECTION; NOT FREE TEXT	Type of financial impact driver – SELECTION; NOT FREE TEXT	Company- specific description – 2,400 CHARACTERS	Time horizon – SELECTION; NOT FREE TEXT
Risk 3	Direct operations	Physical risk	Acute: Other	Reduced revenue from decreased production capacity (e.g., transport difficulties,	In December 2017, the Thomas Fire was one of the multiple wildfires that affected Southern California, burning over 280,000 acres of land. As a result of ashes, declining air quality and highway closures in the Santa Barbara transportation corridor, Lockheed Martin's facility in Goleta, CA closed its operations for 10 days and over 20 employees were either affected directly by evacuation zones or indirectly affected due to restricted mobility.	Current

				supply chain interruptions)			
Likelihood – SELECTION ; NOT FREE TEXT	Magnitude of impact – SELECTION; NOT FREE TEXT	Potential financial impact – NUMERICAL FIELD ONLY	Explanation of financial impact – 1,000 CHARACTERS	Management method – 1,500 CHARACTERS	Cost of management – NUMERICAL FIELD ONLY	Comment – 1,000 CHARACTERS	
Unlikely	Low	90,000	<p>Due to the purchase of an emergency diesel powered generator to serve critical equipment during power loss events, we are positioned to shield critical material from future loss.</p>	<p>Acute physical risks are managed by Lockheed Martin's Business Resiliency, Business Continuity and Global Security and Crisis Management organizations. Lockheed Martin's Crisis Management Program establishes a strategic framework that directs prompt mobilization of responsibilities and operational practices to protect employees and Lockheed Martin assets prior to, during, and after an emergency.</p> <p>During the Thomas Fire emergency which impacted Lockheed Martin's facility in Goleta, CA, pre-planning activities were critical in successful management of emergency response. The implementation of communications protocols and requirements practiced from business resiliency drills, fires that took place in prior years, as well as a 10-year continuity in the Crisis Management team enabled rapid situation assessment and response. In addition to ensuring the safety of employees, one management action was to purchase a diesel-powered generator (approximately \$90,000) to serve critical equipment during power loss events.</p>	90,000	<p>Acute physical risks are managed by Lockheed Martin's Business Resiliency, Business Continuity and Global Security and Crisis Management organizations. Business Resiliency ensures that resiliency capabilities are addressed through crisis management, business continuity, information technology disaster recovery, and medical response to protect human life, safeguard assets and sustain critical operations. Business Continuity outlines the preparation needed in anticipation of significant incidents that may disrupt business operations. Crisis Management promotes preparedness and response with the goal of protecting employees against injury and minimizing damage to Lockheed Martin assets. Lockheed Martin's Crisis Management Program establishes a strategic framework that directs prompt mobilization of responsibilities and operational practices to protect employees and Lockheed Martin assets prior to, during, and after an emergency.</p>	

Identifier	Where in the value chain does the risk driver occur? – SELECTION; NOT FREE TEXT	Risk type – SELECTION; NOT FREE TEXT	Primary climate-related risk driver – SELECTION; NOT FREE TEXT	Type of financial impact driver – SELECTION; NOT FREE TEXT	Company- specific description – 2,400 CHARACTERS	Time horizon – SELECTION; NOT FREE TEXT
Risk 4	Direct operations	Physical risk	Acute: Increased severity of extreme weather events such as cyclones and floods	Reduced revenue from decreased production capacity (e.g. transport difficulties, supply chain interruptions)	In mid-September of 2017, Hurricane Irma (later downgraded to a tropical storm), flooded several northern Florida cities with heavy rain and high storm surge, cutting power to over 6.2 million homes or more than 60% of the state of Florida. With sustained winds of more than 65 miles per hour, Hurricane Irma caused thousands of trees to topple onto roads, homes and power lines. Lockheed Martin's facility in Ocala, FL, which is part of our Missiles and Fire Control business segment, was also impacted by the path of Irma as hurricane winds knocked trees and power lines onto the roads. During this time, power brown-outs to traffic lights, businesses and residences occurred and the highway patrol requested all non-essential personnel to stay off the roads as linemen worked to make repairs.	Current
Likelihood – SELECTION; NOT FREE TEXT	Magnitude of impact – SELECTION; NOT FREE TEXT	Potential financial impact – NUMERICAL FIELD ONLY	Explanation of financial impact – 1,000 CHARACTERS	Management method – 1,500 CHARACTERS	Cost of management – NUMERICAL FIELD ONLY	Comment – 1,000 CHARACTERS
Unlikely	Low	800,000	Based on our experience following Hurricane Irma, we estimate the cost of another similar acute weather event to be approximately \$800,000. The total value exposed at our Ocala facility includes damage to infrastructure, machinery and equipment; losses from business interruption and payroll;	Acute physical risks are managed by Lockheed Martin's Business Resiliency, Business Continuity, and Global Security and Crisis Management organizations. Lockheed Martin's Crisis Management Program establishes a strategic framework that directs prompt mobilization of responsibilities and operational practices to protect employees and	800,000	Acute physical risks are managed by Lockheed Martin's Business Resiliency, Business Continuity, and Global Security and Crisis Management organizations. Business Resiliency ensures that resiliency capabilities are addressed through crisis management, business continuity, information technology disaster recovery, and medical response to protect human life, safeguard assets and sustain critical operations. Business Continuity

			<p>incurred costs from debris removal; and extra expenses from emergency items such as generators, equipment rentals, etc. Total loss of the value exposed at this facility is unlikely because Lockheed Martin has rigorous standards to mitigate loss and damage.</p>	<p>Lockheed Martin assets prior to, during, and after an emergency.</p> <p>Due to the dangerous conditions surrounding Lockheed Martin's Ocala facility as a result of Hurricane Irma, the Senior Executives of our Missiles and Fire Control business segment closed down the facility in Ocala, FL, as employee safety was paramount. The labor costs associated with the site closure was approximately \$800,000.</p>		<p>outlines the preparation needed in anticipation of significant incidents that may disrupt business operations. Crisis Management promotes preparedness and response with the goal of protecting employees against injury and minimizing damage to Lockheed Martin assets. Lockheed Martin's Crisis Management Program establishes a strategic framework that directs prompt mobilization of responsibilities and operational practices to protect employees and Lockheed Martin assets prior to, during, and after an emergency.</p>
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Identifier	Where in the value chain does the risk driver occur? – SELECTION; NOT FREE TEXT	Risk type – SELECTION; NOT FREE TEXT	Primary climate-related risk driver – SELECTION; NOT FREE TEXT	Type of financial impact driver – SELECTION; NOT FREE TEXT	Company- specific description – 2,400 CHARACTERS	Time horizon – SELECTION; NOT FREE TEXT
Risk 5	Direct operations	Physical risk	Acute: Increased severity of extreme weather events such as cyclones and floods	Increased capital costs (e.g., damage to facilities)	In mid-September of 2017, Hurricane Irma (later downgraded to a tropical storm), flooded several northern Florida cities with heavy rain and high storm surge, cutting power to over 6.2 million homes or more than 60% of the state of Florida. With sustained winds of more than 65 miles per hour, Hurricane Irma caused thousands of trees to topple onto roads, homes and power lines. Lockheed Martin's facility in Orlando, FL, which is part of our Missiles and Fire Control business segment, was also impacted by the path of Irma as hurricane winds affected various parts of the facility.	Current

Likelihood – SELECTION; NOT FREE TEXT	Magnitude of impact – SELECTION; NOT FREE TEXT	Potential financial impact – NUMERICAL FIELD ONLY	Explanation of financial impact – 1,000 CHARACTERS	Management method – 1,500 CHARACTERS	Cost of management – NUMERICAL FIELD ONLY	Comment – 1,000 CHARACTERS
Unlikely	Low	300,000	<p>Based on our experience following Hurricane Irma, we estimate the cost of another acute weather event to be approximately \$300,000. The total value exposed at our Orlando facility includes damage to infrastructure, machinery and equipment; losses from business interruption and payroll; incurred costs from debris removal; and extra expenses from emergency items such as generators, equipment rentals, etc. Total loss of the value exposed at this facility is unlikely because Lockheed Martin has rigorous standards to mitigate loss and damage.</p>	<p>Acute physical risks are managed by Lockheed Martin's Business Resiliency, Business Continuity, and Global Security and Crisis Management organizations. Lockheed Martin's Crisis Management Program establishes a strategic framework that directs prompt mobilization of responsibilities and operational practices to protect employees and Lockheed Martin assets prior to, during, and after an emergency.</p> <p>Due to the hurricane winds and flooding caused by Hurricane Irma, repairs estimated at over \$300,000 were required to address the damages to Lockheed Martin's facility in Orlando, FL. These management actions included interior repairs to warehouse buildings, restoration of fire detection and security systems, repairs to ceilings and roofs from water damage, and emergency rentals of generator due to temporary losses of power.</p>	300,000	<p>Acute physical risks are managed by Lockheed Martin's Business Resiliency, Business Continuity, and Global Security and Crisis Management organizations. Business Resiliency ensures that resiliency capabilities are addressed through crisis management, business continuity, information technology disaster recovery, and medical response to protect human life, safeguard assets and sustain critical operations. Business Continuity outlines the preparation needed in anticipation of significant incidents that may disrupt business operations. Crisis Management promotes preparedness and response with the goal of protecting employees against injury and minimizing damage to Lockheed Martin assets. Lockheed Martin's Crisis Management Program establishes a strategic framework that directs prompt mobilization of responsibilities and operational practices to protect employees and Lockheed Martin assets prior to, during, and after an emergency.</p>

Opportunity disclosure

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business? – SELECTION; NOT FREE TEXT

Yes

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

Identifier – SELECTION ; NOT FREE TEXT	Where in the value chain does the opportunity occur? – SELECTION; NOT FREE TEXT	Opportunity type – SELECTION; NOT FREE TEXT	Primary climate-related opportunity driver – SELECTION; NOT FREE TEXT	Type of financial impact driver – SELECTION; NOT FREE TEXT	Company-specific description – 2,400 CHARACTERS	Time horizon – SELECTION; NOT FREE TEXT
Opp 1	Direct operations	Resilience	Other	Other, please specify: Preservation of carbon credits	<p>California's Global Warming Solutions Act (AB32), established in 2006, is a state law that requires the California Air Resources Board (CARB) to develop regulations and market mechanisms to reduce GHG emissions to 1990 levels by 2020, representing approximately 30% reduction statewide with mandatory caps beginning in 2012 for significant emissions sources. Since 2013, the mandatory cap has decreased approximately 2% per year and the state has distributed allowances (tradeable permits) equal to the emissions allowed under the cap. Sources regulated under this cap are required to surrender the allowances and offsets equal to their emissions at the end of each compliance period.</p> <p>Lockheed Martin's facility in Sunnyvale, CA has been a participant in AB32 since 2013. However, the consolidation of the facility into fewer buildings, as well as additional energy efficiency and emissions reductions projects enabled Sunnyvale to drop</p>	Current

					below the AB32 threshold in 2015. Since its participation in AB32, Sunnyvale has committed to investments in cleaner technology, tangible reductions in attributed GHG emissions, advocacy to preserve current AB32 requirements beyond 2020 and advocacy to preserve existing allocations and credits. These efforts have ultimately resulted in Sunnyvale's projected formal exit from the AB32 program in 2018.	
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Likelihood – SELECTION; NOT FREE TEXT	Magnitude of impact – SELECTION; NOT FREE TEXT	Potential financial impact – NUMERICAL FIELD ONLY	Explanation of financial impact – 1,000 CHARACTERS	Strategy to realize opportunity – 1,500 CHARACTERS	Cost to realize opportunity – NUMERICAL FIELD ONLY	Comment – 1,000 CHARACTERS
About as likely as not	Low	8,900,000	Through successes in legislative advocacy and the compliance with AB32's objectives, Lockheed Martin's Space business segment was able to reduce attributed GHG emissions at the most favorable costs, avoid the potential loss of existing allotments, and secure partial state subsidies as well as subsidies for Sunnyvale's investment in green technology (i.e. 1 MW fuel cell system currently deployed at the site). From 2017 - 2022, these advocacy successes will enable monetary savings of approximately \$6.2 million through utility rebates and the preservation of credits. Furthermore, having the Cap and Trade structure in place with the 25,000 MTCO2e threshold may allow for an additional \$2.7 million in Cap and Trade or other regulatory	Lockheed Martin's Space Environment, Safety and Health (ESH) team, Corporate Energy, Environment, Safety and Health (EESH) team as well as our Government Affairs function achieved successes by: 1) Advocating to keep California's Cap and Trade program beyond 2020; 2) Partnering with industry groups to ensure that the threshold of 25,000 MTCO2e per year was maintained; 3) Requesting CARB to continue the allowance of credits from fuel cell technology; and 4) Proving to CARB and California's Public Utility Commission (PUE) that the Aerospace industry and the Sunnyvale facility is Energy Intensive and Trade Exposed (EITE), which can lead to the cross-border movement of GHG emissions to other states. These advocacy successes contributed to the California governor's action in extending the Cap and Trade program to 2030 and preserving the 25,000 MTCO2e threshold. Furthermore, the successful demonstration of the industry as EITE status positively resulted in extension of the current industry assistance factor through 2017 and a reduction to 50% for the duration of the program. These efforts have contributed to Sunnyvale's	402,000	The costs for our facility in Sunnyvale, CA to comply with the AB32 regulation included a one-time purchase of \$372,000 to cover projected future costs of emissions allowances for the cap and trade program, as well as a recurring annual cost of \$30,000 associated with compliance reporting and third-party verification.

			cost avoidances through 2030.	projected formal exit from the AB32 program in 2018.		
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Identifier – SELECTION ; NOT FREE TEXT	Where in the value chain does the opportunity occur? – SELECTION; NOT FREE TEXT	Opportunity type – SELECTION; NOT FREE TEXT	Primary climate-related opportunity driver – SELECTION; NOT FREE TEXT	Type of financial impact driver – SELECTION; NOT FREE TEXT	Company-specific description – 2,400 CHARACTERS	Time horizon – SELECTION; NOT FREE TEXT
Opp 2	Direct operations	Energy source	Use of lower-emission sources of energy	Reduced operational costs (e.g. through use of lowest cost abatement)	In 2017, Lockheed Martin completed our tenth solar array at our Rotary and Mission Systems facility in Orlando, FL. This 2 MW solar carport project is over 145,000 square feet, features over 6,600 solar panels and will provide shade for close to 600 cars.	Long-term
Likelihood – SELECTION; NOT FREE TEXT	Magnitude of impact – SELECTION; NOT FREE TEXT	Potential financial impact – NUMERICAL FIELD ONLY	Explanation of financial impact – 1,000 CHARACTERS	Strategy to realize opportunity – 1,500 CHARACTERS	Cost to realize opportunity – NUMERICAL FIELD ONLY	Comment – 1,000 CHARACTERS
Likely	Medium	370,000	Lockheed Martin's solar carport in Orlando, FL is expected to produce 3.41 million kWh of electricity and save approximately \$370,000 in energy costs annually.	Through our partnership with Advanced Green Technologies, Lockheed Martin was able to fast track the 2 MW solar carport, completing the project on time and under budget. In addition to providing shade for approximately 600 vehicles, we are able to reduce the attributed emissions for Orlando's facility, save annual operational energy costs and expand our on-site renewable energy footprint. Through the EPA's Green Power Partnership On-Site Commitment, Lockheed Martin has made a pledge to increase our on-site renewable	1,800,000	

				generation to 10 MW by the end of 2020. As of 2017, Orlando's solar carport contributes toward our current on-site capacity of 6 MW and we are on track to meet this commitment.		
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Identifier – SELECTION ; NOT FREE TEXT	Where in the value chain does the opportunity occur? – SELECTION; NOT FREE TEXT	Opportunity type – SELECTION; NOT FREE TEXT	Primary climate-related opportunity driver – SELECTION; NOT FREE TEXT	Type of financial impact driver – SELECTION; NOT FREE TEXT	Company-specific description – 2,400 CHARACTERS	Time horizon – SELECTION; NOT FREE TEXT
Opp 3	Customer	Products and services	Development of climate adaptation and insurance risk solutions	Increased revenue through new solutions to adaptation needs (e.g., insurance risk transfer products and services)	Lockheed Martin has developed the meteorological observation systems that have fueled vast improvements in weather forecasting. Our primary customers have been federal agencies including the National Oceanic and Atmospheric Administration (NOAA), the National Aeronautics and Space Administration (NASA), the United States Air Force (USAF) and the Federal Aviation Administration (FAA). Through a collaborative development and acquisition effort between NOAA and NASA, in November of 2016, Lockheed Martin completed and launched the first of four next-generation geostationary weather satellites, the Geostationary Operational Environmental Satellite-R Series (GOES-R), which will provide a major improvement in quality, quantity and timeliness of weather data collected over the Western Hemisphere.	Long-term
Likelihood – SELECTION; NOT FREE TEXT	Magnitude of impact – SELECTION; NOT FREE TEXT	Potential financial impact – NUMERICAL FIELD ONLY	Explanation of financial impact – 1,000 CHARACTERS	Strategy to realize opportunity – 1,500 CHARACTERS	Cost to realize opportunity – NUMERICAL FIELD ONLY	Comment – 1,000 CHARACTERS

Very likely	High	1,100,000,000	<p>In 2008, Lockheed Martin won a \$1.1 billion contract to build GOES-R and GOES-S, two of the next-generation satellites in the GOES-R series. Together, the set of four GOES-R satellite series (GOES-R/S/T/U) will have an operation lifetime extending through 2036.</p>	<p>Through a collaborative development and acquisition effort between NOAA and NASA, in November of 2016, Lockheed Martin completed and launched the first of four next-generation geostationary weather satellites, the Geostationary Operational Environmental Satellite-R Series (GOES-R), which will provide a major improvement in quality, quantity and timeliness of weather data collected over the Western Hemisphere. In 2017, Lockheed Martin completed the assembly of the GOES-S weather satellite, the second of the four next-generation geostationary weather satellites, and is in the process of conducting critical mechanical and environmental testing on the spacecraft. The GOES-R series satellites are funded, managed and will be operated by NOAA, enabling higher-resolution images of weather patterns and severe storms five times faster than today. These enhanced capabilities will contribute towards more accurate and reliable weather forecasts, severe weather outlooks and warnings, maritime forecasts, seasonal predictions, drought outlooks and space weather predictions. These advanced prediction capabilities will in turn, enable avoidance of adverse impacts from weather events and inform solutions for climate adaptation needs.</p>	350,000,000	<p>In addition to our GOES-R series satellites, Lockheed Martin's Space business segment's product portfolio includes spacecraft that contributes to deep-space exploration as well as advanced infrastructure resiliency for climate adaptation needs. These products include the Space Based Infrared System, the GPS III, and Orion. In 2017, we began construction of our Gateway Center - the most advanced satellite production facility in Lockheed Martin's history. This new \$350 million building will be where we produce next-generation satellites. The Gateway Center will bring rapidly configurable production lines and advanced test capabilities all under one roof. It is designed with the physical space and flexibility to build a spectrum of satellites simultaneously. We have also woven elements of the digital tapestry into the design of the building, including the use of robotics, additive manufacturing and virtual reality to accelerate the manufacturing processes and reduce costs.</p>
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Identifier – SELECTION ; NOT FREE TEXT	Where in the value chain does the opportunity occur? – SELECTION; NOT FREE TEXT	Opportunity type – SELECTION; NOT FREE TEXT	Primary climate-related opportunity driver – SELECTION; NOT FREE TEXT	Type of financial impact driver – SELECTION; NOT FREE TEXT	Company-specific description – 2,400 CHARACTERS	Time horizon – SELECTION; NOT FREE TEXT
Opp 4	Customer	Energy source	Use of lower emission sources of energy	Reputational benefits resulting in increased demand for goods/services	Tidal energy is produced by the surge of ocean water during the rise and fall of tides. Submerged rotors may harness the power of marine currents to drive generators, which in turn produce electricity. Although intermittency is a problem for wind and solar power, tidal currents provide a consistent source of kinetic energy as its cycles are influenced by the phases of the moon, allowing for inherent predictability. 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. In 2017, Atlantis Resources Ltd. deployed the first AR1500 tidal turbine with new Lockheed Martin technology off the coast of Scotland.	Medium-term

Likelihood – SELECTION; NOT FREE TEXT	Magnitude of impact – SELECTION; NOT FREE TEXT	Potential financial impact – NUMERICAL FIELD ONLY	Explanation of financial impact – 1,000 CHARACTERS	Strategy to realize opportunity – 1,500 CHARACTERS	Cost to realize opportunity – NUMERICAL FIELD ONLY	Comment – 1,000 CHARACTERS
Likely	Medium	2,100,000,000	Through our Sustainability Management Plan, we have committed to achieving \$4 billion in annual product sales with direct, measurable benefits to energy and advanced infrastructure resiliency by 2020. In 2017, product sales that benefit energy and infrastructure resiliency totaled \$2.1 billion. Lockheed Martin's tidal project has contributed towards this amount.	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. In 2017, Atlantis Resources Ltd. deployed the first AR1500 tidal turbine with new Lockheed Martin technology off the coast of Scotland. In addition to designing the turbine, Lockheed Martin developed, manufactured	0	The costs to realize this opportunity would be the labor costs for Lockheed Martin employees to implement this work, which we have not estimated at this time.

				and delivered two innovative subsystems, the Yaw Drive System (YDS) and the Variable Pitch Systems (VPS), which enable the turbine to rotate autonomously around its base, such that it always faces into the tidal flow. Once completed, the MeyGen project – the world’s largest tidal stream project under development – will deploy nearly 270 tidal turbines to generate approximately 400 MW of power, which is enough energy to power up to 175,000 homes, significantly reducing Scope 2 emissions. The MeyGen project will contribute to Scotland’s goal of 100 percent renewable energy by 2020.		
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Identifier – SELECTION ; NOT FREE TEXT	Where in the value chain does the opportunity occur? – SELECTION; NOT FREE TEXT	Opportunity type – SELECTION; NOT FREE TEXT	Primary climate-related opportunity driver – SELECTION; NOT FREE TEXT	Type of financial impact driver – SELECTION; NOT FREE TEXT	Company-specific description – 2,400 CHARACTERS	Time horizon – SELECTION; NOT FREE TEXT
Opp 5	Customer	Products and services	Development of new products or services through R&D and innovation	Better competitive position to reflect shifting consumer preferences, resulting in increased revenues	The mission of Lockheed Martin's Ventures business element is to make strategic investments in companies that are developing disruptive, cutting-edge technologies in core businesses and new markets important to Lockheed Martin. These areas of interest include energy and power systems, as well as autonomous systems and robotics, cyber security, space technologies, advanced communications and sensors, undersea technologies, data analytics, artificial intelligence and machine learning, NextGen electronics, and advanced materials and manufacturing.	Long-term

Likelihood – SELECTION; NOT FREE TEXT	Magnitude of impact – SELECTION; NOT FREE TEXT	Potential financial impact – NUMERICAL FIELD ONLY	Explanation of financial impact – 1,000 CHARACTERS	Strategy to realize opportunity – 1,500 CHARACTERS	Cost to realize opportunity – NUMERICAL FIELD ONLY	Comment – 1,000 CHARACTERS
Likely	Medium	100,000,000	Since 2007, we have invested more than \$100 million in startup companies.	<p>The mission of Lockheed Martin's Ventures business element is to make strategic investments in companies that are developing disruptive, cutting-edge technologies in core businesses and new markets important to Lockheed Martin. Since 2007, we have invested more than \$100 million in startup companies. These emerging innovations have the potential to become foundational technologies that solve the complex challenges our customers face. Lockheed Martin Ventures includes energy and power systems within their areas of interest, as well as autonomous systems and robotics, cyber security, space technologies, advanced communications and sensors, undersea technologies, data analytics, artificial intelligence and machine learning, NextGen electronics and advanced materials and manufacturing. In addition to providing a source of capital, Lockheed Martin Ventures provides partner companies with access to our world-class engineering talent, state-of-the-art technologies and access to the company's international business relationships and supply chain. By making strategic investments in energy and power systems, Lockheed Martin Ventures has helped accelerate the portfolio growth of our products, such as energy storage.</p> <p>As an example, Lockheed Martin's GridStar™ energy storage solution has two core offerings: the GridStar™ Lithium system for short and medium duration energy storage and the GridStar™ Flow system for long-duration energy storage.</p>	100,000,000	

Identifier – SELECTION	Where in the value chain does the	Opportunity type – SELECTION; NOT FREE TEXT	Primary climate-related opportunity driver –	Type of financial impact driver – SELECTION; NOT FREE TEXT	Company-specific description – 2,400 CHARACTERS	Time horizon – SELECTIO
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; NOT FREE TEXT	opportunity occur? – SELECTION; NOT FREE TEXT		SELECTION; NOT FREE TEXT			N; NOT FREE TEXT
Opp 6	Direct operations	Resilience	Participation in renewable energy programs and adoption of energy-efficiency measures	Other, please specify: Reduced operational costs	Lockheed Martin's Corporate Energy, Environment, Safety and Health (EESH) function coordinates a dedicated capital infrastructure fund, referred as the Go Green gated capital program. This fund is primarily used to fund major energy projects with recipient business segment funding the capital depreciation. Prior to approval through Corporate management, Corporate EESH reviews each submitted project to ensure they meet the criteria established for use of this fund. Additional energy-related projects are funded at the site and business segment level, using both expense and normal business capital processes.	Medium-term

Likelihood – SELECTION; NOT FREE TEXT	Magnitude of impact – SELECTION; NOT FREE TEXT	Potential financial impact – NUMERICAL FIELD ONLY	Explanation of financial impact – 1,000 CHARACTERS	Strategy to realize opportunity – 1,500 CHARACTERS	Cost to realize opportunity – NUMERICAL FIELD ONLY	Comment – 1,000 CHARACTERS
Very likely	Medium	34,000,000	In 2017, Lockheed Martin spent over \$13 million on completed projects and initiatives specifically related to energy and water efficiency. We completed over 70 energy-efficiency and GHG emissions reductions projects in 2017, which contributed towards a 23% energy reduction and a 33% reduction in attributed GHG emissions. In 2017, Lockheed Martin avoided approximately \$34 million (compared to a 2010 baseline) in energy and water costs through the implementation of similar projects over the years.	Lockheed Martin's business segments are measured on their performance towards Go Green energy and carbon emission reduction goals. Since 2010, a team of subject-matter experts from facilities, engineering, and production operations called the "Tiger Team" have been conducting in-depth analyses of energy and water systems across the Corporation to identify projects for implementation. In 2017, the Tiger Team conducted 10 structured improvement events resulting in energy and water savings through infrastructure and process/production optimizations. In 2017, Lockheed Martin avoided approximately \$34 million (compared to a 2010 baseline) in energy and water costs through the implementation of similar projects over the years. Furthermore, Lockheed Martin has adopted the United States Green Building Council's	16,000,000	

				(USGBC) Leadership in Energy and Environmental Design (LEED) as the minimum standard for new construction, renovations and/or retrofit projects.		
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Identifier – SELECTION ; NOT FREE TEXT	Where in the value chain does the opportunity occur? – SELECTION; NOT FREE TEXT	Opportunity type – SELECTION; NOT FREE TEXT	Primary climate-related opportunity driver – SELECTION; NOT FREE TEXT	Type of financial impact driver – SELECTION; NOT FREE TEXT	Company-specific description – 2,400 CHARACTERS	Time horizon – SELECTION; NOT FREE TEXT
Opp 7	Customer	Products and services	Development and/or expansion of low emission goods and services	Increased revenue through demand for lower emissions products and services	In 2017, Lockheed Martin's Energy business was selected to improve energy and water efficiency at federal facilities. Under the contract, Lockheed Martin is one of 21 companies selected to implement Energy Savings Performance Contract (ESPCs), which are designed to create federal infrastructure improvements and energy savings.	Medium-term
Likelihood – SELECTION; NOT FREE TEXT	Magnitude of impact – SELECTION; NOT FREE TEXT	Potential financial impact – NUMERICAL FIELD ONLY	Explanation of financial impact – 1,000 CHARACTERS	Strategy to realize opportunity – 1,500 CHARACTERS	Cost to realize opportunity – NUMERICAL FIELD ONLY	Comment – 1,000 CHARACTERS
Likely	Medium	2,600,000,000	Under the contract, Lockheed Martin is one of 21 companies selected to implement Energy Savings Performance Contract (ESPCs) designed to create federal infrastructure improvements and energy savings. The individual projects are part of an Indefinite	As one of the largest implementers of energy efficiency projects in the U.S., Lockheed Martin Energy partners with government, industrial and commercial customers to deliver advanced energy technologies with guaranteed savings. Under previously awarded contracts, Lockheed Martin Energy has implemented	0	The costs to realize this opportunity would be the labor costs for Lockheed Martin employees to implement this work, which we have not estimated at this time.

			<p>Delivery, Indefinite Quantity (IDIQ) contract with a maximum value of \$55 billion shared across all contractors, and with a base period of five years and with one 18-month option. The potential financial impact represents an average of the \$55 billion contract among 21 companies and does not represent the true value of contract specifically delegated to Lockheed Martin.</p>	<p>and is developing numerous innovative projects, including an energy retrofit of the U.S. Embassy in Nicaragua that delivers savings of more than 50% in energy use and cost.</p>		
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Identifier – SELECTION ; NOT FREE TEXT	Where in the value chain does the opportunity occur? – SELECTION; NOT FREE TEXT	Opportunity type – SELECTION; NOT FREE TEXT	Primary climate-related opportunity driver – SELECTION; NOT FREE TEXT	Type of financial impact driver – SELECTION; NOT FREE TEXT	Company-specific description – 2,400 CHARACTERS	Time horizon – SELECTION; NOT FREE TEXT
Opp 8	Customer	Products and services	Development and/or expansion of low emission goods and services	Increased revenue through demand for lower emissions products and services	<p>Lockheed Martin Energy is a line of business within Lockheed Martin that delivers comprehensive solutions across the energy industry, including demand response solutions, energy efficiency, energy storage, nuclear systems, tidal energy technologies and bioenergy generation.</p> <p>Lockheed Martin Energy develops turn-key energy storage systems for commercial, industrial and utility applications. Lockheed Martin's GridStar™ energy storage solution has two core offerings: the GridStar™ Lithium system for short and medium duration energy storage and the GridStar™ Flow system for long-duration energy storage. The GridStar™ Lithium system is an all-in-one solution that helps customers to reduce their bills, enables utilities to defer infrastructure upgrades, while integrating renewable energy. The</p>	Long-term

					GridStar™ Flow system is a coordination chemistry flow battery (CCFB) solution that provides long duration energy storage for large projects.	
Likelihood – SELECTION; NOT FREE TEXT	Magnitude of impact – SELECTION; NOT FREE TEXT	Potential financial impact – NUMERICAL FIELD ONLY	Explanation of financial impact – 1,000 CHARACTERS	Strategy to realize opportunity – 1,500 CHARACTERS	Cost to realize opportunity – NUMERICAL FIELD ONLY	Comment – 1,000 CHARACTERS
Likely	Medium	8,000,000	According to a 2017 report from the International Renewable Energy Agency (IRENA) called "Electricity Storage and Renewables: Costs and Markets to 2030", energy installation cost estimates range between \$200/kWh and \$840/kWh for lithium ion battery chemistries. Using the most conservative estimate based on this study, the 40 MWh of energy storage that Lockheed Martin deployed in 2017 would be worth approximately \$8,000,000.	In 2017, Lockheed Martin deployed 70 energy storage units in 19 locations, representing 20 MW, or 40 MWh of energy storage. Our GridStar™ product has been tested and certified to the rigorous UL 9540 standard. To develop our certified GridStar™ product, we employed robust development processes including incorporating industry and customer feedback and previous lessons learned into the design and development, in addition to conducting thorough design reviews and integration testing. LM Energy designed the GridStar™ system for ease of installation and compact footprint. GridStar™ is a factory-assembled, integrated energy storage system with AC output that dramatically simplifies installation and eliminates significant field integration, improving quality and safety. GridStar™ leads the industry with a footprint up to 50% smaller than the competition. Electric utilities and project developers also find value in our energy storage solutions through deferred costly upgrades to transmission and distribution infrastructure equipment, integration of intermittent renewable energy generation, addition of local flexible capacity and reduction of peak demand.	0	The costs to realize this opportunity would be the labor costs for Lockheed Martin employees to implement this work, which we have not estimated at this time.

Identifier – SELECTION ; NOT FREE TEXT	Where in the value chain does the opportunity occur? – SELECTION; NOT FREE TEXT	Opportunity type – SELECTION; NOT FREE TEXT	Primary climate-related opportunity driver – SELECTION; NOT FREE TEXT	Type of financial impact driver – SELECTION; NOT FREE TEXT	Company-specific description – 2,400 CHARACTERS	Time horizon – SELECTION; NOT FREE TEXT
Opp 9	Direct operations	Resource efficiency	Use of recycling	Other, please specify: Precious metals reclamation	Discarded gap and fastener material used in the production of Lockheed Martin's F-35 aircraft contains gold.	Current

Likelihood – SELECTION; NOT FREE TEXT	Magnitude of impact – SELECTION; NOT FREE TEXT	Potential financial impact – NUMERICAL FIELD ONLY	Explanation of financial impact – 1,000 CHARACTERS	Strategy to realize opportunity – 1,500 CHARACTERS	Cost to realize opportunity – NUMERICAL FIELD ONLY	Comment – 1,000 CHARACTERS
About as likely as not	Low	1,000,000	In 2017, over 850 ounces of gold were recovered through our waste vendor from precious metal activity. Lockheed Martin receives an estimated 90% of the proceeds from the reclaimed gold, which as of 2017 is approximately \$1,000,000.	Since 2013, Lockheed Martin's facility in Fort Worth, TX has been transporting gold-containing gap and fastener material used in the production of F-35 aircraft to a certified waste vendor for precious metals reclamation. This gold recovery replaces waste management costs with revenues while reducing mining-related environmental costs and impacts.	0	In addition to replacing waste management costs and increasing revenue by reclaiming gold from the waste stream, there are significant environmental benefits to precious metal reclamation. The benefits of reintroducing gold back into the economy through reclamation include the offset of primary metal production and the reduction of externalities such as impact to resource use, human health, ecosystem quality and climate change. According to a life-cycle assessment conducted in 2015 on the specific impacts of the Fort Worth precious metal

						reclamation activity, environmental impact savings were estimated to be over \$95,000.
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Business impact assessment

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

1. **Guidance** → must include specific examples from the case studies of risks and opportunities listed above

Area – SELECTION; NOT FREE TEXT	Impact – SELECTION; NOT FREE TEXT	Description – 2,400 CHARACTERS INCLUDE: 1. COMPANY-SPECIFIC DESCRIPTION OF THE IMPACT ON THIS AREA OF YOUR BUSINESS 2. A DESCRIPTION OF THE MAGNITUDE OF THIS IMPACT
Products and services	Impacted for some suppliers, facilities, or product lines	Climate-related issues that have led to opportunities in Lockheed Martin's products and services include our Geostationary Operational Environmental Satellite-R Series (GOES-R) and the products and services provided by Lockheed Martin's Energy business. The GOES-R series satellites will provide higher-resolution images contributing towards more accurate and reliable weather forecasts, severe weather outlooks and warning, maritime forecasts, seasonal predictions, drought outlooks and space weather predictions. These advanced prediction capabilities will enable the ability to save lives in storm-threatened areas and inform solutions for climate adaptation needs. The magnitude of this product's impact is high, as in 2008, Lockheed Martin won a \$1.1 billion contract to build GOES-R and GOES-S, two of the next-generation satellites in the four satellite product series (GOES-R/S/T/U).

		<p>Furthermore, we have the opportunity by answering the demand for energy and water efficiency, as in 2017, Lockheed Martin's Energy business was selected to improve energy and water efficiency at federal facilities. The magnitude of this impact is medium, as Lockheed Martin was one of 21 companies selected to implement Energy Savings Performance Contracts (ESPCs) under an Indefinite Delivery, Indefinite Quality (IDIQ) contract with a maximum value of \$55 billion shared across all contractors, and with a base period of five years with one 18-month option.</p> <p>In 2017, Lockheed Martin's Energy business also deployed major elements of a next-generation 1.5 MW tidal turbine called the AR1500 as Phase 1a of Scotland's MeyGen tidal energy project, as well as 70 energy storage units in 19 locations, representing 20 MW of energy storage. Both our tidal energy project and our GridStar™ energy storage products are of medium impact, contributing towards \$2.1 billion of product sales in 2017 that benefit energy and infrastructure resiliency. This revenue is measured against our Sustainability Management Plan goal of achieving \$4 billion in annual product sales by 2020 with direct, measurable benefits to energy and advanced infrastructure resiliency.</p>
Supply chain and/or value chain	Impacted for some suppliers, facilities, or product lines	Climate-related issues that have led to opportunities in Lockheed Martin's value chain include the reclamation of precious metals at the end of our product life-cycle. At our facility in Fort Worth, TX, gold-containing gap and fastener material used in the production of aircraft is transported to a certified waste vendor for precious metals reclamation. Although the magnitude of this impact is low, the gold recovery at the end of our value stream replaces waste management costs with revenues. Furthermore, according to a life-cycle assessment conducted in 2015 on this specific activity, the environmental impact savings from offsetting primary metal production and the reduction of externalities such as impact to resource use, human health, ecosystem quality and climate change were estimated to be over \$95,000.
Adaptation and mitigation activities	Impacted for some suppliers, facilities, or product lines	Climate-related issues that led to risks to Lockheed Martin's adaptation and mitigation activities were exemplified by natural disasters and severe weather-related events such as the Thomas Fire, Hurricane Irma and Hurricane Maria, which impacted our facilities in Goleta, CA; Ocala, FL; Orlando, FL; and Aguadilla, Puerto Rico. Collaboration among Lockheed Martin's Business Resiliency, Business Continuity, and Global Security and Crisis Management organizations was critical in managing these acute physical risks and engaging in adaptation and mitigation activities. The magnitude of impacts of all these acute physical risks were low to the Corporation overall.
Investment in R&D	Impacted for some suppliers, facilities, or product lines	Climate-related issues that have led to opportunities in Lockheed Martin's investment in research and development include the strategy of our Ventures business element. The mission of Lockheed Martin's Ventures business element is to make strategic investments in companies that are developing disruptive, cutting-edge technologies in core businesses and new markets important to Lockheed Martin. The magnitude of this impact is medium, as we have invested more than \$100 million in startup companies since 2007. These emerging innovations have the potential to become foundational technologies that solve the complex challenges our customers face. Lockheed Martin Ventures includes energy and power systems within its areas of interest, as well as autonomous systems and robotics, cyber security, space technologies, advanced communications and sensors, undersea technologies, data analytics, artificial intelligence and machine learning, NextGen electronics, and advanced materials and manufacturing. In addition to providing a source of capital, Lockheed

		Martin Ventures provides partner companies with access to our world-class engineering talent, state-of-the-art technologies and access to the company's international business relationships and supply chain.
Operations	Impacted	<p>Lockheed Martin's Corporate Energy, Environment, Safety and Health (EESH) function coordinates a dedicated capital infrastructure fund, referred to as the Go Green gated capital program. This fund is primarily used to fund major energy projects, with the recipient business segment funding the capital depreciation. Prior to approval through Corporate management, Corporate EESH reviews each submitted project to ensure they meet the criteria established for use of this fund. Additional energy-related projects are funded at the site and business segment level, using both expense and normal business capital processes.</p> <p>The impact of our investments in energy and water-related infrastructure is medium, as in 2017, Lockheed Martin spent over \$13 million on completed projects and initiatives specifically related to energy and water efficiency. We completed over 70 energy-efficiency and GHG emissions reductions projects in 2017, which contributed towards a 23% energy reduction and a 33% reduction in attributed GHG emissions. In 2017, Lockheed Martin avoided approximately \$34 million (compared to a 2010 baseline) in energy and water costs through the implementation of similar projects over the years.</p> <p>Climate-related issues that have led to opportunities in Lockheed Martin's operations include the installation of our second solar array at our Rotary and Mission Systems facility in Orlando, FL. This 2 MW solar carport project is over 145,000 square feet, features over 6,600 solar panels and will provide shade for close to 600 cars. Through this project, we will be able to reduce the GHG emissions attributed to the Orlando facility, save annual operational energy costs and expand our on-site renewable energy projects. The impact of the solar carport is medium, as it is expected to produce 3.41 million kWh of electricity and save approximately \$370,000 in energy costs annually.</p>
Other, please specify		

Financial planning assessment

(C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.

Guidance:

Description of how each business area will be impacted by the risks and opportunities identified in C2.3 and C2.4

Area	Relevance	Description (2,400 CHARACTERS) INCLUDE: <ul style="list-style-type: none"> • COMPANY SPECIFIC DESCRIPTION OF THE IMPAC ON YOUR BUSINESS • DESCRIPTION OF THE MAGNITUDE OF THIS IMPACT
Revenues	Impacted for some suppliers, facilities, or product lines	<p>Climate-related issues that have led to opportunities for increased revenues include our Geostationary Operational Environmental Satellite-R Series (GOES-R) and the products and services provided by Lockheed Martin's Energy business. The GOES-R series satellites will provide higher-resolution images contributing towards more accurate and reliable weather forecasts, severe weather outlooks and warning, maritime forecasts, seasonal predictions, drought outlooks and space weather predictions. These advanced prediction capabilities will enhance the ability to save lives in storm-threatened areas and inform solutions for climate adaptation needs. The magnitude of this product's impact is high, as in 2008, Lockheed Martin won a \$1.1 billion contract to build GOES-R and GOES-S, two of the next-generation satellites in the four satellite product series (GOES-R/S/T/U).</p> <p>Furthermore, we have the opportunity to increase our revenue by answering the demand for energy and water efficiency, as in 2017, Lockheed Martin's Energy business was selected to improve energy and water efficiency at federal facilities. The magnitude of this impact is medium, as Lockheed Martin was one of 21 companies selected to implement Energy Savings Performance Contracts (ESPCs) under an Indefinite Delivery, Indefinite Quality (IDIQ) contract with a maximum value of \$55 billion shared across all contractors, and with a base period of five years with a one 18-month option.</p> <p>In 2017, Lockheed Martin's Energy business also deployed major elements of a next-generation 1.5 MW tidal turbine called the AR1500 as Phase 1a of Scotland's MeyGen tidal energy project, as well as 70 energy storage units in 19 locations, representing 20 MW of energy storage. Both our tidal energy project and our GridStar™ energy storage products are of medium impact, contributing towards \$2.1 billion of product sales in 2017 that benefit energy and infrastructure resiliency. This revenue is measured against our Sustainability Management Plan goal of achieving \$4 billion in annual product sales by 2020 with direct, measurable benefits to energy and advanced infrastructure resiliency.</p>
Operating costs	Impacted for some suppliers, facilities, or product lines	<p>Climate-related issues that have led to opportunities in Lockheed Martin's operating costs include the installation of our tenth solar array at our Rotary and Mission Systems facility in Orlando, FL. This 2 MW solar carport project is over 145,000 square feet, features over 6,600 solar panels and will provide shade for close to 600 cars. Through this project, we will be able to reduce the GHG emissions attributed to the Orlando facility, save annual operational energy costs, and expand our on-site renewable energy project. The impact of the solar carport is medium, as it is expected to produce 3.41 million kWh of electricity and save approximately \$370,000 in energy costs annually.</p>
	Impacted	<p>Lockheed Martin's Corporate Energy, Environment, Safety and Health (EESH) function coordinates a dedicated capital infrastructure fund, referred as the Go Green gated capital program. This fund is primarily used to fund major</p>

Capital expenditures/capital allocation		<p>energy projects with the recipient business segment funding the capital depreciation. Prior to approval through Corporate management, Corporate EESH reviews each submitted project to ensure they meet the criteria established for use of this fund. Additional energy-related projects are funded at the site and business segment level, using both expense and normal business capital processes.</p> <p>The impact of our investments in energy and water-related infrastructure is medium, as in 2017, Lockheed Martin spent over \$13 million on completed projects and initiatives specifically related to energy and water efficiency. We completed over 70 energy-efficiency and GHG emissions reductions projects in 2017, which contributed towards a 23% energy reduction and a 33% reduction in attributed GHG emissions. In 2017, Lockheed Martin avoided approximately \$34 million (compared to a 2010 baseline) in energy and water costs through the implementation of similar projects over the years.</p>
Acquisitions and divestments	Impacted for some suppliers, facilities, or product lines	<p>Climate-related issues that may lead to potential acquisitions are exemplified through the strategy of our Ventures business element. The mission of Lockheed Martin's Ventures business element is to make strategic investments in companies that are developing disruptive, cutting edge technologies in core businesses and new markets important to Lockheed Martin. The magnitude of this impact is medium, as we have invested more than \$100 million in startup companies since 2007. These emerging innovations have the potential to become foundational technologies that solve the complex challenges our customers face. Lockheed Martin Ventures includes energy and power systems within its areas of interest, as well as autonomous systems and robotics, cyber security, space technologies, advanced communications and sensors, undersea technologies, data analytics, artificial intelligence and machine learning, NextGen electronics and advanced materials and manufacturing. In addition to providing a source of capital, Lockheed Martin Ventures provides partner companies with access to our world-class engineering talent, state-of-the-art technologies and access to the company's international business relationships and supply chain.</p>
Access to capital	Not impacted	<p>Although certain elements of Lockheed Martin's business segments have risks and opportunities related to climate change, we are a global security and aerospace company with main areas of focus in defense, space, intelligence, homeland security, and information technology, including cybersecurity. In 2017, 69% of our \$51 billion in net sales were from the U.S. Government, either as a prime contractor or subcontractor, 30% were from non-U.S. military customers, and 1% were from U.S. commercial and other customers. The identified risks and opportunities identified in C2.3 and C2.4 do not have the potential to impact Lockheed Martin's access to capital.</p>
Assets	Impacted for some suppliers, facilities, or product lines	<p>Climate-related issues risks to Lockheed Martin assets were exemplified by natural disasters and severe weather-related events such as the Thomas Fire, Hurricane Irma and Hurricane Maria, which impacted our facilities in Goleta, CA; Ocala, FL; Orlando, FL and Aguadilla, Puerto Rico. Collaboration among Lockheed Martin's Business Resiliency, Business Continuity, and Global Security and Crisis Management organizations was critical in managing these acute physical risks and engaging in adaptation and mitigation activities. The magnitude of impacts of all these acute physical risks were low to the Corporation overall.</p>
Liabilities	Impacted for some suppliers, facilities, or product lines	<p>Climate-related issues that may lead to potential liabilities through increased costs for regulatory compliance, fines and penalties include environmental regulations such as the U.S. Greenhouse Gas (GHG) Mandatory Reporting Rule. Four of Lockheed Martin's largest facilities (Sunnyvale, Stratford, Fort Worth and Marietta) are required to report GHG emissions pursuant to the U.S. GHG Mandatory Reporting Rule. Non-compliance with the U.S. GHG Mandatory</p>

		Reporting Rule could involve fines of up to \$37,500 per day. The impact of this regulation is low because we are in full compliance, although hypothetical non-compliance would result in over \$54,000,000 per year for all four sites combined.
Other		

C3 Business strategy

Business strategy

(C3.1) Are climate-related issues integrated into your business strategy? – SELECTION; NOT FREE TEXT

Yes

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy? – SELECTION; NOT FREE TEXT

Yes, quantitative

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy. – 7,000 CHARACTERS

1. A company-specific explanation of how business objectives and strategy have been influenced by climate-related issues;

Lockheed Martin's business strategy related to climate change has been influenced by our stakeholders including employees, academic institutions, investors, non-governmental organizations, customers, policy organizations, suppliers and analysts. In 2013, Lockheed Martin conducted a Core Issues Assessment through internal workshops and feedback from stakeholders to evaluate sustainability factors based on impacts to our value chain and importance to stakeholders. In late 2015, we reassessed our priority sustainability issues based on the Corporation's evolving business portfolio and stakeholder values regarding the economic, social and environmental aspects of our business model. In specific lines of business, the U.S. National Oceanic Atmospheric Administration, the U.S. Navy, major electric utilities and other customers have shaped product development and features based on climate-related risks and opportunities.

ii) Explanation of whether your business strategy is linked to an emissions reductions target or energy reduction target;

Through our Core Issues Assessment, Lockheed Martin has developed a Sustainability Management Plan (SMP), which includes specific goals and performance initiatives that we monitor and voluntarily disclose. Within the SMP, two of our core issues, Product Impact and Resource Efficiency, relate specifically to our climate change strategy, including emissions and energy reductions.

iii) What have been the most substantial business decisions made during the reporting year that have been influenced by the climate change driven aspects of the strategy (e.g. investment, location, procurement, mergers and acquisition (M&A), research and development (R&D). Both the business decision and the aspect of climate change that has influenced the business decision must be made clear in the answer;

Lockheed Martin's Corporate Energy, Environment, Safety and Health (EESH) function coordinates a dedicated capital infrastructure fund, referred to as the Go Green gated capital program. This fund is primarily used to fund major energy or water-related efficiency projects, with the recipient business segment funding the capital depreciation. Prior to approval through Corporate management, Corporate EESH reviews each submitted project to ensure they meet the criteria established for use of this fund. In 2017, one of the most substantial business decisions was to approve funding through the gated capital program to complete a 2 MW solar carport project at our Rotary and Mission Systems facility in Orlando, FL, which features over 6,600 solar panels and provides shade for close to 600 cars. Also in 2017, the gated capital program approved the funding for a solar field at our facility in Moorestown, NJ, which is comprised of over 7,000 solar panels and is expected to produce 3,375 MWh/year. We will report on the completion of this project during the 2018 reporting cycle. The implementation of these projects reduces our GHG emissions and strengthen our resiliency to climate-related risks.

iv) What aspects of climate change have influenced the strategy (e.g. need for adaptation, regulatory changes, or opportunities to develop green business);

Lockheed Martin's Corporate EESH function collaborates across all business segments to identify opportunities to mitigate the Corporation's contribution to climate-related risks. By funding major energy efficiency projects, we are able to reduce the operational impact for both our energy and carbon footprint.

v) How the short-term strategy has been influenced by climate change;

Through our biennial assessment of sustainability issues, we classified two tiers of priorities. Our short-term Tier 1 goals for our Resource Efficiency core issue combines energy use and GHG emissions factors. Specifically for Resource Efficiency, we aim for a 35% reduction in attributed carbon emissions and a 25% reduction in energy use by the year 2020, from a 2010 baseline; increase the square footage of facilities with green building certifications by 2020; increase annual renewable energy consumption by 2017; and help our energy customers reduce their carbon emissions by at least twice the carbon impact of our business operations by 2020. Our Tier 1 goals related to climate change for our Product Impact core issue are based around product total cost of ownership and global infrastructure needs. These specific goals for Product Impact include: adding design-to-cost analysis criteria to each business segment's proposal planning and review processes by 2020; generating \$1 billion in product life-cycle cost reductions resulting in lower resource consumption and reduced adverse impacts to health and the environment by 2020; and achieving \$4 billion in product sales with direct, measurable benefits to energy and advanced infrastructure resiliency.

vi) How the long-term strategy has been influenced by climate change;

We have developed long-term Tier 2 factors around our core issues that we manage and monitor as a secondary priority of our sustainability strategy without setting new SMP goals. Our Tier 2 factor related to climate change is around product eco-innovation, which accounts for material efficiency, re-usability and use-phase emissions, and energy consumption through product design, development and maintenance. This goal emphasizes material selection and design in environmental footprint, as about 85% of the life-cycle cost of products in our sector is decided during the design phase.

vii) How this is gaining a strategic advantage over your competitors;

Lockheed Martin's approach to climate change in our business strategy may gain us a strategic advantage over our competitors through our governance structure, focus on stakeholder-relevant core issues, role in helping our customers achieve their climate-related goals and by evolving our business strategy to balance competing priorities and pass savings to our customers. Our governance structure keeps our SMP on track and ensures clear and transparent accountability as we adjust our strategy and portfolio to reflect our customers' needs, global trends, and research and development priorities when entering new commercial technology markets. As a defense contractor, we balance our customers' needs through efforts such as Design for Affordability, which is an initiative to reduce total life-cycle costs of our products while preserving and even enhancing mission capabilities. Furthermore, as our life-cycle-based assessments have estimated that approximately 70% of the GHG impacts of our products are in the customer-use phase, we have developed three SMP goals to address GHG reductions in our products to focus on the greatest area of our impact. We innovate renewable and high-efficiency energy systems that reduce costs and carbon emissions for our customers and when possible, we pilot energy-saving products at our facilities to reduce energy consumption and showcase the value of these solutions.

viii) How the Paris Agreement has influenced the business strategy (e.g. the process of transition planning alongside the ratcheting of Intended Nationally Determined Contributions (INDCs));

The Paris Agreement has not influenced our business strategy.

(C3.1d) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios – 40 CHARACTERS	Details – 4,000 CHARACTERS
Other, please specific: Context-Based Carbon Metric	Lockheed Martin began modeling our carbon performance against global warming scenarios in 2014. Since that time, we have observed a growing consensus of governments, academics and non-governmental organizations (NGOs) that advocate for the goal of limiting global warming to 2 degrees Celsius, recognizing the importance of context to measure sustainability progress against the scale of the reported problem. Lockheed Martin chose to utilize the Context-Based Carbon Metric methodology for several reasons, including: 1) Compatibility with the Organization for Economic Cooperation and Development (OECD) emissions reductions guidelines for Representative Concentration Pathways (RCP2.6), which are GHG concentration trajectories adopted by the Intergovernmental Panel on Climate Change (IPCC) for its Fifth Assessment Report in 2014;

- 2) Determination from an internal study that compared the applicability of four methodologies for our industry sector, which favored a value-added approach or sector decarbonization approach (instead of absolute targets), based on the diversity of our broad product portfolio;
- 3) Validation of this methodology with NGOs such as Business for Social Responsibility (BSR), the U.S. Chamber of Commerce Foundation Corporate Citizenship Center, and institutional stockholders of Lockheed Martin;
- 4) Appreciation for a methodology that separates OECD and non-OECD emissions, year-on-year emissions performance snapshots, and later adaptation of year 2100 outcomes in the model.

Our voluntary carbon emissions targets and results outperform a science-based threshold to stabilize atmospheric carbon emissions. Using the Center for Sustainable Organizations' Context-Based Carbon Metric methodology, we produce less attributed carbon emissions than would be allocated based on our contribution to gross domestic product (GDP) of the U.S. The scope of this assessment covers our total Scope 1 and Scope 2 emissions, which encompasses our operational boundary. The methodology assumes a scenario of year 2100 and associated global carbon allocations. Applying the Context-Based Carbon Metric methodology offers an estimate on potential exposure to carbon tax schemes in the future that correspond to global carbon allocations.

The 1.0 threshold results from the ratio of the actual emissions to allocated emissions, based on a company's contribution to GDP. The baseline year was 2010, and our resulting score in 2017 is 0.714. Beyond 2017, we have also modeled different scenarios wherein the levels of carbon reduction and profit growth are varied to understand the conditions allowing us to stay below the 1.0 threshold through 2050.

Since 2017, the methodology that we chose has adapted its formula to accommodate both 2050 and 2100 carbon budget scenarios, and we have accordingly opted to model our trajectory to those end dates.

The results of our scenario analysis have influenced our business strategy in that during the fall of 2018, Lockheed Martin will engage in a Futures Scenario exercise with BSR. The scenario will incorporate climate-related factors. Additionally, Lockheed Martin is in the process of identifying appropriate scenarios in preparation for possible Task Force on Climate Related Disclosures (TCFD)-based reporting in the future.

C4 Targets and performance

Targets

(C4.1) Did you have an emissions target that was active in the reporting year? – SELECTION; NOT FREE TEXT

Absolute target

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number – SELECTION; NOT FREE TEXT	Scope – SELECTION; NOT FREE TEXT	% emissions in Scope – PERCENTAGE FIELD ONLY	% reduction from base year – PERCENTAGE FIELD ONLY	Base year – NUMERICAL FIELD ONLY	Start year – NUMERICAL FIELD ONLY	Base year emissions covered by target (metric tons CO2e) – NUMERICAL FIELD ONLY
Abs 1	Scope 1 + 2 (market-based)	96	35	2010	2012	1,271,358

Target year – NUMERICAL FIELD ONLY	Is this a science-based target? – SELECTION; NOT FREE TEXT	% achieved (emissions) – PERCENTAGE FIELD ONLY	Target status – SELECTION; NOT FREE TEXT	Please explain – 2,400 CHARACTERS
2020	Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative	94	Underway	Lockheed Martin’s absolute target includes Scope 1 and 2 emissions of CO2, CH4, N2O, and HFC from the following sources: electricity, natural gas, chilled water, jet fuel, gasoline, diesel, propane, #2 fuel oil, and refrigerants. We define our Go Green year as a twelve-month period from November 1 through October 31 to align with our internal reporting requirements while considering the time it takes for utility companies to process their invoicing. Lockheed Martin takes a comprehensive approach to energy reduction and GHG management. When establishing our reduction targets, we consider past performance, the goals of our primary customers, projected business growth and the material issues of our key stakeholders. We have also evaluated our performance through tools for science-based goal setting approaches including: 1) “Science-Based GHG Performance Model” developed by the Center for Sustainable Organizations (CSO); 2) “Sectoral Decarbonization Approach (SDA) published by the Science Based Targets Initiative (SBTI), Ecofys, CDP, World Wildlife Fund (WWF) and World Resources Institute (WRI); and 3) “The 3% Solution Calculator” developed by CDP,

			WWF and McKinsey and Company. The outcomes projected by these tools reflect that our Scope 1 and 2 targets and performance to date produce stronger results and are more aggressive than the science-based method.
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Other climate-related targets

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

Target – SELECTION; NOT FREE TEXT		KPI – Metric numerator – FREE TEXT		KPI – Metric denominator (intensity targets only) – FREE TEXT	Basel year – NUMERICAL FIELD ONLY	Start year – NUMERICAL FIELD ONLY	Target year – NUMERICAL FIELD ONLY
Other, please specify		Megawatt (MW)			2014	2014	2020
KPI in baseline year – NUMERICAL FIELD ONLY	KPI in target year – NUMERICAL FIELD ONLY	% achieved in reporting year – NUMERICAL FIELD ONLY	Target Status – SELECTION ONLY; NOT FREE TEXT	Please explain – 2,400 CHARACTERS		Part of emissions target – 2,400 CHARACTERS	Is this target part of an overarching initiative? – SELECTION; NOT FREE TEXT
2.2	10	60	Underway	EPA's Green Power Partnership program provides a framework that includes credible usage benchmarks, market information, technical assistance and public recognition to companies and other organizations that use green power. In 2010, Lockheed Martin joined EPA's Green Power Partnership, committing to use green power for a portion of our annual electricity consumption. In 2014, Lockheed Martin committed to		Lockheed Martin's voluntary commitment to EPA Green Power Partnership's On-site Renewables Challenge to quadruple our on-site renewable generation to 10 MW by 2020 complements our internal Go Green 2020	Other, please specify: EPA's Green Power Partnership

				the Green Power Partnership's On-site Renewables Challenge which aimed to double the use of on-site green power generated by partners by the end of 2020. Through this challenge, Lockheed Martin has made a pledge to quadruple its on-site renewable generation to 10 MW by the end of 2020. As of 2017, we currently have over 6 MW of capacity of on-site renewable generation and are on track to meet this commitment.	commitments to achieve 35% reduction in carbon emissions and 25% reduction in energy usage by the year 2020, from a 2010 baseline.	
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Target – SELECTION; NOT FREE TEXT	KPI – Metric numerator – FREE TEXT	KPI – Metric denominator (intensity targets only) – FREE TEXT	Basel year – NUMERICAL FIELD ONLY	Start year – NUMERICAL FIELD ONLY	Target year – NUMERICAL FIELD ONLY
Energy productivity	Total energy consumption (MMBtu)	(Net sales) * (adjusted domestic price index)	2007	2007	2017

KPI in baseline year – NUMERICAL FIELD ONLY	KPI in target year – NUMERICAL FIELD ONLY	% achieved in reporting year – NUMERICAL FIELD ONLY	Target Status – SELECTION ONLY; NOT FREE TEXT	Please explain – 2,400 CHARACTERS	Part of emissions target – 2,400 CHARACTERS	Is this target part of an overarching initiative? – SELECTION; NOT FREE TEXT
0.4802	0.3443	100	Retired	The Department of Energy's Better Plants Program partners with leading manufacturers and water utilities to improve energy efficiency and competitiveness in the industrial sector, enabling monetary savings in the process. In 2007, Lockheed Martin committed to a partnership under the Department of Energy's Better Plants Program, which requires annual reporting of our progress toward our energy intensity goal, based on calendar year data. Through this commitment, Lockheed Martin set a voluntary goal to reduce our energy intensity by 25% over a 10-year period.	The voluntary Department of Energy's Better Plants Program Partnership of reducing our energy intensity by 25% over a 10-year period, complements our internal Go Green 2020 commitments to achieve 35% reduction in carbon emissions and 25% reduction in energy usage by the year 2020, from a 2010 baseline.	Other, please specify: DOE's Better Plants Program

Target – SELECTION; NOT FREE TEXT	KPI – Metric numerator – FREE TEXT	KPI – Metric denominator (intensity targets only) – FREE TEXT	Basel year – NUMERICAL FIELD ONLY	Start year – NUMERICAL FIELD ONLY	Target year – NUMERICAL FIELD ONLY
Renewable energy consumption	Kilowatt hours (kWh)		2016	2016	2017

KPI in baseline year – NUMERICAL FIELD ONLY	KPI in target year – NUMERICAL FIELD ONLY	% achieved in reporting year – NUMERICAL FIELD ONLY	Target Status – SELECTION ONLY; NOT FREE TEXT	Please explain – 2,400 CHARACTERS	Part of emissions target – 2,400 CHARACTERS	Is this target part of an overarching initiative? – SELECTION; NOT FREE TEXT
300,000,000	303,000,000	100	Underway	In 2017, as part of Lockheed Martin's Sustainability Management Plan, we committed to increasing our annual renewable energy consumption. As of 2017 year-end, we have achieved this goal through on-site renewable energy installations, renewable electricity procurement through a 17-year power purchase agreement (PPA) and the purchase of renewable energy certificates (RECs).	Lockheed Martin's commitment through our SMP to increase our annual renewable energy consumption complements our internal Go Green 2020 commitments to achieve a 35% reduction in carbon emissions and a 35% reduction in energy use by the year 2020, from a 2010 baseline.	No, it's not part of an overarching initiative

Target – SELECTION; NOT FREE TEXT	KPI – Metric numerator – FREE TEXT	KPI – Metric denominator (intensity targets only) – FREE TEXT	Basel year – NUMERICAL FIELD ONLY	Start year – NUMERICAL FIELD ONLY	Target year – NUMERICAL FIELD ONLY
Other, please specify:	Square foot		2013	2013	2020

Green building footprint						
KPI in baseline year – NUMERICAL FIELD ONLY	KPI in target year – NUMERICAL FIELD ONLY	% achieved in reporting year – NUMERICAL FIELD ONLY	Target Status – SELECTION ONLY; NOT FREE TEXT	Please explain – 2,400 CHARACTERS	Part of emissions target – 2,400 CHARACTERS	Is this target part of an overarching initiative? – SELECTION; NOT FREE TEXT
1,200,000	2,400,000	100	Underway	Since 2013, Lockheed Martin has committed to annually increasing the square footage of our facilities with green building certifications. We will continue to commit to this annual increase through 2020. As of 2017, we operated 19 Leadership in Energy and Environmental Design (LEED), 1 Building Research Establishment Environmental Assessment Methodology (BREEAM) and 8 ENERGY STAR Certified buildings totaling over 2.4 million square feet of buildings with green certifications.	Lockheed Martin's commitment through our SMP to increase our green building footprint complements our internal Go Green 2020 commitments to achieve 25% reduction in energy usage and 35% reduction in carbon emissions by the year 2020, from a 2010 baseline.	No, it's not part of an overarching initiative

Target – SELECTION; NOT FREE TEXT	KPI – Metric numerator – FREE TEXT	KPI – Metric denominator (intensity targets only) – FREE TEXT	Basel year – NUMERICAL FIELD ONLY	Start year – NUMERICAL FIELD ONLY	Target year – NUMERICAL FIELD ONLY
Other, please specify: Reduce customers' emissions	Metric tons of carbon emissions equivalent (MTCO2e)		2016	2016	2020

KPI in baseline year	KPI in target year	% achieved in reporting	Target Status – SELECTION	Please explain – 2,400 CHARACTERS	Part of emissions target – 2,400 CHARACTERS	Is this target part of an overarching initiative? – SELECTION; NOT FREE TEXT
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– NUMERICAL FIELD ONLY	– NUMERIC AL FIELD ONLY	year – NUMERICAL FIELD ONLY	ONLY; NOT FREE TEXT			
1,100,000	1,650,000	98	Underway	In 2016, through our Sustainability Management Plan, Lockheed Martin has committed to helping our energy customers reduce their carbon emissions by at least twice the carbon impact of our business operations. As of 2017, Lockheed Martin's Energy business enabled carbon emissions savings of approximately 1,300,000 MTCO ₂ e for our customers, compared to our operational emissions of 844,374 MTCO ₂ e. By 2020, we are committed to achieving reductions of approximately 1,650,000 MTCO ₂ e for our energy customers.		No, it's not part of an overarching initiative

Emissions reduction initiatives

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases. – SELECTION; NOT FREE TEXT

Yes

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

Stage of development – SELECTION; NOT FREE TEXT	Number of projects – NUMERICAL FIELD ONLY	Total estimated annual CO2e savings in metric tons CO2e (only for rows marked *) – NUMERICAL FIELD ONLY
Under investigation	0	0
To be implemented*	6	3,200
Implementation commenced*	5	670
Implemented*	9	17,900
Not to be implemented	0	0

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

Activity type – SELECTION; NOT FREE TEXT	Description of activity – SELECTION; NOT FREE TEXT	Estimated annual CO2e savings (metric tons CO2e) – NUMERICAL FIELD ONLY	Scope – SELECTION; NOT FREE TEXT	Voluntary/ Mandatory – SELECTION; NOT FREE TEXT
Energy efficiency: Building services	Building controls	2,700	Scope 1 Scope 2 (location-based)	Voluntary
Annual monetary savings (unit currency, as specified in C0.4) – NUMERICAL FIELD ONLY	Investment required (unit currency, as specified in C0.4) – NUMERICAL FIELD ONLY	Payback period – SELECTION; NOT FREE TEXT	Estimated lifetime of the initiative – SELECTION; NOT FREE TEXT	Comment – 1,500 CHARACTERS
300,000	400,000	4-10 years	6 – 10 years	Building control systems do not directly reduce emissions; however they enable the

				management of building equipment to identify efficiency opportunities. For this reason, the payback period is not necessarily reflective of the ROI.
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Activity type – SELECTION; NOT FREE TEXT	Description of activity – SELECTION; NOT FREE TEXT	Estimated annual CO2e savings (metric tons CO2e) – NUMERICAL FIELD ONLY	Scope – SELECTION; NOT FREE TEXT	Voluntary/ Mandatory – SELECTION; NOT FREE TEXT
Energy efficiency: Building services	HVAC	3,700	Scope 1 Scope 2 (location-based)	Voluntary
Annual monetary savings (unit currency, as specified in C0.4) – NUMERICAL FIELD ONLY	Investment required (unit currency, as specified in C0.4) – NUMERICAL FIELD ONLY	Payback period – SELECTION; NOT FREE TEXT	Estimated lifetime of the initiative – SELECTION; NOT FREE TEXT	Comment – 1,500 CHARACTERS
656,000	3,880,000	4-10 years	16 – 20 years	

Activity type – SELECTION; NOT FREE TEXT	Description of activity – SELECTION; NOT FREE TEXT	Estimated annual CO2e savings (metric tons CO2e) – NUMERICAL FIELD ONLY	Scope – SELECTION; NOT FREE TEXT	Voluntary/ Mandatory – SELECTION; NOT FREE TEXT
Energy efficiency: Processes	Compressed air	130	Scope 1 Scope 2 (location-based)	Voluntary
Annual monetary savings (unit currency, as specified in C0.4) – NUMERICAL FIELD ONLY	Investment required (unit currency, as specified in C0.4) – NUMERICAL FIELD ONLY	Payback period – SELECTION; NOT FREE TEXT	Estimated lifetime of the initiative – SELECTION; NOT FREE TEXT	Comment – 1,500 CHARACTERS
19,000	85,000	1 – 3 years	21 – 30 years	

Activity type – SELECTION; NOT FREE TEXT	Description of activity – SELECTION; NOT FREE TEXT	Estimated annual CO2e savings (metric tons CO2e) – NUMERICAL FIELD ONLY	Scope – SELECTION; NOT FREE TEXT	Voluntary/ Mandatory – SELECTION; NOT FREE TEXT
Process emissions reductions	Other, please specify: Data center modifications	100	Scope 1 Scope 2 (location-based)	Voluntary
Annual monetary savings (unit currency, as specified in C0.4) – NUMERICAL FIELD ONLY	Investment required (unit currency, as specified in C0.4) – NUMERICAL FIELD ONLY	Payback period – SELECTION; NOT FREE TEXT	Estimated lifetime of the initiative – SELECTION; NOT FREE TEXT	Comment – 1,500 CHARACTERS
10,000	500	< 1 year	11 – 15 years	

Activity type – SELECTION; NOT FREE TEXT	Description of activity – SELECTION; NOT FREE TEXT	Estimated annual CO2e savings (metric tons CO2e) – NUMERICAL FIELD ONLY	Scope – SELECTION; NOT FREE TEXT	Voluntary/ Mandatory – SELECTION; NOT FREE TEXT
Energy efficiency: Building services	Lighting	4,700	Scope 1 Scope 2 (location-based)	Voluntary
Annual monetary savings (unit currency, as specified in C0.4) – NUMERICAL FIELD ONLY	Investment required (unit currency, as specified in C0.4) – NUMERICAL FIELD ONLY	Payback period – SELECTION; NOT FREE TEXT	Estimated lifetime of the initiative – SELECTION; NOT FREE TEXT	Comment – 1,500 CHARACTERS
1,650,000	6,000,000	1 – 3 years	11 – 15 years	

Activity type – SELECTION; NOT FREE TEXT	Description of activity – SELECTION; NOT FREE TEXT	Estimated annual CO2e savings (metric tons CO2e) – NUMERICAL FIELD ONLY	Scope – SELECTION; NOT FREE TEXT	Voluntary/ Mandatory – SELECTION; NOT FREE TEXT
Low-carbon energy installation	Solar PV	2,300	Scope 2 (market-based)	Voluntary

Annual monetary savings (unit currency, as specified in C0.4) – NUMERICAL FIELD ONLY	Investment required (unit currency, as specified in C0.4) – NUMERICAL FIELD ONLY	Payback period – SELECTION; NOT FREE TEXT	Estimated lifetime of the initiative – SELECTION; NOT FREE TEXT	Comment – 1,500 CHARACTERS
375,000	1,840,000	4-10 years	21 – 30 years	

Activity type – SELECTION; NOT FREE TEXT	Description of activity – SELECTION; NOT FREE TEXT	Estimated annual CO2e savings (metric tons CO2e) – NUMERICAL FIELD ONLY	Scope – SELECTION; NOT FREE TEXT	Voluntary/ Mandatory – SELECTION; NOT FREE TEXT
Energy efficiency: Processes	Reuse of steam	2,200	Scope 1 Scope 2 (location-based)	Voluntary

Annual monetary savings (unit currency, as specified in C0.4) – NUMERICAL FIELD ONLY	Investment required (unit currency, as specified in C0.4) – NUMERICAL FIELD ONLY	Payback period – SELECTION; NOT FREE TEXT	Estimated lifetime of the initiative – SELECTION; NOT FREE TEXT	Comment – 1,500 CHARACTERS
315,000	875,000	1 – 3 years	21 – 30 years	

Activity type – SELECTION; NOT FREE TEXT	Description of activity – SELECTION; NOT FREE TEXT	Estimated annual CO2e savings (metric tons CO2e) – NUMERICAL FIELD ONLY	Scope – SELECTION; NOT FREE TEXT	Voluntary/ Mandatory – SELECTION; NOT FREE TEXT
Process emissions reduction	Changes in operations	2,000	Scope 1 Scope 2 (location-based)	Voluntary

Annual monetary savings (unit currency, as specified in C0.4) – NUMERICAL FIELD ONLY	Investment required (unit currency, as specified in C0.4) – NUMERICAL FIELD ONLY	Payback period – SELECTION; NOT FREE TEXT	Estimated lifetime of the initiative – SELECTION; NOT FREE TEXT	Comment – 1,500 CHARACTERS
727,000	139,000	<1 year	11 – 15 years	

Activity type – SELECTION; NOT FREE TEXT	Description of activity – SELECTION; NOT FREE TEXT	Estimated annual CO2e savings (metric tons CO2e) – NUMERICAL FIELD ONLY	Scope – SELECTION; NOT FREE TEXT	Voluntary/ Mandatory – SELECTION; NOT FREE TEXT
Energy Efficiency: Building fabric	Insulation	03	Scope 1 Scope 2 (location-based)	Voluntary
Annual monetary savings (unit currency, as specified in C0.4) – NUMERICAL FIELD ONLY	Investment required (unit currency, as specified in C0.4) – NUMERICAL FIELD ONLY	Payback period – SELECTION; NOT FREE TEXT	Estimated lifetime of the initiative – SELECTION; NOT FREE TEXT	Comment – 1,500 CHARACTERS
18,000	276,000	1 – 3 years	21 – 30 years	Building envelopes do not directly reduce emissions; however, they enable energy efficiency opportunities. For this reason, the payback period is not necessarily reflective of the ROI.

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

Method – SELECTION; NOT FREE TEXT	Comment – 2,400 CHARACTERS
Compliance with regulatory requirements/standards	Lockheed Martin's Corporate Energy, Environment, Safety and Health (EESH) function has developed and implemented the Environmental, Safety and Health Management System (ESHMS) which goes beyond compliance by providing a risk-based, systematic framework to evaluate the management and performance of ESH processes, programs, and tasks against established standards. Through the ESHMS, our business locations (sites) are required to conduct self-assessments based on their risk assessment profile, provided with checklists to evaluate compliance, and given mechanisms to track corrective actions. The ESHMS directs sites to complete corrective action within a specified timeframe depending on the nature and severity of incidents and provides internal documentation tools that serve as the record of authority. The Corporate EESH function also implements a process to report incidents, ensure timely communication, assure that appropriate response processes are initiated, and prevent further incidents. If non-compliance is identified, systematic interim control, root cause, corrective and preventive action

	<p>processes must be applied and monitored to prevent future occurrence. Additionally, our Corporate Internal Audit function periodically audits our sites and/or programs for conformance to our ESH-related internal standards and compliance with legal regulations. These audits provide a check-and-balance approach to risk mitigation across the enterprise.</p> <p>All of Lockheed Martin's facilities are compliant with our internal ESHMS requirements which align to globally recognized standards of management (e.g., ISO 14001). In 2017, Lockheed Martin's facilities in the United Kingdom and Australia achieved certification to the new ISO 14001:2015 International Standard for Environmental Management Systems. The certification covered 16 of our sites (8 in the United Kingdom; 8 sites in Australia), encompassing multiple business elements and stakeholder operations.</p>
Dedicated budget for energy efficiency	<p>Lockheed Martin's Corporate Energy, Environment, Safety and Health (EESH) function coordinates a dedicated capital infrastructure fund, referred as the Go Green gated capital program. This fund is primarily used to fund major energy projects, with the recipient business segment funding the capital depreciation. Prior to approval through Corporate management, Corporate EESH reviews each submitted project to ensure they meet the criteria established for use of this fund. Additional energy-related projects are funded at the site and business segment level, using both expense and normal business capital processes. In 2017, Lockheed Martin spent over \$13 million on completed projects and initiatives specifically related to energy and water efficiency. We completed over 70 energy-efficiency and GHG emissions reductions projects in 2017, which contributed towards a 23% energy reduction and a 33% reduction in attributed GHG emissions. In 2017, Lockheed Martin avoided approximately \$34 million (compared to a 2010 baseline) in energy and water costs through the implementation of similar projects over the years.</p>
Dedicated budget for low-carbon product R&D	<p>The mission of Lockheed Martin's Ventures business element is to make strategic investments in companies that are developing disruptive, cutting-edge technologies in core businesses and new markets important to Lockheed Martin. Since 2007, we have invested more than \$100 million in startup companies. These emerging innovations have the potential to become foundational technologies that solve the complex challenges our customers face. Lockheed Martin Ventures includes energy and power systems within its areas of interest, as well as autonomous systems and robotics, cyber security, space technologies, advanced communications and sensors, undersea technologies, data analytics, artificial intelligence and machine learning, NextGen electronics, and advanced materials and manufacturing. In addition to providing a source of capital, Lockheed Martin Ventures provides partner companies with access to our world-class engineering talent, state-of-the-art technologies, and access to the company's international business relationships and supply chain.</p>
Dedicated budget for other emissions reduction activities	<p>Lockheed Martin has a dedicated budget for the purchase of green power (i.e. renewable energy credits) to reduce our emissions. Through this allocated budget, we are enabled to: 1) Achieve the Energy and Carbon Management goals in our Sustainability Management Plan which aims to "increase annual renewable energy consumption"; 2) Rank within the EPA Green Power Partnership's (GPP) National 100 List and maintaining the 20% renewable electricity consumption threshold for GPP eligibility; and 3) Meet Lockheed Martin's internal annual carbon reduction target, which will ultimately help us achieve our Go Green 2020 goal for a 35% reduction in carbon emissions by the year 2020, from a 2010 baseline.</p>
Internal incentives/recognition programs	<p>Lockheed Martin presented its annual 2017 Environment, Safety and Health (ESH) Excellence Awards to recognize individuals and teams that have made significant contributions through their dedication to improving business operations and performance. Employees are selected for the ESH Excellence Awards based on qualities such as superiority in customer satisfaction,</p>

	<p>leadership, application of technology, tools and/or processes that improve efficiency and productivity, benchmarking, best practices, and affordability. The 2017 ESH Excellence Awards include projects that relate to emissions reductions activities.</p>
Partnering with governments on technology development	<p>Lockheed Martin's Energy business element takes a comprehensive approach to apply our technology and expertise to different elements of the energy market including generation, management, storage and security. We have provided energy management and efficiency expertise to over 100 major U.S. Federal, state, and commercial customers through smart grid products and services for utilities and energy management systems for individual buildings. Furthermore, under the Federal Energy Management Energy Savings Performance Contract Program, Lockheed Martin is authorized to help the U.S. Federal government reduce its energy costs and environmental impact through improved utility management decisions at federal sites.</p> <p>Additionally, through a collaborative development and acquisition effort between NOAA and NASA, in November of 2016, Lockheed Martin completed and launched the first of four next-generation geostationary weather satellites, the Geostationary Operational Environmental Satellite-R Series (GOES-R), which will provide a major improvement in quality, quantity and timeliness of weather data collected over the Western Hemisphere. Also in 2017, Lockheed Martin completed the assembly of the GOES-S weather satellite, the second of the four next-generation geostationary weather satellites, and is in the process of conducting critical mechanical and environmental testing on the spacecraft. The GOES-R series satellites are funded, managed and will be operated by NOAA, enabling higher-resolution images of weather patterns and severe storms five times faster than today. These enhanced capabilities will contribute towards more accurate and reliable weather forecasts, severe weather outlooks and warnings, maritime forecasts, seasonal predictions, drought outlooks and space weather predictions. These advanced prediction capabilities will in turn, enable avoidance of adverse impacts from weather event and inform solutions for climate adaptation needs.</p>
Other	<p>Lockheed Martin's business segments are measured on their performance towards Go Green energy and carbon emission reduction goals. Since 2010, a team of subject matter experts from facilities, engineering, and production operations called the "Tiger Team" have been conducting in-depth analyses of energy and water systems across the company to identify projects for implementation. In 2017, the Tiger Team conducted 10 structured improvement events resulting in energy and water savings through infrastructure and process/production optimizations. In 2017, Lockheed Martin avoided approximately \$34 million (compared to a 2010 baseline) in energy and water costs through the implementation of similar projects over the years. Furthermore, Lockheed Martin has adopted the United States Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) as the minimum standard for new construction, renovations, and/or retrofit projects. 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 to meet the Corporation's goals on increasing our green footprint. The design, construction or renovation of a facility requires the use of latest green-building technologies that meets the ANSI/ASHRAE/IESNA Standard 90.1, Energy Standard for Buildings Except Low-Rise Residential Buildings. For existing buildings, installation of equipment should be life cycle cost effective and reduce the buildings' energy consumption. From our 2013 baseline year to 2017, Lockheed Martin more than doubled our green footprint through ENERGY STAR®, LEED and BREEAM certifications.</p>

Low-carbon products

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
– SELECTION; NOT FREE TEXT**

Yes

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation – SELECTION; NOT FREE TEXT	Description of product/ Group of products – 2,400 CHARACTERS	Are these low-carbon product(s) or do they enable avoided emissions? – SELECTION; NOT FREE TEXT	Taxonomy, project, or methodology used to classify product(s) as low-carbon or to calculate avoided emissions – SELECTION; NOT FREE TEXT	% revenue from low-carbon product(s) in the reporting year – NUMERICAL FIELD ONLY	Comment – 2,400 CHARACTERS
Product	By incorporating microvanes on the C-130, engineers are able to reduce drag and decrease fuel consumption, which reduces GHG emissions and delivers cost avoidances to the customer. Microvanes are drag reducing devices that are adhesively bonded onto the upswept aft fuselage on either side of a C-130's cargo ramp. Microvanes slow the vortexes that form as airflow slows around the aft of the aircraft and reduce drag, resulting in cruise fuel consumption savings from 3.3% to 11%. With the U.S. Air Force operating over 500 C-130 aircraft, increased flight efficiencies from the microvanes will result in potential annual reductions of approximately 3 to 7.5 million gallons of fuel consumption and a range of fuel cost savings from \$8 to \$40 million. These fuel savings translate to a potential annual reduction ranging from approximately 64,000 MTCO _{2e} to over 160,000 MTCO _{2e} of Scope 1 emissions reductions for our customers.	Low-carbon product and avoided emissions	Other, please specify: internal company methods	0	Microvanes are drag reducing devices that reshape the airflow, such as around the cargo ramp of a C-130 aircraft. These attachments are made of 3D-printed, glass-filled nylon (polyimide) using selective laser sintering, with each costing about an average of \$100,000. This represents approximately 0.0002% of our total revenue.

Group of products	<p>Energy Efficiency and Comprehensive Energy Management Solutions Programs:</p> <p>As one of the largest implementers of energy efficiency projects in the U.S., Lockheed Martin's Energy business element (LM Energy) partners with government, industrial and commercial customers, offering systems and solutions to improve the transmission, distribution and usage of power to deliver energy savings. LM Energy implements award-winning commercial, industrial, utility and residential efficiency programs to ensure our customers conserve energy, increase operational efficiencies and maximize capital spending. LM Energy provides energy management solutions to 8 of the 10 largest utilities in the U.S., as well as to over 70 major utilities, commercial enterprises, and federal and state agencies worldwide. In 2017, LM Energy completed over 43,000 energy efficiency projects and processed more than \$200 million in incentives, saving customers approximately 1.6 million MWh and over 7 million Therms. These projects helped achieve a reduction of over 200 MW and more than 1.3 million MTCO_{2e} for our customers, reducing their Scope 2 emissions.</p>	Avoided emissions	Other, please specify: internal company methods	0.4	
Product	<p>Tidal Energy:</p> <p>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. In 2017, Atlantis Resources Ltd. deployed the first AR1500 tidal turbine with new Lockheed Martin technology off the coast of Scotland. In addition to designing the turbine, Lockheed Martin developed, manufactured and delivered two innovative subsystems, the Yaw Drive System (YDS) and the Variable Pitch Systems (VPS), which enable the turbine to rotate autonomously around its base, such that it always faces into the tidal flow. Once completed, the MeyGen project – the world's largest tidal stream project under development – will deploy nearly 270 tidal turbines to generate approximately 400 MW of power, which is enough energy to power up to 175,000 homes, significantly reducing Scope 2 emissions. The MeyGen project will contribute to Scotland's goal of 100 percent renewable energy by 2020.</p>	Low carbon product and avoided emissions	Climate Bonds Taxonomy	4	<p>Through our Sustainability Management Plan, Lockheed Martin has committed to achieving \$4 billion in annual product sales with direct, measurable benefits to energy and advanced infrastructure resiliency by the year 2020. In 2017, product sales that benefited energy and infrastructure resiliency totaled \$2.1 billion. Although revenue from Lockheed Martin's tidal project cannot be estimated individually, it has contributed towards this amount.</p>

Group of products	<p>Energy storage: In 2017, Lockheed Martin deployed 70 energy storage units in 19 locations, representing 20 MW, or 40 MWh of energy storage. Our GridStar™ product has been tested and certified to the rigorous UL 9540 standard. To develop our certified GridStar™ product, we employed robust development processes including incorporation of industry and customer feedback and previous lessons learned into design and development, in addition to conducting thorough design reviews and integration testing. Lockheed Martin's Energy business element designed the GridStar™ system for ease of installation and compact footprint. GridStar™ is a factory-assembled, integrated energy storage system with AC output, dramatically simplifying installation and eliminating significant field integration, improving quality and safety. GridStar™ leads the industry with a footprint up to 50% smaller than the competition. Electric utilities and project developers also find value in our energy storage solutions through deferred costly upgrades to transmission and distribution infrastructure equipment, integration of intermittent renewable energy generation, addition of local flexible capacity, and reduction of peak demand.</p>	Low-carbon product and avoided emissions	Low Carbon Investment (LCI) Registry	4	Through our Sustainability Management Plan, Lockheed Martin has committed to achieving \$4 billion in annual product sales with direct, measurable benefits to energy and advanced infrastructure resiliency by the year 2020. In 2017, product sales that benefited energy and infrastructure resiliency totaled \$2.1 billion. Although revenue from Lockheed Martin's energy storage portfolio cannot be estimated individually, it has contributed towards this amount.
Group of products	<p>Energy Savings Performance Contracts (ESPCs): In 2014, we completed the installation of a 24 year, Net-Zero Energy Savings Performance Contract with the Department of State for its Embassy in Managua, Nicaragua. Through ESPCs, the customer makes payments over time to Lockheed Martin from the savings in their utility bills. Under this contract, the embassy will invest \$15 million to save more than \$36 million in utility expenses through the installation of 1 MW of solar photovoltaic generation, lighting upgrades and controls, chiller plant upgrades, building automation system optimization and transformer upgrades. On-site energy generation will increase security and reduce risk of energy cost volatility for the next 25 years. From base year 2012, the Embassy will achieve a 54% total reduction in energy usage across nine buildings, which translates to an estimated cost savings of \$1.6 million per year. These projects result in a decrease in the customer's Scope 1 and 2 emissions. Following our success at the U.S. Embassy in Nicaragua, the U.S. State Department asked Lockheed Martin Energy for a proposal to</p>	Avoided emissions	Other, please specify: internal company methods	0	Although this is a multi-year contract and % revenue from our ESPC services cannot be allocated to just the reporting year, the average of the \$15 million contract across 24 years is \$625,000. This amount is 0.001% of our 2017 revenue.

	potentially deploy another 750 kW solar photovoltaic system, battery storage, and microgrid solution to reduce the Embassy's energy dependency. As of 2017, these energy retrofits have delivered savings of over 50% in energy use and cost.				
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C5 Emissions methodology

Base year emissions

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

Scope – SELECTION; NOT FREE TEXT	Base year start – DATE FIELD ONLY	Base year end – DATE FIELD ONLY	Base year emissions (metric tons CO2e) – NUMERICAL FIELD ONLY	Comment – 2,400 CHARACTERS
Scope 1	11/01/2009	10/31/2010	346,734	
Scope 2 (location-based)	11/01/2009	10/31/2010	1,096,826	Our combined Scope 1 and 2 emissions for our baseline year are calculated using the location-based method, net of carbon from RECs, which we consider to be a market-based accounting method at the time of our base year's calculation. However, as reported in 4.1a, our combined Scope 1 and 2 (market-based) emissions are 1,271,358 MTCO2e (346,734 Scope 1 MTCO2e + 1,096,826 Scope 2 MTCO2e – 172,202 MTCO2e avoided from RECs)

Scope 2 (market-based)				
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Emissions methodology

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions. – SELECTION; NOT FREE TEXT

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

C6 Emissions data

Scope 1 emissions data

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

Gross global Scope 1 emissions (metric tons CO2e) – NUMERICAL FIELD ONLY	Comment – 2,400 CHARACTERS
291,523	

Scope 2 emissions reporting

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

Scope 2, location-based – SELECTION; NOT FREE TEXT	Scope 2, market-based – SELECTION; NOT FREE TEXT	Comment – 2,400 CHARACTERS
We are reporting a Scope 2, location-based figure	We are reporting a Scope 2, market-based figure	

Scope 2 emissions data

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

Scope 2, location-based – NUMERICAL FIELD ONLY	Scope 2, market-based (if applicable) – NUMERICAL FIELD ONLY	Comment – 2,400 CHARACTERS
745,682	552,851	

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

No

Scope 3 emissions data

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

Sources of Scope 3 emissions – SELECTED; NOT FREE TEXT	Evaluation status – SELECTED; NOT FREE TEXT	Metric tons CO2e – NUMERICAL FIELD	Emissions calculation methodology – 2,400 CHARACTERS	Percentage of emissions calculated using data obtained from suppliers or value chain partners – NUMERICAL FIELD	Explanation – 2,400 CHARACTERS
Purchased goods and services	Relevant, calculated	7,700,000	In 2016, we conducted an analysis to estimate the environmental impacts across our entire value chain. We completed an economic input-output life cycle assessment (EIO-LCA) of our supply chain, our own facilities, and the use of our most material products and services to understand and prioritize the environmental issues that may have the most impact on our business. This LCA is a comprehensive analysis of our overall footprint, including the emissions attributed to our supply chain associated with purchased goods and services. For this category, we compiled 12 months of supplier spend (August 2015 - July 2016), assigned a NAICS classification to each vendor and estimated the global warming potentials from multiple environmental and social impact categories.	100	
Capital goods	Relevant, calculated	370,000	In 2016, we conducted an analysis to estimate the environmental impacts across our entire value chain. We completed an economic input-output life cycle assessment (EIO-LCA) of our supply chain, our own facilities, and the use of our most material products and services to understand and prioritize the environmental issues that may have the most impact on our business. This LCA is a comprehensive analysis of our overall footprint, including the emissions from purchased goods and services from our supply chain. For this	100	

			category, we compiled 12 months of supplier spend (August 2015 - July 2016), assigned a NAICS classification to each vendor and estimated the global warming potentials from multiple environmental and social impact categories.		
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, calculated	100,000	Lockheed Martin calculated the estimates of the transportation and distribution loss associated with the delivery of electricity and natural gas from the utility to our facilities. We calculated the transmission and distribution losses associated with electricity using the country-specific factors provided by World Bank, "Electric power transmission and distribution losses (% of output), 2011-2015." Emissions associated with natural gas were calculated using the 14.8 g CO ₂ e/MJ factor from a 2016 study by the National Energy Technology Laboratory on the Life Cycle of Natural Gas and Power Production. This factor encompasses upstream cradle through distribution for small scale consumers (industrial, commercial, residential).	100	
Upstream transportation and distribution	Relevant, calculated	60,000	This source contains upstream transportation of materials to and from our facilities from 15 of our largest transportation vendors representing approximately 62% of our total transportation by spend. Lockheed Martin directly contacts our transportation vendors to receive information about their emissions. Transportation vendors provided MTCO ₂ e/Year or Miles Travelled/Year associated with Lockheed Martin shipments. If the transportation vendor did not directly provide emissions data, we utilized EPA's SmartWay emission rates for vendors and applied these rates to their Miles Travelled/Year. EPA's SmartWay Partners fleet emissions rates are found at: https://www3.epa.gov/smartway/forpartners/performance.htm	100	
Waste generated in operations	Relevant, calculated	5,000	Emissions associated with operational waste generation are calculated using the U.S. EPA's WARM calculator. These emissions are reported as part of Scope 3 GHG emissions. The EPA WARM calculator also estimates Lockheed Martin's avoided emissions derived from recycling initiatives, which are approximately 65,729 MTCO ₂ e.	100	
	Relevant, calculated	170,000	Rental car mileage data are obtained from our corporate approved car rental agency. Airline emissions are obtained	100	

Business travel			from our corporate travel provider. The emissions are calculated based on the GHG protocol. NOTE: This data includes air travel for all of Lockheed Martin's business segments plus additional services such as business relocation and recruiting.		
Employee commuting	Relevant, calculated	200,000	Emissions associated with employee commuting are estimated using a zip code analysis of the distance between our employees' homes and assigned work locations, for U.S. employees only. Telecommuters are not included in this estimate. The total daily distance is multiplied by an estimated 233 work days per year. We assume an average of 24 mpg based on U.S. Energy Information Administration "Annual Energy Review 2012, Table 2.8 Motor Vehicle Mileage, Fuel Consumption, and Fuel Economy, Selected Years, 1949-2012, Miles per Gallon for Light Duty Vehicles in 2016." We estimate the emissions from the total miles travelled per year using the EPA Mandatory Reporting Rule gasoline emission factor for MTCO2.	100	
Upstream leased assets	Not relevant, explanation provided				Leased assets are included in Lockheed Martin's Scope 1 and 2 emissions data in accordance with the operational control boundary.
Downstream transportation and distribution	Not relevant, explanation provided				Lockheed Martin manages the delivery of products and services directly to the customer and expenses are tracked and reported under the upstream transportation and distribution category. The amount of deliveries of products handled by the customer is extremely small and is considered de minimis for Scope 3 reporting purposes. To perform this calculation, we would have to evaluate the emissions of our customers' transportation and then allocate our products. Additionally, we would have to examine the products

					delivered in 2017 and the emissions associated with the customers' transportation of these products. We are not able to perform this calculation because we do not have estimates of where the products are going and the mode of transportation.
Processing of sold products	Not relevant, explanation provided				Lockheed Martin primarily acts as the final point in the manufacturing and assembly of products before delivery to the customer. This category would apply to our upstream supply chain.
Use of sold products	Relevant, calculated	22,000,000	In 2016, we conducted an analysis to estimate the environmental impacts across our entire value chain. We completed an economic input-output life cycle assessment (EIO-LCA) of our supply chain, our own facilities, and the use of our most material products and services to understand and prioritize the environmental issues that may have the most impact on our business. This LCA is a comprehensive analysis of our overall footprint, including the emissions from the use of our sold products. For this category, product impacts were determined by individually estimating the environmental impacts of our top 20 products by sales in 2015 based on fuel type, usage ratios and number of units sold during the study period.	100	
End of life treatment of sold products	Not relevant, explanation provided				Because of sensitive technology and impact to national security, end-of-life treatment is tightly dictated by the customer. Our platforms are typically durable goods with extremely long lifespans of decades or more.
Downstream leased assets	Not relevant, explanation provided				Lockheed Martin maintains a small number of LMC-owned properties with portions of the space leased to other tenants. We currently do not have emissions data for these tenants and this figure is considered de minimis for Scope 3 reporting purposes.

Franchises	Not relevant, explanation provided				Lockheed Martin does not own or operate any franchises.
Investments	Not relevant, explanation provided				Lockheed Martin is not a financial institution and therefore does not meet the relevancy as stated in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
Other (upstream)					
Other (downstream)					

Carbon dioxide emissions from biologically sequestered carbon

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization? – SELECTION; NOT FREE TEXT

Yes

(C6.7a) Provide the emissions from biologically sequestered carbon relevant to your organization in metric tons CO2. – NUMERICAL FIELD ONLY

14,827

Emissions intensities

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

Intensity figure – NUMERICAL FIELD ONLY	Metric numerator (Gross global combined Scope 1 and 2 emissions) – NUMERICAL FIELD ONLY	Metric denominator – SELECTION ONLY; NOT FREE TEXT	Metric denominator: Unit total – NUMERICAL FIELD ONLY	Scope 2 figure used – SELECTION; NOT FREE TEXT	% change from previous year – NUMERICAL FIELD ONLY	Direction of change – SELECTION ONLY; NOT FREE TEXT	Reason for change – 2,400 CHARACTERS
0.000017	844,347	Unit total revenue	51,048,000,000	Market-based	14.93	Decreased	Lockheed Martin's total revenue increased 7.5% from \$47.2 billion in 2016 to \$51.0 billion in 2017, while Scope 1 and Scope 2 emissions decreased by 8.1% over the same period. Our intensity for carbon emissions per total revenue decreased because as our total revenue increased, our carbon emissions decreased due to emissions reductions activities and energy efficiency initiatives at our facilities.
8.4437	844,374	Full time equivalent (FTE) employee	100,000	Market-based	10.84	Decreased	Lockheed Martin's employee population increased by 3% from 97,000 employees in 2016 to approximately 10,000 employees in 2017, while Scope 1 and 2 emissions decreased by 8.1% over the same period. Our intensity for carbon emissions per full-time equivalent employee decreased because as our employee population increased, our carbon emissions decreased due to emissions reductions activities and energy efficiency initiatives at our facilities.

0.0118	844,374	Square foot	71,400,000	Market-based	3.37	Decreased	Lockheed Martin's square footage decreased by 4.9% from approximately 75.1 million square feet in 2016 to approximately 71.4 million square feet in 2017, while Scope 1 and 2 emissions decreased by 8.1% over the same period. Our intensity for carbon emissions per square foot decreased because although our square footage decreased slightly, our carbon reduction was greater than the decrease in our facility footprint due to emissions reductions activities and energy efficiency initiatives.
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C7 Emissions breakdown

Scope 1 breakdown: GHGs

(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide? – SELECTION; NOT FREE TEXT

Yes

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

Greenhouse gas – SELECTION; NOT FREE TEXT	Scope 1 emissions (metric tons in CO2e) – NUMERICAL FIELD	GWP Reference – SELECTION; NOT FREE TEXT
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CO2	284,155	IPCC Second Assessment Report (SAR - 100 year)
CH4	201	IPCC Second Assessment Report (SAR - 100 year)
N2O	456	IPCC Second Assessment Report (SAR - 100 year)
HFCs	6,710	IPCC Second Assessment Report (SAR - 100 year)

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

Country/Region – SELECTION; NOT FREE TEXT	Scope 1 emissions (metric tons CO2e) – NUMERICAL FIELD
Australia	0
Canada	137
Mexico	0
Poland	1,310
United Kingdom of Great Britain and Northern Ireland	200
United States of America	289,875

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide. – SELECTION; NOT FREE TEXT

By business division

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

Business Division – FREE TEXT, 500 CHARACTERS	Scope 1 emissions (metric tons CO2e) – NUMERICAL FIELD
Aeronautics	114,228
Enterprise Operations	16,817
Missiles and Fire Control	19,782
Rotary and Mission Systems	80,953
Space	59,742

Scope 2 breakdown: country

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

Country/Region – SELECTION; NOT FREE TEXT	Scope 2, location-based (metric tons CO2e) – NUMERICAL FIELD	Scope 2, market-based (metric tons CO2e) – NUMERICAL FIELD	Purchased and consumed electricity, heat, steam or cooling (MWh) – NUMERICAL FIELD	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh) – NUMERICAL FIELD
Australia	1,090	1,090	1,365	0
Canada	345	345	2,302	0
Mexico	610	610	1,204	0
Poland	8,457	8,457	10,997	0
United Kingdom of Great Britain and Northern Ireland	2,189	2,189	5,312	0

United States of America	732,991	540,159	1,513,459	303,746
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Scope 2: business breakdowns

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide. – SELECTION; NOT FREE TEXT

By business division

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

Facility – FREE TEXT, 500 CHARACTERS	Scope 2, location-based (metric tons CO2e) – NUMERICAL FIELD	Scope 2, market-based (metric tons CO2e) – NUMERICAL FIELD
Aeronautics	249,415	220,563
Enterprise Operations	45,094	16,307
Missiles and Fire Control	131,285	130,774
Rotary and Mission Systems	143,520	121,078
Space	176,369	64,129

Emissions performance

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year? – SELECTION; NOT FREE TEXT

Decreased

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

Reason – SELECTION; NOT FREE TEXT	Change in emissions (metric tons CO2e) – NUMERICAL FIELD	Direction of change – SELECTION; NOT FREE TEXT	Emissions value (percentage) – NUMERICAL FIELD	Please explain calculation – 2,400 CHARACTERS
Change in renewable energy consumption	1,956		0.2	<p>Lockheed Martin's absolute Scope 1 and 2 emissions decreased from 2016 to 2017 due to our renewable energy consumption, energy efficiency initiatives, change in methodology and the consolidation of our square footage. We first calculate our total absolute emissions reductions by comparing the difference between our total Scope 1 and Scope 2 (market-based) emissions from 2016 to 2017. In 2016, our Scope 1 and Scope 2 (market-based) emissions totaled 918,635 MTCO2e; and in 2017, our Scope 1 and Scope 2 (market-based) emissions totaled 844,374 MTCO2e. The gross difference in our emissions from 2016 to 2017 is 74,262 MTCO2e. Therefore, we arrive at an 8.1% decrease in total Scope 1 and Scope 2 (market-based) emissions from 2016 to 2017 (74,262 MTCO2e / 918,635 MTCO2e = 8.1%).</p> <p>In 2017, we increased our renewable energy consumption by 3,746 MWh, as compared to 2016. Through our market-based emissions calculations, we determined that this renewable energy use translated to a 1,956 MTCO2e reduction. Given that our total Scope 1 and Scope 2 (market-based) emissions in 2016 was 918,635 MTCO2e, the change in our renewable energy consumption represented a 0.2% decrease in total Scope 1 and Scope 2 (market-based) emissions from 2016 to 2017 (1,956 MTCO2e / 918,635 MTCO2e = 0.2%).</p>
Other emissions	17,900	Decreased	1.9	<p>Lockheed Martin's absolute Scope 1 and 2 emissions decreased from 2016 to 2017 due to our renewable energy consumption, energy efficiency initiatives, change in methodology and the consolidation of our square footage. We first calculate our total absolute emissions reductions by comparing the difference between our total Scope 1 and Scope 2 (market-based) emissions from</p>

reduction activities				<p>2016 to 2017. In 2016, our Scope 1 and Scope 2 (market-based) emissions totaled 918,635 MTCO₂e; and in 2017, our Scope 1 and Scope 2 (market-based) emissions totaled 844,374 MTCO₂e. The gross difference in our emissions from 2016 to 2017 is 74,262 MTCO₂e. Therefore, we arrive at an 8.1% decrease in total Scope 1 and Scope 2 (market-based) emissions from 2016 to 2017 ($74,262 \text{ MTCO}_2\text{e} / 918,635 \text{ MTCO}_2\text{e} = 8.1\%$).</p> <p>In 2017, we were able to attribute 17,900 MTCO₂e to energy efficiency initiatives implemented in the reporting year (see C4.3a). Given that our total Scope 1 and Scope 2 (market-based) emissions in 2016 were 918,635 MTCO₂e, our emissions reductions activities represented a 1.9% decrease in total Scope 1 and Scope 2 (market-based) emissions from 2016 to 2017 ($17,900 \text{ MTCO}_2\text{e} / 918,635 \text{ MTCO}_2\text{e} = 1.9\%$).</p>
Divestment				
Acquisitions				
Mergers				
Change in output				
Change in methodology	30,216	Decreased	3.3	<p>Lockheed Martin's absolute Scope 1 and 2 emissions decreased from 2016 to 2017 due to our renewable energy consumption, energy efficiency initiatives, change in methodology and the consolidation of our square footage. We first calculate our total absolute emissions reductions by comparing the difference between our total Scope 1 and Scope 2 (market-based) emissions from 2016 to 2017. In 2016, our Scope 1 and Scope 2 (market-based) emissions totaled 918,635 MTCO₂e; and in 2017, our Scope 1 and Scope 2 (market-based) emissions totaled 844,374 MTCO₂e. The gross difference in our emissions from 2016 to 2017 is 74,262 MTCO₂e. Therefore, we arrive at a 8.1% decrease in total Scope 1 and Scope 2 (market-based) emissions from 2016 to 2017 ($74,262 \text{ MTCO}_2\text{e} / 918,635 \text{ MTCO}_2\text{e} = 8.1\%$).</p> <p>In this reporting year, we updated our GHG inventory to reflect changes in eGRID factors. Previously, our emissions were based on EPA's eGRID2012 factors, which we updated this reporting year based upon EPA's release of eGRID2014 factors. We were able to attribute</p>

				30,216 MTCO ₂ e to a change in our methodology that reflects our use of updated eGRID factors. Given that our total Scope 1 and Scope 2 (market-based) emissions in 2016 were 918,635 MTCO ₂ e, our change in methodology represented a 3.3% decrease in total Scope 1 and Scope 2 (market-based) emissions from 2016 to 2017 (30,216 MTCO ₂ e / 918,635 MTCO ₂ e = 3.3%).
Change in boundary				
Change in physical operating conditions	24,190	Decreased	2.6	<p>Lockheed Martin's absolute Scope 1 and 2 emissions decreased from 2016 to 2017 due to our renewable energy consumption, energy efficiency initiatives, change in methodology and the consolidation of our square footage. We first calculate our total absolute emissions reductions by comparing the difference between our total Scope 1 and Scope 2 (market-based) emissions from 2016 to 2017. In 2016, our Scope 1 and Scope 2 (market-based) emissions totaled 918,635 MTCO₂e; and in 2017, our Scope 1 and Scope 2 (market-based) emissions totaled 844,374 MTCO₂e. The gross difference in our emissions from 2016 to 2017 is 74,262 MTCO₂e. Therefore, we arrive at an 8.1% decrease in total Scope 1 and Scope 2 (market-based) emissions from 2016 to 2017 (74,262 MTCO₂e / 918,635 MTCO₂e = 8.1%).</p> <p>We were not able to directly attribute the emissions associated with the consolidation of our facilities' footprint. Therefore, we derived this figure by subtracting the emissions associated with the change in our renewable energy consumption, emissions reduction activities and change in our methodology from our total Scope 1 and Scope 2 (market-based) emissions (74,262 MTCO₂e - 1,956 MTCO₂e MTCO₂e - 17,900 MTCO₂e - 30,216 MTCO₂e = 24,190 MTCO₂e). Assuming that 24,190 MTCO₂e is an estimate for the consolidation of our square footage, and given that our total Scope 1 and Scope 2 (market-based) emissions in 2016 were 918,635 MTCO₂e, our change in physical operating conditions from the consolidation of our facilities' footprint represented a 2.6% decrease in total Scope 1 and Scope 2 (market-based) emissions from 2016 to 2017 (24,190 MTCO₂e / 918,635 MTCO₂e = 2.6%).</p>
Unidentified				
Other				

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure? – SELECTION; NOT FREE TEXT

Market-based

C8 Energy

Energy spend

(C8.1) What percentage of your total operational spend in the reporting year was on energy? – SELECTION; NOT FREE TEXT

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

Energy-related activities

(C8.2) Select which energy-related activities your organization has undertaken. – SELECTION; NOT FREE TEXT

Activity – SELECTION; NOT FREE TEXT

Indicate whether your organization undertakes this energy-related activity – SELECTION; NOT FREE TEXT

Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

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

Activity	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	843	1,478,426	1,479,269
Consumption of purchased or acquired electricity	N/A	294,568	1,240,072	1,534,640

Consumption of purchased or acquired cooling	N/A	0	26,813	26,813
Consumption of self-generated non-fuel renewable energy	N/A	8,335	N/A	8,335
Total energy consumption	N/A	303,746	2,745,311	3,049,057

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

Fuel application – SELECTION; NOT FREE TEXT	Indicate whether your organization undertakes this fuel application – SELECTION; NOT FREE TEXT
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

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

Fuels – SELECTION; NOT FREE TEXT	Heating value – SELECTION; NOT FREE TEXT	Total MWh consumed by the organization – NUMERICAL FIELD	MWh consumed for the generation of electricity – NUMERICAL FIELD
Natural Gas	HHV (higher heating value)	1,204,015	0
MWh consumed for the generation of heat	MWh consumed for the generation of steam	MWh consumed for the generation of cooling	MWh consumed for cogeneration or trigeneration
878,004	0	0	326,011

Fuels – SELECTION; NOT FREE TEXT	Heating value – SELECTION; NOT FREE TEXT	Total MWh consumed by the organization – NUMERICAL FIELD	MWh consumed for the generation of electricity – NUMERICAL FIELD
Wood Chips	HHV (higher heating value)	843	0
MWh consumed for the generation of heat	MWh consumed for the generation of steam	MWh consumed for the generation of cooling	MWh consumed for cogeneration or trigeneration
0	0	0	843

Fuels – SELECTION; NOT FREE TEXT	Heating value – SELECTION; NOT FREE TEXT	Total MWh consumed by the organization – NUMERICAL FIELD	MWh consumed for the generation of electricity – NUMERICAL FIELD
Aviation Gasoline	HHV (higher heating value)	207,835	0
MWh consumed for the generation of heat	MWh consumed for the generation of steam	MWh consumed for the generation of cooling	MWh consumed for cogeneration or trigeneration

0	0	0	0
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Fuels – SELECTION; NOT FREE TEXT	Heating value – SELECTION; NOT FREE TEXT	Total MWh consumed by the organization – NUMERICAL FIELD	MWh consumed for the generation of electricity – NUMERICAL FIELD
Fuel Oil #2	HHV (higher heating value)	2,899	0
MWh consumed for the generation of heat	MWh consumed for the generation of steam	MWh consumed for the generation of cooling	MWh consumed for cogeneration or trigeneration
0	0	0	0

Fuels – SELECTION; NOT FREE TEXT	Heating value – SELECTION; NOT FREE TEXT	Total MWh consumed by the organization – NUMERICAL FIELD	MWh consumed for the generation of electricity – NUMERICAL FIELD
Diesel	HHV (higher heating value)	13,731	0
MWh consumed for the generation of heat	MWh consumed for the generation of steam	MWh consumed for the generation of cooling	MWh consumed for cogeneration or trigeneration
0	0	0	0

Fuels – SELECTION; NOT FREE TEXT	Heating value – SELECTION; NOT FREE TEXT	Total MWh consumed by the organization – NUMERICAL FIELD	MWh consumed for the generation of electricity – NUMERICAL FIELD
Propane liquid	HHV (higher heating value)	31,726	0

MWh consumed for the generation of heat	MWh consumed for the generation of steam	MWh consumed for the generation of cooling	MWh consumed for cogeneration or trigeneration
0	0	0	0

Fuels – SELECTION; NOT FREE TEXT	Heating value – SELECTION; NOT FREE TEXT	Total MWh consumed by the organization – NUMERICAL FIELD	MWh consumed for the generation of electricity – NUMERICAL FIELD
Motor Gasoline	HHV (higher heating value)	18,220	0
MWh consumed for the generation of heat	MWh consumed for the generation of steam	MWh consumed for the generation of cooling	MWh consumed for cogeneration or trigeneration
0	0	0	0

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Fuel	Emission factor	Unit	Emission factor source	Comment
Natural Gas	0.05311	Metric tons CO2e per million BTU	U.S. EPA Mandatory Reporting Rule, 40 CFR 98 Subpart C, Table C-1, C-2	
Wood Chips	93.8	Kg CO2 per million BTU	U.S. EPA Mandatory Reporting Rule, 40 CFR 98 Subpart C, Table C-1, C-2	
Aviation Gasoline	0.00258	Metric tons CO2e per liter	U.S. EPA Mandatory Reporting Rule, 40 CFR 98	Lockheed Martin's aviation gasoline consumption

			Subpart C, Table C-1, C-2 (converted from MTCO ₂ e per gallon to MTCO ₂ e per liter)	includes testing of our products (e.g., engines) or equipment and does not apply to our energy consumption in CDP's predefined fields of electricity, heat, steam, cogeneration/trigeneration.
Fuel Oil #2	0.00271	Metric tons CO ₂ e per liter	U.S. EPA Mandatory Reporting Rule, 40 CFR 98 Subpart C, Table C-1, C-2 (converted from MTCO ₂ e per gallon to MTCO ₂ e per liter)	Lockheed Martin's propane liquid consumption may be used for heating purposes and in our labs. Although we track total consumption, we are unclear of all its consumption purposes across our facilities.
Propane Liquid	0.00152	Metric tons CO ₂ e per liter	U.S. EPA Mandatory Reporting Rule, 40 CFR 98 Subpart C, Table C-1, C-2 (converted from MTCO ₂ e per gallon to MTCO ₂ e per liter)	Lockheed Martin's propane liquid consumption may be used for heating purposes and in our labs. Although we track total consumption, we are unclear of all its consumption purposes across our facilities.
Diesel	0.00271	Metric tons CO ₂ e per liter	U.S. EPA Mandatory Reporting Rule, 40 CFR 98 Subpart C, Table C-1, C-2 (converted from MTCO ₂ e per gallon to MTCO ₂ e per liter)	Lockheed Martin's diesel consumption is related to mobile combustion (e.g. use of various vehicles across our facilities) and does not apply to our energy consumption in CDP's predefined fields of electricity, heat, steam, cogeneration/trigeneration.
Motor Gasoline	0.00233	Metric tons CO ₂ e per liter	U.S. EPA Mandatory Reporting Rule, 40 CFR 98 Subpart C, Table C-1, C-2 (converted from MTCO ₂ e per gallon to MTCO ₂ e per liter)	Lockheed Martin's motor gasoline consumption is related to mobile combustion (e.g., use of various vehicles across our facilities) and does not apply to our energy consumption in CDP's predefined fields of electricity,

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

Energy Carrier	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	77,960	77,960	9,178	9,178
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

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

Basis for applying a low-carbon emission factor – SELECTION; NOT FREE TEXT	Low-carbon technology type – SELECTION; NOT FREE TEXT	MWh consumed associated with low-carbon electricity, heat, steam or cooling – NUMERICAL FIELD	Emission factor (in units of metric tons CO ₂ e per MWh) – NUMERICAL FIELD	Comment – 2,400 CHARACTERS
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Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company	Solar PV Biomass (including biogas)	9,178	0	Company-owned on-site solar and biomass, as reported to the EPA Green Power Partnership
Power Purchase Agreement (PPA), supported by energy attribute certificates	Solar PV Wind	64,059	0	Replacement wind RECs provided for a solar PPA
Energy attribute certificates, Renewable Energy Certificates (RECs)	Solar PV Wind Other low-carbon technology, please specify	230,509	0	Unbundled Green-e certified RECs

C9 Additional metrics

Other climate-related metrics

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

Description – SELECTION; NOT FREE TEXT	Metric value – NUMERICAL FIELD	Metric numerator – 50 CHARACTERS	Metric denominator (intensity metric only) – 50 CHARACTERS	% change from previous year – NUMERICAL FIELD	Direction of change – SELECTION; NOT FREE TEXT	Please explain – 2,400 CHARACTERS
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Waste	59,578,521	Pounds		8	Decreased	<p>In order to increase operational efficiency, in 2008, Lockheed Martin established the Go Green Initiatives against a 2007 baseline to track our environmental performance and measure progress towards specific environmental targets. In 2012, we launched our Go Green 2020 goals, which were new environmental stewardship goals for 2020, from a 2010 baseline:</p> <ul style="list-style-type: none"> - Reduce carbon emissions by 35%; - Reduce facility energy use by 25%; - Reduce water use by 30%; and - Reduce total waste generated by 7% <p>As of 2017, the progress measured against our Go Green 2020 goals have resulted in:</p> <ul style="list-style-type: none"> - Reduced carbon emissions by 33%; - Reduced facility energy use by 23%; - Reduced water use by 22%; and - Reduced total waste by 14%
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C10 Verification

Verification

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

Scope – SELECTION; NOT FREE TEXT	Verification/assurance stats – SELECTION; NOT FREE TEXT
Scope 1	Third-party verification or assurance process in place

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

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

Scope – SELECTION; NOT FREE TEXT	Verification or assurance cycle in place – SELECTION; NOT FREE TEXT	Status in the current reporting year – SELECTION; NOT FREE TEXT	Type of verification or assurance – SELECTION; NOT FREE TEXT	Attach the statement	Page/section reference – 500 CHARACTERS	Relevant standard – SELECTION; NOT FREE TEXT	Proportion of reported emissions verified (%) – NUMERICAL FIELD
Scope 1	Annual process	Complete	Limited assurance	Attach your document here.	1-6	DNV Verisustain Protocol/Verification Protocol for Sustainability Reporting	100
Scope 2 location-based	Annual process	Complete	Limited assurance		1-6	DNV Verisustain Protocol/Verification Protocol for Sustainability Reporting	100
Scope 2 market-based	Annual process	Complete	Limited assurance		1-6	DNV Verisustain Protocol/Verification Protocol for Sustainability Reporting	100

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

Scope	Verification or assurance cycle in place	Status in the current reporting year	Attach the statement	Page/ section reference	Relevant standard
Scope 3- all relevant categories	Annual process	Third-party verification or assurance process in place	Attach your document here.	1-6	DNV Verisustain Protocol/Verification Protocol for Sustainability Reporting

Other verified data

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5? – SELECTION; NOT FREE TEXT

Yes

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

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C0: Introduction	Other, please specify: Company information, reporting boundary	DNV Verisustain Protocol/Verification Protocol for	Responses to this module are based on our climate change governance, procedures and performance data which were verified to a limited level of assurance in conjunction with the verification of our 2017 Sustainability Report. We conduct an annual third-party assurance to ensure the accuracy and transparency

		Sustainability Reporting	of our environmental, social and governance claims for all global locations under Lockheed Martin's operational control.
C1: Governance	Other, please specify: Governance, board oversight	DNV Verisustain Protocol/Verification Protocol for Sustainability Reporting	Responses to this module are based on our climate change governance, procedures and performance data which were verified to a limited level of assurance in conjunction with the verification of our 2017 Sustainability Report. We conduct an annual third-party assurance to ensure the accuracy and transparency of our environmental, social and governance claims for all global locations under Lockheed Martin's operational control.
C2: Risks & Opportunities	Other, please specify: Risk assessment and management	DNV Verisustain Protocol/Verification Protocol for Sustainability Reporting	Responses to this module are based on our climate change governance, procedures and performance data which were verified to a limited level of assurance in conjunction with the verification of our 2017 Sustainability Report. We conduct an annual third-party assurance to ensure the accuracy and transparency of our environmental, social and governance claims for all global locations under Lockheed Martin's operational control.
C3: Business Strategy	Other, please specify: Business strategy, scenario analysis	DNV Verisustain Protocol/Verification Protocol for Sustainability Reporting	Responses to this module are based on our climate change governance, procedures and performance data which were verified to a limited level of assurance in conjunction with the verification of our 2017 Sustainability Report. We conduct an annual third-party assurance to ensure the accuracy and transparency of our environmental, social and governance claims for all global locations under Lockheed Martin's operational control.
C4: Targets & Performance	Progress against emissions reduction target	DNV Verisustain Protocol/Verification Protocol for Sustainability Reporting	Responses to this module are based on our climate change governance, procedures and performance data which were verified to a limited level of assurance in conjunction with the verification of our 2017 Sustainability Report. We conduct an annual third-party assurance to ensure the accuracy and transparency of our environmental, social and governance claims for all global locations under Lockheed Martin's operational control.
C5: Emissions Performance	Other, please specify: Base year emissions	DNV Verisustain Protocol/Verification Protocol for Sustainability Reporting	Responses to this module are based on our climate change governance, procedures and performance data which were verified to a limited level of assurance in conjunction with the verification of our 2017 Sustainability Report. We conduct an annual third-party assurance to ensure the accuracy and transparency of our environmental, social and governance claims for all global locations under Lockheed Martin's operational control.
C6: Emissions Data	Year on year emissions intensity figure	DNV Verisustain Protocol/Verification	Responses to this module are based on our climate change governance, procedures and performance data which were verified to a limited level of

		Protocol for Sustainability Reporting	assurance in conjunction with the verification of our 2017 Sustainability Report. We conduct an annual third-party assurance to ensure the accuracy and transparency of our environmental, social and governance claims for all global locations under Lockheed Martin's operational control.
C7: Emissions breakdown	Year on year change in emissions (Scope 1 and 2)	DNV Verisustain Protocol/Verification Protocol for Sustainability Reporting	Responses to this module are based on our climate change governance, procedures and performance data which were verified to a limited level of assurance in conjunction with the verification of our 2017 Sustainability Report. We conduct an annual third-party assurance to ensure the accuracy and transparency of our environmental, social and governance claims for all global locations under Lockheed Martin's operational control.
C8: Energy	Other, please specify: Energy data	DNV Verisustain Protocol/Verification Protocol for Sustainability Reporting	Responses to this module are based on our climate change governance, procedures and performance data which were verified to a limited level of assurance in conjunction with the verification of our 2017 Sustainability Report. We conduct an annual third-party assurance to ensure the accuracy and transparency of our environmental, social and governance claims for all global locations under Lockheed Martin's operational control.
C9: Additional metrics	Other, please specify: Waste metric	DNV Verisustain Protocol/Verification Protocol for Sustainability Reporting	Responses to this module are based on our climate change governance, procedures and performance data which were verified to a limited level of assurance in conjunction with the verification of our 2017 Sustainability Report. We conduct an annual third-party assurance to ensure the accuracy and transparency of our environmental, social and governance claims for all global locations under Lockheed Martin's operational control.
C11: Carbon pricing	Other, please specify: ESH Management System	DNV Verisustain Protocol/Verification Protocol for Sustainability Reporting	Responses to this module are based on our climate change governance, procedures and performance data which were verified to a limited level of assurance in conjunction with the verification of our 2017 Sustainability Report. We conduct an annual third-party assurance to ensure the accuracy and transparency of our environmental, social and governance claims for all global locations under Lockheed Martin's operational control.
C12: Engagement	Other, please specify: Sustainability Management Plan goals	DNV Verisustain Protocol/Verification Protocol for Sustainability Reporting	Responses to this module are based on our climate change governance, procedures and performance data which were verified to a limited level of assurance in conjunction with the verification of our 2017 Sustainability Report. We conduct an annual third-party assurance to ensure the accuracy and transparency of our environmental, social and governance claims for all global locations under Lockheed Martin's operational control.

C11 Carbon pricing

Carbon pricing systems

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)? – SELECTION; NOT FREE TEXT

Yes

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations. – SELECTION; NOT FREE TEXT

California CaT

(C11.1b) Complete the following table for each of the emissions trading systems in which you participate.

System name – SELECTION; NOT FREE TEXT	% of Scope 1 emissions covered by the ETS – NUMERICAL FIELD ONLY	Period start date – DATE FIELD ONLY	Period end date – DATE FIELD ONLY
California CaT	9	11/01/2016	10/31/2017
Allowances allocated – NUMERICAL FIELD ONLY	Allowances purchased – NUMERICAL FIELD ONLY	Verified emissions in metric tons CO ₂ e – NUMERICAL FIELD ONLY	Details of ownership – SELECTION; NOT FREE TEXT

25,345	0	21,020	Facilities we own and operate
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(C11.1d) What is your strategy for complying with the systems in which you participate or anticipate participating? – 5,000 CHARACTERS

Lockheed Martin's Corporate Energy, Environment, Safety and Health (EESH) function has developed and implemented the Environment, Safety and Health (ESH) Management System (ESHMS) which goes beyond compliance by providing a risk-based, systematic framework to evaluate the management and performance of ESH processes, programs, and tasks against established standards. Through the ESH risk and self-assessment process, sites are first profiled to define ESH program categories or requirements applicable to their operations. The applicable ESH categories are then assigned a relative risk assessment of high, medium or low. Based on these risk assessments, sites are required to conduct self-assessments, provided with checklists to evaluate compliance, and given mechanisms to track corrective actions. The ESHMS directs sites to complete corrective actions within a specified timeframe depending on the nature and severity of incidents and provides internal documentation tools that serve as the record of authority. Self-assessments are typically conducted annually for high risks, biannually for medium risks and at least every four years for low risks. The Corporate EESH function also implements a process to report incidents, ensure timely communication, assure that appropriate response processes are initiated, and prevent further incidents. If non-compliance is identified, systematic interim control, root cause, corrective and preventive action processes must be applied and monitored to prevent future occurrence. Our Corporate Internal Audit function periodically audits our sites and/or programs for conformance to our ESH-related internal standards and for compliance with legal regulations, which provides a check-and-balance approach to risk mitigation across the enterprise.

California's Global Warming Solutions Act (AB32) established in 2006 is a state law that requires the California Air Resources Board (CARB) to develop regulations and market mechanisms to reduce GHG emissions to 1990 levels by 2020, representing approximately 30% reduction statewide with mandatory caps beginning in 2012 for significant emissions sources. Since 2013, the mandatory cap has decreased approximately 2% per year and the state has distributed allowances (tradeable permits) equal to the emissions allowed under the cap. Sources regulated under this cap are required to surrender the allowances and offsets equal to their emissions at the end of each compliance period.

Lockheed Martin's facility in Sunnyvale, CA has been a participant in AB32 since 2013. However, the consolidation of the facility into fewer buildings, as well as additional energy efficiency and emissions reductions projects enabled Sunnyvale to drop below the AB32 threshold in 2015. Since its participation in AB32, Sunnyvale has committed to investments in cleaner technology, tangible reductions in GHG emissions, advocacy to preserve current AB32 requirements beyond 2020 and advocacy to preserve existing allocations and credits. These efforts have resulted in Sunnyvale's projected formal exit from the AB32 program in 2018.

Lockheed Martin's Space business segment's Environment, Safety and Health (ESH) team, Corporate Energy, Environment, Safety and Health (EESH) team, as well as our Government Affairs function achieved successes by:

1. Advocating to keep California's Cap and Trade program beyond 2020;
2. Partnering with industry groups to ensure that the 25,000 MTCO₂e/year threshold was maintained;
3. Requesting CARB to continue the allowance of credits from fuel cell technology; and
4. Proving to CARB and California's Public Utility Commission (PUE) that the Aerospace industry and the Sunnyvale facility is Energy Intensive and Trade Exposed (EITE), which can lead to cross-border movement of GHG emissions to other states.

These advocacy successes contributed toward the California governor's action to extend the Cap and Trade program to 2030 and preserve the 25,000 MTCO_{2e} threshold. Furthermore, the successful demonstration of the industry as EITE status positively resulted in extension of the current industry assistance factor through 2017 and a reduction to 50% for the duration of the program. Through successes in legislative advocacy and the compliance with AB32's objectives, Lockheed Martin's Space business segment was able to reduce GHG emissions at the most favorable costs, avoid the potential loss of existing allotments, and secure partial state subsidies as well as subsidies for Sunnyvale's investment in green technology (i.e., 1 MW fuel cell system currently deployed at the site). From 2017 - 2022, these advocacy successes will enable monetary savings of approximately \$6.2 million through utility rebates and the preservation of credits. Furthermore, having the Cap and Trade structure in place with the 25,000 MTCO_{2e} threshold may allow for an additional \$2.7 million in Cap and Trade or other regulatory cost avoidances through 2030.

Project-based carbon credits

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period? – SELECTION; NOT FREE TEXT

No

Internal price on carbon

(C11.3) Does your organization use an internal price on carbon? – SELECTION; NOT FREE TEXT

No, and we don't anticipate doing so in the next two years

C12 Engagement

Value chain engagement

(C12.1) Do you engage with your value chain on climate-related issues? – SELECTION; NOT FREE TEXT

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

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

Type of engagement – SELECTION; NOT FREE TEXT	Details of engagement – SELECTION; NOT FREE TEXT	% of suppliers by number – PERCENTAGE FIELD	% total procurement spend (direct and indirect) – PERCENTAGE FIELD	% Scope 3 emissions as reported in C6.5 – PERCENTAGE FIELD	Rationale for the coverage of your engagement – 2,400 CHARACTERS	Impact of engagement, including measures of success – 2,400 CHARACTERS	Comment – 2,400 CHARACTERS
Information collection (understanding supplier behavior)	Collect climate change and carbon information at least annually from suppliers	0.02	48	48	Through the Sustainable Supply Chain Management (SSCM) program, in 2017 we completed our third voluntary Supplier Sustainability Assessment for suppliers to report on their Environmental, Social and Governance (ESG) management systems and performance. In the environmental section of this annual survey, suppliers are asked a series of questions related to climate change risks, GHG emissions and water. In	Lockheed Martin's voluntary annual Supplier Sustainability Assessment provides insights across a diverse set of suppliers, enhancing our understanding of our first-tier supplier's established environmental, social and governance (ESG) oriented practices. By analyzing supplier responses, we contribute valuable perspectives to our key internal stakeholders by helping them to identify risks and opportunities across our supply chain. Furthermore, supply chain respondents to our survey are provided with a benchmarking	Text field

				<p>2017, we expanded invitations to complete the survey from 166 to 299 suppliers, representing 48% of our supply chain spending. We selected a mix of small and large businesses with varying contract lengths and values, suppliers to our business travel program and those who were prior participants in our Corporate Ethics Mentoring Program.</p> <p>Our methodology in the selection of suppliers for this voluntary survey prioritized suppliers of concern, or those deemed at higher risk to Lockheed Martin as well as small businesses identified through our Ethics Mentoring Program. In addition to factoring in supplier spend and risk factors, other key internal stakeholders contributed input in shaping the supplier list. This past year, we expanded the number of recipients, enhanced the questions based on prior year stakeholder feedback, and integrated the applicable survey questions from the International Aerospace Environmental Group (IAEG) industry-wide survey harmonization efforts.</p>	<p>report comparing their input with other respondents, providing an actionable resource that enables them to address findings. Lockheed Martin's Sustainable Supply Chain Management program measures the success of the Supplier Sustainability Assessment partly through suppliers increased overall participation, increased proportion of fully completed surveys and through the value of providing additional visibility into supply chain risks and opportunities.</p> <p>In 2017, 44% of requested suppliers responded to the survey and 32% submitted fully completed surveys. The success of this survey is also qualitatively measured through positive supplier reactions, as peer Aerospace and Defense companies have provided feedback that the benchmarking report of survey results were valuable to them. Furthermore, results of the Supplier Sustainability Assessment may be used to identified opportunities for further engagement with our supply chain, such as those who self-indicated their interest in joining Lockheed Martin's partnership with the Department of Energy's Better Plants Program. This past year, we expanded the number of recipients, enhanced the questions based on prior year stakeholder feedback, and integrated applicable survey questions from the International Aerospace Environmental Group (IAEG) industry-wide survey harmonization efforts.</p> <p>In addition, we gain insights and take actions on topics that span the</p>	
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						environmental, social, and governance categories. By partnering across functions, we can ensure every question we ask yields a data point that can be acted upon. After analyzing the results, we develop action plans for supplier engagement and our own sustainability performance.	
Engagement & incentivization (changing supplier behavior)	Engagement & incentivization (changing supplier behavior)	0	0.11	0.11	<p>Lockheed Martin has been a member of the U.S. Department of Energy's (DOE) Better Plants Program (BPP) since 2010. The BPP is a voluntary program in which manufacturers and industrial-scale energy-using organizations commit to reduce energy consumption by 25% over a 10-year period. Through the BPP, companies sign a pledge with the DOE to reduce energy consumption over the next several years, and in turn, benefit from DOE's technical support to implement cost-effective energy management improvements that increase efficiency and improve competitiveness. The DOE has extended the program to its largest participants' suppliers through supplier cohorts such that small businesses can take advantage of the program's financial assistance to set energy saving goals, develop energy management plans in addition to tracking and reporting their progress.</p> <p>Based on the results of the Supplier Sustainability Assessment, 53 of our suppliers</p>	<p>As of 2017, seven of our small-medium manufacturing suppliers are participants in the BPP through our supplier cohort initiative. Supplier participation in the BPP will help us understand our upstream energy footprint, reduce GHG emissions in our value chain and potentially lead to more affordability for our customers. Lockheed Martin continues to engage with the DOE to provide BPP resources for these identified suppliers and will report on this progress during the next reporting cycle.</p>	

					<p>indicated their interest in learning more about DOE's BPP. After applying Lockheed Martin's internal spend threshold criteria and the DOE's criteria (that suppliers must be a small-medium business and must be considered "manufacturing"), an additional 23 suppliers were considered eligible for participation in the BPP. Lockheed Martin continues to engage with the DOE to provide BPP resources for these identified suppliers and will report on this progress during the next reporting cycle.</p>	
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[Add Row]

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Engagement category – SELECTION; NOT FREE TEXT	Engagement type – SELECTION; NOT FREE TEXT	Size of engagement – PERCENTAGE FIELD	% Scope 3 emissions as reported in C6.5 – PERCENTAGE FIELD	Please explain the rationale for selecting this group of customers and scope of engagement – 2,400 CHARACTERS	Impact of engagement, including measures of success – 2,400 CHARACTERS
Education/information sharing	Run an engagement campaign to education customers about your climate change performance and strategy	100	72	Lockheed Martin voluntarily publishes a comprehensive annual Sustainability Report which is available externally to the public, including all of our customers. In 2015, Lockheed Martin reassessed our sustainability issues through a formal Core Issues Assessment which evaluated various sustainability factors based on their importance to our business and	As of 2017, Lockheed Martin's progress against the Resource Efficiency metric of our SMP has resulted in: 1,300,000 MTCO ₂ e of savings for our customers, compared to our operational emissions of 844,374 MTCO ₂ e.

			<p>stakeholders. Our Corporate Sustainability Office convened internal and external stakeholders and worked in conjunction with our Sustainability Working Group of business leaders to refine the results from stakeholder feedback and cluster these issues into closely correlated topics. These efforts resulted in the five Sustainability Core Issues and 26 performance measures outlined in Lockheed Martin's Sustainability Management Plan (SMP). Through the SMP outlined in our Sustainability Report, we describe how we capitalize on opportunities related to Resource Efficiency and strive to drive sustainable elements into Product Impact.</p> <p>For our Resource Efficiency metric, the scope of our engagement is limited to our energy customers. For our Product Impact metric, our commitment pertains to all customers and our product portfolio overall.</p> <p>Through the Resource Efficiency metrics of our SMP, we commit to helping our energy customers reduce their carbon emissions by at least twice the carbon impact of our business operations by 2020.</p> <p>Through the Product Impact metric of our SMP, we commit to:</p> <ol style="list-style-type: none"> 1) Adding design-to-cost analysis criteria to each business segment's proposal planning and review processes by 2020; 2) Generating \$1 billion in product life-cycle cost reductions, resulting in lower resource consumption and reduced adverse impacts on human health and the environment; and 3) Achieving \$4 billion in product sales with direct, measurable benefits to energy and advanced infrastructure resiliency. 	<p>As of 2017, Lockheed Martin's progress against the Product Impact metric of our SMP has resulted in:</p> <ol style="list-style-type: none"> 1) The deployment of several design-to-cost training modules to business and product development teams and the further integration of design-to-cost into senior review criteria; 2) The identification of \$574 million in cost savings as compared to a business-as-usual scenario, through life-cycle assessment cases on three products; and 3) The achievement of \$2.1 billion in product sales that directly benefit energy and infrastructure resiliency. <p>Scope 3 emissions related to our Product Use category are 72% of our total Scope 3 emissions.</p>
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Education/info sharing	Share information about your products and relevant certification schemes (i.e. Energy STAR)	100	25	In 2017, Lockheed Martin became an ENERGY STAR® Partner, committing to: 1) Measuring, tracking and benchmarking energy performance; 2) Implementing the ENERGY STAR® framework to improve energy performance; and 3) Educating our staff and the public about our partnership and achievements with ENERGY STAR®.	Lockheed Martin participates in the ENERGY STAR® Partner program by attending the annual ENERGY STAR® Industrial Partner Meeting and by engaging in quarterly meetings of the ENERGY STAR® Aerospace Working Group. This working group is a knowledge sharing platform which convenes peers from aerospace companies to share best practices and discuss barriers and opportunities in energy management. Scope 3 emissions related to our Purchased Goods and Services category are 25% of our total Scope 3 emissions.
Collaboration & Innovation	Run a campaign to encourage innovation to reduce climate change impacts	100	72	In 2017, Lockheed Martin collaborated with the University of Oklahoma, Colorado State University and NASA on a project called the Geostationary Carbon Cycle Observatory (GeoCARB) to gain a better understanding of the Earth's carbon cycle and vegetation health. The GeoCARB project utilizes a first-of-a-kind NASA instrument built by Lockheed Martin, featuring an advanced infrared spectrograph hosted on a commercial geosynchronous satellite. The GeoCARB project, led by the University of Oklahoma, selected Lockheed Martin for collaboration because of our ability to combine expertise in infrared sensing and hosted payloads. Through this collaboration, Lockheed Martin is better able to deliver information about the planet's health to decision makers and scientists worldwide.	Lockheed Martin's Advanced Technology Center in Palo Alto, CA will build the instrument which will examine infrared wavelengths to measure carbon dioxide, carbon monoxide and methane in Earth's atmosphere along with solar induced fluorescence, which is a measure of vegetation health. GeoCARB is expected to launch in 2022. Scope 3 emissions related to our Product Use category are 72% of our total Scope 3 emissions.

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain. – 5,000 CHARACTERS

The International Aerospace Environmental Group (IAEG) is a non-profit organization of global aerospace and defense companies created to collaborate on and share innovative environmental solutions for the industry. The group works to promote the development of voluntary consensus standards and provide accessible solutions for key environmental issues. Since its founding in 2011, IAEG's membership has grown to almost 50 member companies, representing more than half of the global aerospace industry.

IAEG work groups address such issues including: chemical material declarations and reporting requirements, development of alternative technologies and greenhouse gas reporting and management. They create a forum for diverse and often competitive businesses to come together and share information on industry-wide opportunities for the promotion and adoption of global environmental requirements. In addition, IAEG provides opportunities for wider education on environmental issues and the supply chain via its meetings agendas and bespoke seminars.

With peer companies in 2017, Lockheed Martin supported the continued enhancements to the IAEG's "GHG Reporting Guidance for the Aerospace Industry – A Supplement to the GHG Protocol Corporate Accounting and Reporting Standard," which has achieved the Built-On logo from the World Resources Institute. The guidance is a supplement to GHG Protocol's Corporate Standard and provides industry-relevant clarification and direction for GHG accounting and reporting to promote consistency and accuracy in GHG emissions reporting to facilitate transparency within the industry and value chain and enable relevant benchmarks and comparisons. Activities in 2017 included drafting additional content for an updated version of the guidance document (under development) and a survey to IAEG member companies regarding their GHG accounting and reporting practices.

Public policy engagement

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following? – SELECTION; NOT FREE TEXT

Direct engagement with policy makers

Trade associations

Funding research organizations

Other

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

Focus of legislation – SELECTION; NOT FREE TEXT	Corporate position – SELECTION; NOT FREE TEXT	Details of engagement – 2,400 CHARACTERS	Proposed legislative solution – 2,400 CHARACTERS
Cap and trade	Support with minor exceptions	<p>California's Global Warming Solutions Act (AB32) established in 2006 is a state law that requires the California Air Resources Board (CARB) to develop regulations and market mechanisms to reduce GHG emissions to 1990 levels by 2020, representing approximately 30% reduction statewide with mandatory caps beginning in 2012 for significant emissions sources. Since 2013, the mandatory cap has decreased approximately 2% per year and the state has distributed allowances (tradeable permits) equal to the emissions allowed under the cap. Sources regulated under this cap are required to surrender the allowances and offsets equal to their emissions at the end of each compliance period.</p> <p>Lockheed Martin's facility in Sunnyvale, CA has been a participant in AB32 since 2013. However, the consolidation of the facility into fewer buildings, as well as additional energy efficiency and emissions reductions projects enabled Sunnyvale to drop below the AB32 threshold in 2015. Since its participation in AB32, Sunnyvale has committed to investments in cleaner technology, tangible reductions in GHG emissions, advocacy to preserve current AB32 requirements beyond 2020 and advocacy to preserve existing allocations and credits. These efforts have resulted in Sunnyvale's projected formal exit from the AB32 program in 2018.</p> <p>Lockheed Martin's Space business segment's Environment, Safety and Health (ESH) team, Corporate Energy, Environment, Safety and Health (EESH) team as well as our Government Affairs function achieved successes by:</p> <ol style="list-style-type: none"> 1) Advocating to keep California's Cap and Trade program beyond 2020; 2) Partnering with industry groups to ensure that the 25,000 MTCO₂e/year threshold was maintained; 3) Requesting CARB to continue the allowance of credits from fuel cell technology; and 4) Proving to CARB and California's Public Utility Commission (PUE) that the Aerospace industry and the Sunnyvale facility is Energy Intensive and Trade Exposed (EITE), which can lead to cross-border movement of GHG emissions to other states. 	<p>These advocacy successes contributed toward the California governor's action to extend the Cap and Trade program to 2030 and preserve the 25,000 MTCO₂e threshold. Furthermore, the successful demonstration of the industry as EITE status positively resulted in extension of the current industry assistance factor through 2017 and a reduction to 50% for the duration of the program.</p> <p>Through successes in legislative advocacy and the compliance with AB32's objectives, Lockheed Martin's Space business segment was able to reduce GHG emissions at the most favorable costs, avoid the potential loss of existing allotments and secure partial state subsidies as well as subsidies for Sunnyvale's investment in green technology (i.e., 1 MW fuel cell system currently deployed at the site). From 2017 - 2022, these advocacy successes will enable monetary savings of approximately \$6.2 million through utility rebates and the preservation of credits. Furthermore, having the Cap and Trade structure in place with the 25,000 MTCO₂e threshold may allow for an additional \$2.7 million in Cap and Trade or other regulatory cost avoidances through 2030.</p>

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership? – SELECTION; NOT FREE TEXT

Yes

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

Trade association – FREE TEXT, 1,000 CHARACTERS	Is your position on climate change consistent with theirs? – SELECTION; NOT FREE TEXT	Please explain the trade association’s position – 2,400 CHARACTERS	How have you influenced, or are you attempting to influence the position? – 2,400 CHARACTERS
American Council on Renewable Energy (ACORE)	Consistent	ACORE is dedicated to building a secure and prosperous America with clean, renewable energy. ACORE provides a common educational platform for a wide range of interests in the renewable energy community, focusing on technology, finance, policy, and market development. ACORE convenes thought leadership forums and creates energy industry partnerships to communicate the economic, security and environmental benefits of renewable energy.	Lockheed Martin actively engages with ACORE on renewable energy education and speaks at various ACORE events to promote the use and development of renewable energy technology.
Advanced Energy Economy (AEE)	Consistent	Advanced Energy Economy (AEE) is a national association of business leaders who are making the global energy system more secure, clean and affordable. AEE engages in policy advocacy at the U.S. federal and state regulatory levels; CEO-to-CEO convenings to identify and address cross-industry issues; and targeted outreach to key stakeholder groups and policymakers. AEE also works with a growing coalition of state and regional partner	Lockheed Martin engages in AEE to stay informed on means to reduce the cost of doing business through relevant tools and timely, targeted, actionable information and expert insights. We also participate as a member to build broad and effective relationships to gain cutting-edge knowledge and influence.

		organizations across states and industries to help the advanced energy industry succeed nationwide.	
Alliance to Save Energy (ASE)	Consistent	Alliance to Save Energy (ASE), the leading energy efficiency coalition in the United States, is a non-profit, bipartisan alliance of business, government, environmental NGO, and consumer-facing NGO leaders advocating for enhanced energy efficiency across all sectors of the economy. Its mission is to promote energy efficiency to achieve a healthier economy, a cleaner environment, and enhanced energy security.	Lockheed Martin engages with ASE to help achieve its mission in leading worldwide energy efficiency initiatives, participating in public-private partnerships and collaborating efforts and strategic alliances to optimize resources.
Aerospace Industries Association (AIA)	Consistent	The AIA is a sector-specific industry association and does not have a stated position on climate change; however, it has stated the need for a comprehensive energy policy using a central/federal framework. It also emphasizes that the debate should be based on facts and science.	Lockheed Martin is an active participant in various AIA Councils and Committees, including the Environmental, Health and Safety Committee where we are able to express informed views to shape the strategic direction of the group.
Business Roundtable	Consistent	Business Roundtable supports collective actions that will lead to the reduction of GHG emissions on a global basis with the goal of slowing increases in GHG concentrations in the atmosphere and ultimately stabilizing them at levels that will address the risks of climate change.	Lockheed Martin's President and Chief Executive Officer (CEO) serves on the Business Roundtable Board of Directors.
International Aerospace Environmental Group (IAEG)	Consistent	IAEG does not have a stated position on climate change. IAEG is a group of aerospace and defense companies throughout the world, working together to promote development of voluntary consensus standards addressing environmental concerns, including aerospace and defense industry GHG reporting guidance and creating a forum for dialog on optional industry approaches for implementation of environmental requirements. IAEG's goal is to create the leading global forum for voluntary consensus standards and best-practice sharing on the key environmental issues impacting member companies. http://www.iaeg.com/about/	A Lockheed Martin representative was recently appointed to the IAEG Board of Directors, and Lockheed Martin personnel actively participate in the working groups within IAEG including: Greenhouse Gas Management and Reporting, Chemical Reporting, Replacement Technologies, and Supply Chain Sustainability. Lockheed Martin is actively engaged in the development of the Aerospace Greenhouse Gas Supplemental Guidance and works with the aerospace industry to improve the accuracy and consistency of GHG reporting for the aerospace industry and its suppliers. IAEG released its GHG Reporting Guidance for the Aerospace Industry, a voluntary consensus standard for aerospace companies in 2014, to supplement the GHG Protocol's Corporate Standard. The guidance provides industry-relevant clarification and direction for GHG accounting and reporting, which promotes consistency and accuracy in GHG emissions

			reporting, in turn facilitating transparency within the industry and value chain and enabling relevant benchmarks and comparisons. The guidance has been adopted by many aerospace companies and continues to be enhanced to keep up with changing standards and methodologies.
National Association of Manufacturers (NAM)	Consistent	<p>The NAM is a cross-sectoral trade association, comprising all industry sectors of the U.S. manufacturing economy. Its stated position is that it is committed to protecting the environment through greater environmental sustainability, increased energy efficiency and conservation, and reducing greenhouse gas emissions believed to be associated with global climate change. Its policy is that the establishment of federal climate change policies to reduce greenhouse gas emissions, whether legislative or regulatory, must be done in a thoughtful, deliberative and transparent process that ensures a competitive, level playing field for U.S. companies in the global marketplace. Therefore, the NAM opposes any federal or state government actions regarding climate change that could adversely affect the international competitiveness of the U.S. marketplace economy. Any climate change policies should focus on cost-effective reductions, be implemented in concert with all major emitting nations, and take into account all greenhouse sources and sinks. NAM believes that federal climate policies generally should pre-empt state policies. NAM also states that as users of 1/3 of the nation's energy, manufacturers depend on an affordable and reliable energy supply to remain competitive in a global economy. NAM supports an energy strategy that embraces all forms of domestic energy production while expanding existing conservation and efficiency efforts. America must expand access to our domestic energy supply to meet current needs for affordable energy. Manufacturers also continue to lead the way in investing in energy efficiency and advancing sustainability efforts that positively impact manufacturing and the industry's contributions to environmental protection, economic performance, and the social well-being of the employees, communities, customers and consumers they serve.</p> <p>http://www.nam.org/Issues/Energy-and-Environment/</p>	Lockheed Martin's Corporate focus on EPA regulations is to ensure that best available science is used to support any requirements. We publicly state our focus on renewable energy technology and support of the U.S. Federal government to meet its energy efficiency, alternative energy, and energy security objectives.

(C12.3d) Do you publicly disclose a list of all research organizations that you fund? – SELECTION; NOT FREE TEXT

Yes

(C12.3e) Provide details of the other engagement activities that you undertake. – 5,000 CHARACTERS

In 2017, Lockheed Martin became an ENERGY STAR® Partner, committing to:

- 1) Measuring, tracking and benchmarking energy performance;
- 2) Implementing the ENERGY STAR® framework to improve energy performance; and
- 3) Educating our staff and the public about our partnership and achievements with ENERGY STAR®.

ENERGY STAR® provides tools and resources to help businesses determine cost-effective approaches for managing energy use in their buildings and plants. This enables the private sector to save energy, increase profits, and strengthen competitiveness.

Benefits of this partnership include free consultancy with experts and peers on a wide range of energy management topics, free analyses and communications tools and participation in the ENERGY STAR® Challenge for Industry. Lockheed Martin's participation in the Challenge voluntarily commits each of three Lockheed Martin facilities to a 10% reduction in energy intensity within five years from a 2016 baseline and develops a production-based regression metric specific to the weather and the processes at each plant. As a component of the Partnership, the metrics from the Challenge and Lockheed Martin's overall energy management plan are benchmarked against ENERGY STAR®'s framework for energy management, which is guided by advice from expert energy managers and university researchers who are consultants for the ENERGY STAR® program. Outcomes from this partnership may inform the development of Lockheed Martin's next generation Corporate-wide energy metrics.

We also attend the annual ENERGY STAR® Industrial Partner Meeting and participate in quarterly meetings of the ENERGY STAR® Aerospace Working Group. This working group is a knowledge-sharing platform which convenes peers from aerospace companies to share best practices and discuss barriers and opportunities in energy management.

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy? – 5,000 CHARACTERS

Lockheed Martin routinely engages with policy makers on matters of interest to the Corporation. Lockheed Martin's advocacy and engagement on specific policy issues is coordinated with internal stakeholders to ensure a consistent, Corporate-wide approach. Our policy engagement is managed by our Corporate Government Affairs

organization. Our process to ensure consistency across Corporate functions and business elements on climate change and related issues is to bring representative internal stakeholders into the Cross Corporate Sustainability Working Group, established specifically to ensure a coordinated, cohesive sustainability strategy and messaging.

Lockheed Martin also participates in a wide array of trade associations and coalitions, often sector-specific or cross-sector in nature. Membership decisions regarding trade associations are not typically driven by one singular policy issue, but by multiple factors. Lockheed Martin seeks to engage on the policy issues that drive its membership in a trade association. Moreover, while trade associations tend to operate on a consensus basis, they do not as a general matter require unanimity to adopt formal positions. When we engage in any trade association on climate change or related issues, we represent our positions and interests as reflected in the climate change strategy outlined in our responses to this questionnaire.

Communications

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

Publication – SELECTION; NOT FREE TEXT	Status – SELECTION; NOT FREE TEXT	Attach the document	Content elements – SELECTION; NOT FREE TEXT
In voluntary sustainability report	Complete	2017 Lockheed Martin Sustainability Report	Governance Strategy Risks & Opportunities Emissions figures Emission targets Other metrics
In voluntary communications	Complete	2017 Lockheed Martin EESH Performance Report	Governance Strategy Risks & Opportunities Emissions figures Emission targets Other metrics

C14 Signoff

Signoff

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

Job title – 200 CHARACTERS	Corresponding job category – SELECTION; NOT FREE TEXT
Executive Vice President and Chief Financial Officer	Chief Financial Officer (CFO)
