

Independent Assurance Statement

Scope and Objectives

DNV GL Business Assurance USA, Inc. (DNV GL) was commissioned by Lockheed Martin Corporation (Lockheed Martin) to conduct independent assurance of its 2018 Sustainability Report ('the Report'), as published on the company's website at <http://www.lockheedmartin.com/us/who-we-are/sustainability.html> and to carry out an independent verification of specified performance indicators including:

- Lockheed Martin's 2018 reportable Sustainability Management Plan (SMP) performance indicators for year ended 31 December, 2018 (except for environmental footprint indicators which were verified for the period of 1 November, 2017 – 31 October, 2018)
- select Global Reporting Initiative (GRI) indicators.

Our assurance engagement was planned and carried out in accordance with AA1000 Assurance Standard (AA1000 AS), using DNV GL's VeriSustain methodology. VeriSustain is based on international assurance best practice including AA1000AS, International Standard on Assurance Engagements 3000 (ISAE 3000) and the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines and draws from our experience as a leading third-party assurance provider. We understand that the reported financial data and information are based on data from Lockheed Martin's 10-K, which is subject to a separate independent audit process. The review of financial data taken from the company's Annual Report and 10-K is not within the scope of our work.

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

- Evaluation of adherence to the AA1000AS (2008) principles of inclusivity, materiality and responsiveness (the Principles); and
- The reliability of specified sustainability performance information along with related claims in the report including:
 - The 15 reportable performance indicators within Lockheed Martin's SMP that represent its five core issues: Business Integrity, Product Impact, Information Security, Employee Wellbeing, and Resource Efficiency;
 - GRI Indicators:
 - 102-40: List of Stakeholder Groups; 102-42: Identifying and Selecting Stakeholders; 102-43: Approach to Stakeholder Engagement; 102-46: Report Content & Boundaries; 102-47: Material Topics
 - 205-2: Communication and training about anti-corruption policies and procedures
 - 302-1: Energy Consumption; 302-4: Reduction of Energy Consumption

- 305-1: Direct (Scope 1) GHG Emissions; 305-2: Indirect (Scope 2) GHG Emissions; 305-3: Other Indirect (Scope 3) GHG Emissions; 305-5: Reduction of GHG Emissions
 - 403-2: Occupational Health and Safety
 - 405-1: Diversity and Equal Opportunity
- Energy use and greenhouse gas (GHG) Scope 1, 2, and 3 emissions¹, with and without Renewable Energy Credits (RECs), waste generated, and water use assertions.

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

We followed the procedures as outlined in the VeriSustain protocol to complete the project. We used the Global Reporting Initiative (GRI) Quality of Information Principles (Balance, Clarity, Accuracy, Reliability, Timeliness and Comparability) as criteria for evaluating performance information, together with Lockheed Martin’s data protocols for how the data are measured, recorded and reported. The assurance of energy, GHG emissions, waste generation and water use assertions were conducted to a limited level of assurance. The reporting criteria against which the GHG verification was conducted is the World Business Council for Sustainable Development (WBCSD)/World Resources Institute (WRI) greenhouse gas protocol. The organizational boundaries are all global sites under Lockheed Martin’s operational control except where noted. All environmental footprint data were verified for the period between 1 November 2017 to 31 October 2018. All other data were verified for the fiscal year 1 January, 2018 – 31 December, 2018.

Responsibilities of Lockheed Martin Corporation and of the Assurance Providers

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

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

Independence

DNV GL’s established policies and procedures are designed to ensure that DNV GL, its personnel, and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV GL) and maintain independence where required by relevant ethical requirements. This engagement was carried out by an independent team of sustainability assurance providers. This is our fourth year of providing assurance for Lockheed Martin. We adopt a balanced approach towards all stakeholders when performing our evaluation.

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

Basis of our opinion

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

We undertook the following activities:

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

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

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

- Performed sample-based audits of the processes for generating, gathering and managing the quantitative and qualitative environmental data;
- Examination of all relevant environmental data and information to develop evidence for the assessment of the environmental claims and assertions made;
- Confirmation of whether the organization conforms to the verification criteria.

Findings

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

In our opinion, the Report provides sufficient information for readers to understand Lockheed Martin's management approach to its most material issues and impacts. We believe that the Report is prepared in accordance with the 'Core' option of the GRI Standards 2016.

Observations

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

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

As noted in previous years, Lockheed Martin continues to engage its stakeholders, including employees, customers, suppliers, investors, and civil society, to inform and execute its commitment to sustainability. The Report accurately reflects Lockheed Martin's approach to actively include stakeholder feedback in identifying and responding to sustainability opportunities and risks. This is demonstrated through numerous initiatives including the core issues assessments, the bi-annual employee survey, and participation in industry-wide initiatives; and Lockheed Martin's formation of an ESG portal online (which was the result of investors' heightened interest in the organization's ESG efforts).

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

The company's materiality process has been well documented and considers inputs from diverse range of stakeholders and from across business operations. The company did not identify any significant changes to the prioritization of its material issues from the previous reporting period which is reflected in the Report. Lockheed Martin has implemented internal processes for ongoing monitoring and management of the company's sustainability efforts and progress against SMP goals. In 2018, the company established new goals to replace those which sunset in 2017. The development of these goals and corresponding metrics was informed through a structured assessment which included stakeholder input and a review of the company's sustainability context. The

company has initiated its materiality determination process which will influence the update to the company's SMP and corresponding sustainability factors in 2020.

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

The Report includes a section dedicated to the company's stakeholder engagement efforts and responses. This is reflected in the Report and was observed throughout the assurance process and during management interviews. Lockheed Martin recently merged the Sustainability and Enterprise Risk Management (ERM) groups into one department under the Director of Enterprise Risk and Sustainability, an integration which further bolsters Lockheed Martin's response to core sustainability issues.

Performance Information:

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

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

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

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

Our review found evidence to support the below listed environmental data for the period 1 November 2017 to 31 October 2018:

- Energy
 - Total Energy Consumption: 9,421,456 MMBtu

- Greenhouse Gas Emissions
 - Scope 1 Emissions 291,782 MtCO₂e
 - Scope 2 Emissions (location-based) 673,108 MtCO₂e
 - Scope 2 Emissions (market-based) 527,766 MtCO₂e
 - Scope 3 Emissions
 - Purchased Goods 7,700,000 MtCO₂e
 - Fuel and Energy Related Activities (not included in Scope 1 and 2) 90,000 MtCO₂e

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|---------------------------------|--------------------------------|
| ▪ Capital Goods | 370,000 MtCO ₂ e |
| ▪ Waste Generated in Operations | 11,000 MtCO ₂ e |
| ▪ Business Travel | 170,000 MtCO ₂ e |
| ▪ Employee Commuting | 210,000 MtCO ₂ e |
| ▪ Use of Sold Products | 22,000,000 MtCO ₂ e |
| • REC Total: | 307,378 MWh |
| • Waste Generated: | 60,631,125 pounds |
| • Water Used: | 1,323,000,000 gallons |

DNV GL Business Assurance USA Inc.

Oakland, California

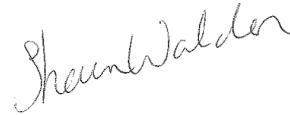
April 18, 2018



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