

W0. Introduction

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W0.1

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**(W0.1) Give a general description of 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 water data into our internal sustainment assessment and have included this data in our response to CDP's questionnaire for the first time.

W0.2

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**(W0.2) State the start and end date of the year for which you are reporting data.**

Reporting year	Start date	End date
Reporting year	November 1 2016	October 31 2017

W0.3

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**(W0.3) Select the countries/regions for which you will be supplying data.**

- Poland
- United States of America

W0.4

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**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

- USD

W0.5

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**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

- Companies, entities or groups over which operational control is exercised

W0.6

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**(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?**

- Yes

W0.6a

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**(W0.6a) Please report the exclusions.**

Exclusion	Please explain
Non-U.S. locations in Australia, Canada, Mexico, United Kingdom	Lockheed Martin regularly measures and monitors total volumes of water withdrawn for over 50 of our largest facilities in the United States. Our principal manufacturing facilities are located in the United States, with approximately 95% of our employees based in the United States. Our water data reflects only facilities within the United States and one location in Poland. In preparing the responses to this disclosure, we have included some contextual information on our water programs in locations outside of the United States.

## W1. Current state

### W1.1

#### (W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	Lockheed Martin regularly measures and monitors total volumes of water withdrawn for over 50 of our largest facilities, which represent approximately 85% of our total square footage. These sites are prioritized based on their total annual water use with emphasis on the largest water using facilities. Sites that are not regularly measured and monitored fall outside of our control boundary and are typically leased sites where we do not pay directly for water nor operate the site's water systems. Freshwater is used within our manufacturing processes and office spaces. Freshwater use is important but not vital because our manufacturing operations do not rely heavily on water. We are not able to determine the indirect usage of freshwater in our supply chain because we do not track this metric from our approximately 16,000 suppliers. However, we consider our suppliers' access to freshwater to be important such that potential supply chain disruptions do not impact our own business operations.
Sufficient amounts of recycled, brackish and/or produced water available for use	Neutral	Neutral	Good quality water is essential for our operations; however, it is considered neutral as we have not specifically deemed recycled, brackish and/or produced water as important water sources operationally or within our value chain at this time. Recycled, brackish and/or produced water is not a large source of water use for Lockheed Martin operations, therefore it is of neutral importance. In facilities where we use small quantities of recycled water, some sites collect process water from equipment and recirculate it into the machinery, while other sites use reclaimed municipal wastewater for irrigation. We are not able to determine the indirect usage of recycled, brackish and/or produced water in our supply chain because we do not track this metric from our approximately 16,000 suppliers. However, we consider our suppliers' access to recycled, brackish and/or produced water to be neutral such that potential supply chain disruptions do not impact our own business operations.

### W1.2

#### (W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	76-99	Lockheed Martin regularly measures and monitors total volumes of water withdrawn for over 50 of our largest facilities, which represent approximately 85% of our total square footage. These sites are prioritized based on their total annual water use with emphasis on the largest water using facilities. Sites that are not regularly measured and monitored fall outside of our control boundary and are typically leased sites where we do not pay directly for water nor operate the site's water systems.
Water withdrawals – volumes from water stressed areas	76-99	Lockheed Martin regularly measures and monitors total volumes of water withdrawn for over 50 of our largest facilities, which represent approximately 85% of our total square footage. These sites are prioritized based on their total annual water use with emphasis on the largest water using facilities. Sites that are not regularly measured and monitored fall outside of our control boundary and are typically leased sites where we do not pay directly for water nor operate the site's water systems.
Water withdrawals – volumes by source	76-99	Lockheed Martin regularly measures and monitors total volumes of water withdrawn for over 50 of our largest facilities, which represent approximately 85% of our total square footage. These sites are prioritized based on their total annual water use with emphasis on the largest water using facilities. Sites that are not regularly measured and monitored fall outside of our control boundary and are typically leased sites where we do not pay directly for water nor operate the site's water systems.
Produced water associated with your metals & mining sector activities - total volumes	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes	<Not Applicable>	<Not Applicable>
Water withdrawals quality	Not relevant	Lockheed Martin does not collect data on the quality of water withdrawals at the Corporate level. This information is not relevant at this time, as most of our water withdrawals are sourced from municipal sources in the U.S. that provide good quality water to our operations
Water discharges – total volumes	1-25	Lockheed Martin does not collect data on total water discharge volumes at the Corporate level. Individual Lockheed Martin facilities may measure this information at a site level but do not regularly report this data to be included in our consolidated company reporting.
Water discharges – volumes by destination	1-25	Lockheed Martin does not collect data on water discharge volumes by destination at the Corporate level. Individual Lockheed Martin facilities may measure this information at a site level but do not regularly report this data to be included in our consolidated company reporting.
Water discharges – volumes by treatment method	1-25	Lockheed Martin does not collect data on water discharge volumes by treatment method at the Corporate level. Individual Lockheed Martin facilities may measure this information at a site level but do not regularly report this data to be included in our consolidated company reporting.
Water discharge quality – by standard effluent parameters	51-75	Lockheed Martin does not collect data on water discharge quality by standard effluent parameters at the Corporate level. Lockheed Martin has approximately 50 facilities across the United States with permitted wastewater discharges which require periodic monitoring of the process water and/or stormwater effluents. Over 30 of these facilities are included in our water reporting boundary. Monitoring effluent quality does not apply for the remainder of our facilities within our water reporting boundary and these facilities are in compliance with applicable wastewater discharge regulations
Water discharge quality – temperature	Not monitored	Lockheed Martin does not collect data on water discharge quality temperature at the Corporate level. Lockheed Martin has approximately 50 facilities across the United States with permitted wastewater discharges which require periodic monitoring of the process water and/or stormwater effluents. Over 30 of these facilities are included in our water reporting boundary. Monitoring effluent quality does not apply for the remainder of our facilities within our water reporting boundary and these facilities are in compliance with applicable wastewater discharge regulations, including any specific requirements to monitor discharge temperature.
Water consumption – total volume	1-25	Lockheed Martin does not collect data on water consumption by total volume at the Corporate level. Individual Lockheed Martin facilities may measure this information at a site level but do not regularly report this data to be included in our consolidated company reporting.
Water recycled/reused	Not monitored	Lockheed Martin does not recycle or reuse water in significant quantities at our facilities, nor have we identified many opportunities for water reuse or recycling.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Lockheed Martin provides clean water for drinking, sanitary, cooking and cleaning purposes for employees at all our facilities worldwide.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	5014.4	Higher	Significant downsizing in manufacturing and workforce populations at certain Lockheed Martin facilities have resulted in the operation of buildings in which the infrastructure is designed to be larger than the current demand requires. As a result, there has been an increase in the number of exposure points where bacteria can potentially form due to stagnant or inactive water lines. To mitigate the risk of bacterial growth and prevent Lockheed Martin employees from exposure to potential health hazards, extensive Operating and Maintenance Plans have been established to treat, flow, and test the water utilized across affected facilities. These Operating and Maintenance Plans require an increase in water usage as compared to prior years to properly address any potential occupational health concerns due to changes in our operations. We are not able to determine or estimate how future volumes may vary at this time.
Total discharges		Please select	Lockheed Martin does not collect data on water discharge volumes at the Corporate level. Individual Lockheed Martin facilities may measure this information at a site level but do not regularly report this data to be included in our consolidated company reporting.
Total consumption		Please select	Lockheed Martin does not collect data on water consumption volumes at the Corporate level. Individual Lockheed Martin facilities may measure this information at a site level but do not regularly report this data to be included in our consolidated company reporting.

W1.2d

(W1.2d) Provide the proportion of your total withdrawals sourced from water stressed areas.

	% withdrawn from stressed areas	Comparison with previous reporting year	Identification tool	Please explain
Row 1	18	This is our first year of measurement	WBCSD Global Water Tool <i>Also, WRI Aqueduct</i>	Although we have explored the WBCSD Global Water Tool in previous years, this is the first year that we utilized this tool to closely examine which facilities within our operational boundary are located in water-stressed regions. This is also the first year that we utilized the WRI Aqueduct Water Tool, conducting a similar analysis to locate facilities in water-stressed areas and ultimately comparing the results with the outputs of the WBCSD Global Water Tool. Lockheed Martin regularly measures and monitors total volumes of water withdrawn for over 50 of our largest facilities, and of these sites, over 10 were determined to have a baseline water stress status of "extremely high risk" through both outputs of the WBCSD Global Water Tool and the WRI Aqueduct Tool.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant	<Not Applicable>	<Not Applicable>	Individual Lockheed Martin facilities may measure this information at a site level but do not regularly report this data to be included in our consolidated company reporting. We do not expect to track this water source at a Corporate level in the next reporting year and therefore cannot describe any future anticipated trends.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	Individual Lockheed Martin facilities may measure this information at a site level but do not regularly report this data to be included in our consolidated company reporting. We do not expect to track this water source at a Corporate level in the next reporting year and therefore cannot describe any future anticipated trends.
Groundwater – renewable	Relevant	32.3	Lower	Lockheed Martin regularly measures and monitors total volumes of water withdrawn for over 50 of our largest facilities, which represent approximately 85% of our total square footage. These sites are prioritized based on their total annual water use with emphasis on the largest water using facilities. Sites that are not regularly measured and monitored fall outside of our control boundary and are typically leased sites where we do not pay directly for water nor operate the site's water systems. Renewable groundwater is relevant to our organization because we track this water source at a Corporate level for the sites within our operational control boundary. We are not able to describe any future anticipated trends for this water source at this time.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	Individual Lockheed Martin facilities may measure this information at a site level but do not regularly report this data to be included in our consolidated company reporting. We do not expect to track this water source at a Corporate level in the next reporting year and therefore cannot describe any future anticipated trends.
Produced water	Not relevant	<Not Applicable>	<Not Applicable>	Individual Lockheed Martin facilities may measure this information at a site level but do not regularly report this data to be included in our consolidated company reporting. We do not expect to track this water source at a Corporate level in the next reporting year and therefore cannot describe any future anticipated trends.
Third party sources	Relevant	4982.1	Higher	Lockheed Martin regularly measures and monitors total volumes of water withdrawn for over 50 of our largest facilities, which represent approximately 85% of our total square footage. These sites are prioritized based on their total annual water use with emphasis on the largest water using facilities. Sites that are not regularly measured and monitored fall outside of our control boundary and are typically leased sites where we do not pay directly for water nor operate the site's water systems. We include municipal supplies and a small amount of wastewater from another organization in our third-party sources. Third-party sources are relevant to our organization because we track these water sources at a Corporate level for sites within our operational control boundary and over 97% of our water withdrawals from sites within this boundary are sourced from municipal supplies. We are not able to describe any future anticipated trends for this water source at this time.

## W1.2i

### (W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Not relevant	<Not Applicable>	<Not Applicable>	Individual Lockheed Martin facilities may measure this information at a site level but do not regularly report this data to be included in our consolidated company reporting. We do not expect to track this water source at a Corporate level in the next reporting year and therefore cannot describe any future anticipated trends.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	Individual Lockheed Martin facilities may measure this information at a site level but do not regularly report this data to be included in our consolidated company reporting. We do not expect to track this water source at a Corporate level in the next reporting year and therefore cannot describe any future anticipated trends.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	Individual Lockheed Martin facilities may measure this information at a site level but do not regularly report this data to be included in our consolidated company reporting. We do not expect to track this water source at a Corporate level in the next reporting year and therefore cannot describe any future anticipated trends.
Third-party destinations	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	Individual Lockheed Martin facilities may measure this information at a site level but do not regularly report this data to be included in our consolidated company reporting. We do not expect to track this water source at a Corporate level in the next reporting year and therefore cannot describe any future anticipated trends.

## W1.4

### (W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

## W1.4a

### (W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

#### Row 1

##### % of suppliers by number

Less than 1%

##### % of total procurement spend

26-50

##### Rationale for this coverage

In 2017, through the Sustainable Supply Chain Management (SSCM) program, we completed our third voluntary Supplier Sustainability Assessment for suppliers to report on their Environmental, Social and Governance (ESG) management systems and performance. We selected a mix of small and large businesses with varying contract lengths and values, suppliers to our business travel program and prior participants in our Corporate Ethics Mentoring Program. In 2017, we expanded invitations to complete the survey from 166 to 299 suppliers, representing 48% of our supply chain spending. We incentivize suppliers to respond to this survey by providing respondents with a benchmarking report that compares their input with those of other survey participants, providing an actionable resource that enables them to address findings. Suppliers are also incentivized as the survey provides opportunities for increased engagement through resources such as the Department of Energy's Better Plants Program.

##### Impact of the engagement and measures of success

The environmental section of this survey asks suppliers if they have risk mitigation plans in place that include impacts from water; if they track key performance indicators including water reduction; and if there were any water-related risks that impacted their direct operations or their business with Lockheed Martin. After analyzing supplier responses, we develop an internal scorecard to provide our key internal stakeholders with valuable insights on risks and opportunities across our supply chain. We measure the success of this survey through increased overall participation, increased proportion of fully completed surveys and through the value of additional visibility into supply chain risks and opportunities. 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 positive feedback.

##### Comment

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.

## W1.4b

### (W1.4b) Provide details of any other water-related supplier engagement activity.

## W2. Business impacts

## W2.1

### (W2.1) Has your organization experienced any detrimental water-related impacts?

Yes

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**(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and total financial impact.****Country/Region**

United States of America

**River basin**

Not known

**Type of impact driver**

Physical

**Primary impact driver**

Severe weather events

**Primary impact**

Closure of operations

**Description of impact**

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. However, the overall effect of this site closure was of low impact to the Corporation.

**Primary response**

Increased capital expenditure

**Total financial impact**

500000

**Description of response**

Various teams within Lockheed Martin including Crisis Management, Global Emergency Operations Center, Corporate Air, Facilities and Business Continuity and Recovery worked cross-functionally to 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. The total estimated costs associated with these management actions was approximately \$500,000.

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**Country/Region**

United States of America

**River basin**

Saint John River

**Type of impact driver**

Physical

**Primary impact driver**

Severe weather events

**Primary impact**

Closure of operations

**Description of impact**

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. However, the overall effect of this site closure was of low impact to the Corporation.

**Primary response**

Other, please specify (Increased operational expenditure)

**Total financial impact**

800000

**Description of response**

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's 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 the event of an emergency. Due to the dangerous conditions surrounding Lockheed Martin's Ocala facility as a result of Hurricane Irma, the Senior Executives and the Global Emergency Operations Center from our Missiles and Fire Control business segment closed down the Ocala, FL facility, as employee safety was paramount. The labor costs associated with the site closure was approximately \$800,000.

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**Country/Region**

United States of America

**River basin**

Saint John River

**Type of impact driver**

Physical

**Primary impact driver**

Severe weather events

**Primary impact**

Increased capital costs

**Description of impact**

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. However, the overall effect of this site closure was of low impact to the Corporation.

**Primary response**

Infrastructure maintenance

**Total financial impact**

300000

**Description of response**

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's 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 the event of an emergency. Due to the hurricane winds and flooding caused by Hurricane Irma, there was a variety of repairs required for the damages to Lockheed Martin's facility in Orlando, FL, which were estimated at over \$300,000. 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.

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W2.2

**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

No

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W3. Procedures

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W3.3

**(W3.3) Does your organization undertake a water-related risk assessment?**

Yes, water-related risks are assessed

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W3.3a

**(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.**

## Direct operations

### Coverage

Full

### Risk assessment procedure

Water risks are assessed as part of an enterprise risk management framework

### Frequency of assessment

Annually

### How far into the future are risks considered?

2 to 5 years

### Type of tools and methods used

Tools on the market  
Enterprise Risk Management  
International methodologies  
Other

### Tools and methods used

WBCSD Global Water Tool  
WRI Aqueduct  
Life Cycle Assessment  
Internal company methods

### Comment

## Supply chain

### Coverage

Full

### Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

### Frequency of assessment

Every two years

### How far into the future are risks considered?

2 to 5 years

### Type of tools and methods used

Enterprise Risk Management  
International methodologies  
Other

### Tools and methods used

Life Cycle Assessment  
Internal company methods

### Comment

## Other stages of the value chain

### Coverage

Full

### Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

### Frequency of assessment

Every two years

### How far into the future are risks considered?

2 to 5 years

### Type of tools and methods used

Enterprise Risk Management  
International methodologies  
Other

### Tools and methods used

Life Cycle Assessment  
Internal company methods

### Comment

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## W3.3b

**(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?**

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	Although we have explored the WBCSD Global Water Tool in previous years, this is the first year that we utilized this tool to closely examine which facilities in our operational control boundary are located in water-stressed regions. This is also the first year that we utilized the WRI Aqueduct Tool, conducting a similar analysis to locate facilities in water-stressed regions and ultimately comparing the results with the outputs of the WBCSD Global Water Tool. Lockheed Martin regularly measures and monitors total volumes of water withdrawn for over 50 of our largest facilities, which represent approximately 85% of our total square footage. These sites are prioritized based on their total annual water use with emphasis on the largest water using facilities. Sites that are not regularly measured and monitored fall outside of our control boundary and are typically leased sites where we do not pay directly for water nor operate the site's water systems. Over 97% of our water is from municipal suppliers that provide good quality water to our operations. Of the sites that are included in our operational boundary, over 10 were determined to have a baseline water stress status of "extremely high risk" through both the outputs of the WBCSD Global Water Tool and the WRI Aqueduct Tool.
Water quality at a basin/catchment level	Not relevant, explanation provided	Individual Lockheed Martin facilities may measure this information at a site level but do not regularly report this data to be included in our consolidated company reporting. We do not expect to track this water source at a Corporate level in the next reporting year and therefore cannot describe any future anticipated trends. Lockheed Martin regularly measures and monitors total volumes of water withdrawn for over 50 of our largest facilities, which represent approximately 85% of our total square footage. These sites are prioritized based on their total annual water use with emphasis on the largest water using facilities. Sites that are not regularly measured and monitored fall outside of our control boundary and are typically leased sites where we do not pay directly for water nor operate the site's water systems. Water quality at a basin/catchment level is not relevant at this time, as over 97% of our water is from municipal suppliers that provide good quality water to our operations.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	Lockheed Martin is not a large water user in most locations and therefore has not encountered any local water stakeholder conflicts. We use internal company knowledge to address any potential stakeholder conflicts through facility ESH managers who are responsible for monitoring all local issues including water resources and potential issues in local communities that may impact our operations. Although stakeholder conflicts are considered, we have not identified any at this time. Any future stakeholder conflicts would be identified through Lockheed Martin's 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, 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. ESHMS 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 regulations. These audits provide a check-and-balance approach to risk mitigation across the enterprise.
Implications of water on your key commodities/raw materials	Relevant, always included	Lockheed Martin uses internal company knowledge, such as life-cycle assessments, to assess risks related to water implications on our key commodities/raw materials. In 2016, we conducted an economic input-output life cycle assessment of our supply chain, facilities and the most material products and services to estimate environmental impacts across our value chain. Although energy and carbon were identified as part of our top 5 issues cumulatively generating 92% of our total environmental impact, water did not materialize as a significant impact.
Water-related regulatory frameworks	Relevant, always included	Lockheed Martin's Environment, Safety and Health (ESH) Policy outlines key processes and integration methods for managing the ESH requirements of our business, which include compliance with all relevant federal or foreign, state, local, customer and corporate requirements; resources for emerging regulatory requirements and industry trends. We use internal company knowledge to build upon our strong compliance foundation including any relevant water regulatory frameworks and tariffs at a local level. Any future issues from water-related regulatory frameworks would be identified through Lockheed Martin's 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, 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. ESHMS 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 regulations. These audits provide a check-and-balance approach to risk mitigation across the enterprise.
Status of ecosystems and habitats	Relevant, always included	We use internal company knowledge through Lockheed Martin's 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, 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. If non-compliance is identified, systematic interim control, root cause, corrective and preventive action processes must be applied and monitored to prevent future occurrence. As an example, some of our facilities in California are located near protected and endangered species. Our ESH employees have executed due diligence by conducting site surveys, partnering with local environmental agencies to ensure ecosystem stability and placing site safety measures to mitigate accidents for interactions between facility operations or employees and the native species. In support of the annual wildfire defensible space protocol, Lockheed Martin's Santa Cruz Test Facility (SCF) engages with the local fire authority, Cal Fire and third-party Forestry Management to survey the site and provide a site-specific plan for fire fuel reduction that protects endangered or protected species such as the silver-tipped manzanita shrub, as well as selective clearing to support optimal propagation of all native species. SCF Facilities and ESH teams collaborate with posters and periodic employee email notifications to increase awareness and safety for potential interactions with the local species.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Lockheed Martin has an expectation to always provide clean water for drinking and sanitation purposes for employees at all facilities under our operational control. Our principal manufacturing facilities and approximately 95% of our employees are located in the U.S. Our facilities are not in areas of the world where people do not have access to WASH services. To address any future potential issues related to WASH services in locations outside the U.S. that may fall within our operational control boundary, we would use internal company knowledge through Lockheed Martin's 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, 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. ESHMS 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 regulations. These audits provide a check-and-balance approach to risk mitigation across the enterprise.
Other contextual issues, please specify	Please select	

**W3.3c**

**(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?**

	Relevance & inclusion	Please explain

	Relevance & inclusion	Please explain
Customers	Relevant, always included	In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from various stakeholders, including our customers. Through this Core Issues Assessment, we have identified five core sustainability objectives and developed a Sustainability Management Plan (SMP) which includes specific goals and performance initiatives that we monitor and voluntarily disclose. Although water was not identified as a high-risk concern, our Resource Efficiency core issue directly reflects internal and external stakeholder interest in overall environmental stewardship; and through our Go Green 2020 program, we have committed to a 30% reduction in water use by 2020, from a 2010 baseline. Furthermore, in 2016, we conducted an economic input-output life-cycle assessment of our supply chain, facilities and our most material products and services to estimate environmental impacts across our value chain. Although energy and carbon were identified as part of our top 5 issues which cumulatively generate 92% of our total environmental impact, water did not materialize as a significant issue. After evaluating the importance of sustainability issues to our customers through our Core Issues Assessment and examining the impact of water as part of the life-cycle of our value chain, we have determined that water-related issues are not material to our customers; and therefore do not directly engage with them on water. However, we indirectly address water-related issues through one of our SMP goals that aims to improve the Total Cost of Ownership for our customers by generating \$1 billion in life-cycle cost reductions from our products. As of 2017, we have conducted life-cycle case studies on three products, identifying cost savings of \$574 million versus a business-as-usual scenario. To reduce total cost of ownership, we design sustainable features into early stages of product development that improve operation and maintenance, which may impact water usage for our customers.
Employees	Relevant, always included	In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from various stakeholders, including our employees. Through this Core Issues Assessment, we have identified five core sustainability objectives and developed a Sustainability Management Plan (SMP) which includes specific goals and performance initiatives that we monitor and voluntarily disclose. Although water was not identified as a high-risk concern, our Resource Efficiency core issue directly reflects internal and external stakeholder interest in overall environmental stewardship; and through our Go Green 2020 program, we have committed to a 30% reduction in water use by 2020, from a 2010 baseline. Furthermore, in 2016, we conducted an economic input-output life-cycle assessment of our supply chain, facilities and our most material products and services to estimate environmental impacts across our value chain. Although energy and carbon were identified as part of our top 5 issues which cumulatively generate 92% of our total environmental impact, water did not materialize as a significant issue. Water-related issues did not materialize through these analyses as significant to our employees, but to proactively address water stewardship, Lockheed Martin's ESH, Facilities and key program employees are involved in the development of our overall water strategy, targets and assessments of water risks. Our business segments measure their performance towards the Go Green 2020 goal of achieving a 30% reduction in water use by 2020, from a 2010 baseline. 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.
Investors	Relevant, always included	In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from various stakeholders, including our investors. Through this Core Issues Assessment, we have identified five core sustainability objectives and developed a Sustainability Management Plan (SMP) which includes specific goals and performance initiatives that we monitor and voluntarily disclose. Although water was not identified as a high-risk concern, our Resource Efficiency core issue directly reflects internal and external stakeholder interest in overall environmental stewardship; and through our Go Green 2020 program, we have committed to a 30% reduction in water use by 2020, from a 2010 baseline. Furthermore, in 2016, we conducted an economic input-output life-cycle assessment of our supply chain, facilities and our most material products and services to estimate environmental impacts across our value chain. Although energy and carbon were identified as part of our top 5 issues which cumulatively generate 92% of our total environmental impact, water did not materialize as a significant issue. After evaluating the importance of sustainability issues to our investors through our Core Issues Assessment and examining the impact of water as part of the life-cycle of our value chain, we have determined that water-related issues are not material to our investors; and therefore do not directly engage with them on water. However, to increase Corporate transparency and disclosure on environmental impacts and performance, Lockheed Martin responds to the Water CDP Report and publicly releases an annual Sustainability Report and an annual Energy, Environment, Safety and Health (EESH) Performance Report which includes water reduction goals and performance as part of our Go Green 2020 program.
Local communities	Relevant, always included	Lockheed Martin is not a water-intensive company and our current water quantity and quality meet our demands without materially impacting the water basins in which we operate. Any future potential water stakeholder conflicts would be identified through our 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. To proactively address water stewardship in local communities, in 2017, our business segment in Australia formed an ongoing partnership with an NGO called LandCare Australia to contribute to community projects and promote employee engagement. LandCare Australia is an environmental conservation organization that coordinates local community groups across Australia to restore native landscapes and habitats. Through this partnership, Lockheed Martin Australia sponsored a community-based program by the Ceduna Aboriginal Corporation group to 1) Reduce their water usage by replacing existing reticulation lines and installing rainwater tanks as well as a drip-water system; 2) Propagate seeds of native plants in local areas to rehabilitate bushland and restore habitats; 3) Provide socially active employment and training opportunities for local indigenous people. Also in 2017, Lockheed Martin expanded a pilot program through an organization called Businesses for the Bay. The Alliance for the Chesapeake Bay's Businesses for the Bay Membership Association encourages businesses within the Chesapeake Bay watershed to take voluntary and measurable actions to support protection and restoration of the Chesapeake Bay and help the public understand the valuable role of the business community in sustaining the health of the Bay and its watershed. As of the reporting year, 8 Lockheed Martin sites have committed to voluntary water stewardship actions.
NGOs	Relevant, sometimes included	Lockheed Martin is not a water-intensive company and our current water quantity and quality meet our demands without materially impacting the water basins in which we operate. Any future potential water stakeholder conflicts would be identified through our 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. To proactively address water stewardship in local communities, in 2017, our business segment in Australia formed an ongoing partnership with an NGO called LandCare Australia to contribute to community projects and promote employee engagement. LandCare Australia is an environmental conservation organization that coordinates local community groups across Australia to restore native landscapes and habitats. Through this partnership, Lockheed Martin Australia sponsored a community-based program by the Ceduna Aboriginal Corporation group to 1) Reduce their water usage by replacing existing reticulation lines and installing rainwater tanks as well as a drip-water system; 2) Propagate seeds of native plants in local areas to rehabilitate bushland and restore habitats; 3) Provide socially active employment and training opportunities for local indigenous people. Also in 2017, Lockheed Martin expanded a pilot program through an organization called Businesses for the Bay. The Alliance for the Chesapeake Bay's Businesses for the Bay Membership Association encourages businesses within the Chesapeake Bay watershed to take voluntary and measurable actions to support protection and restoration of the Chesapeake Bay and help the public understand the valuable role of the business community in sustaining the health of the Bay and its watershed. As of the reporting year, 8 Lockheed Martin sites have committed to voluntary water stewardship actions.
Other water users at a basin/catchment level	Relevant, sometimes included	Lockheed Martin is not a water-intensive company and our current water quantity and quality meet our demands without materially impacting the water basins in which we operate. Any future potential water stakeholder conflicts would be identified through our 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. To proactively address water stewardship in local communities, in 2017, our business segment in Australia formed an ongoing partnership with an NGO called LandCare Australia to contribute to community projects and promote employee engagement. LandCare Australia is an environmental conservation organization that coordinates local community groups across Australia to restore native landscapes and habitats. Through this partnership, Lockheed Martin Australia sponsored a community-based program by the Ceduna Aboriginal Corporation group to 1) Reduce their water usage by replacing existing reticulation lines and installing rainwater tanks as well as a drip-water system; 2) Propagate seeds of native plants in local areas to rehabilitate bushland and restore habitats; 3) Provide socially active employment and training opportunities for local indigenous people. Also in 2017, Lockheed Martin expanded a pilot program through an organization called Businesses for the Bay. The Alliance for the Chesapeake Bay's Businesses for the Bay Membership Association encourages businesses within the Chesapeake Bay watershed to take voluntary and measurable actions to support protection and restoration of the Chesapeake Bay and help the public understand the valuable role of the business community in sustaining the health of the Bay and its watershed. As of the reporting year, 8 Lockheed Martin sites have committed to voluntary water stewardship actions.
Regulators	Relevant, always included	Lockheed Martin is not a water-intensive company and our current water quantity and quality meet our demands without materially impacting the water basins in which we operate. Any future potential water stakeholder conflicts would be identified through our 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. Lockheed Martin requires full compliance with all local laws and regulations at all facilities. Although our water usage is not material, we work with regulators through ongoing permitting and compliance issues, which include water. As an example, Lockheed Martin's Santa Cruz Test Facility (SCF) in California is a state-regulated water system, drawing water supply from a large reservoir that is subject to regulations related to its dam. As such, SCF supports annual site inspections and provides monthly and annual reports to state agencies. Storm water management is also regulated through the State of California requiring quarterly and annual inspections and test sampling. The staff operating water treatment for SCF receive periodic updates from local agencies including County Environmental and Health Departments as well as the California State Water Resources Control Board.
River basin management authorities	Relevant, always included	Lockheed Martin is not a water-intensive company and our current water quantity and quality meet our demands without materially impacting the water basins in which we operate. Any future potential water stakeholder conflicts would be identified through our 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. Lockheed Martin requires full compliance with all local laws and regulations at all facilities. Although our water usage is not material, we work with regulators through ongoing permitting and compliance issues, which include water. As an example, Lockheed Martin's Santa Cruz Test Facility (SCF) in California is a state-regulated water system, drawing water supply from a large reservoir that is subject to regulations related to its dam. As such, SCF supports annual site inspections and provides monthly and annual reports to state agencies. Storm water management is also regulated through the State of California requiring quarterly and annual inspections and test sampling. The staff operating water treatment for SCF receive periodic updates from local agencies including County Environmental and Health Departments as well as the California State Water Resources Control Board.

	Relevance & inclusion	Please explain
Statutory special interest groups at a local level	Relevant, sometimes included	Lockheed Martin is not a water-intensive company and our current water quantity and quality meet our demands without materially impacting the water basins in which we operate. Any future potential water stakeholder conflicts would be identified through our 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. To proactively address water stewardship in local communities, in 2017, our business segment in Australia formed an ongoing partnership with an NGO called LandCare Australia to contribute to community projects and promote employee engagement. LandCare Australia is an environmental conservation organization that coordinates local community groups across Australia to restore native landscapes and habitats. Through this partnership, Lockheed Martin Australia sponsored a community-based program by the Ceduna Aboriginal Corporation group to 1) Reduce their water usage by replacing existing reticulation lines and installing rainwater tanks as well as a drip-water system; 2) Propagate seeds of native plants in local areas to rehabilitate bushland and restore habitats; 3) Provide socially active employment and training opportunities for local indigenous people. Also in 2017, Lockheed Martin expanded a pilot program through an organization called Businesses for the Bay. The Alliance for the Chesapeake Bay's Businesses for the Bay Membership Association encourages businesses within the Chesapeake Bay watershed to take voluntary and measurable actions to support protection and restoration of the Chesapeake Bay and help the public understand the valuable role of the business community in sustaining the health of the Bay and its watershed. As of the reporting year, 8 Lockheed Martin sites have committed to voluntary water stewardship actions.
Suppliers	Relevant, always included	In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from various stakeholders, including our suppliers. Through this Core Issues Assessment, we have identified five core sustainability objectives and developed a Sustainability Management Plan (SMP) which includes specific goals and performance initiatives that we monitor and voluntarily disclose. Although water was not identified as a high-risk concern, our Resource Efficiency core issue directly reflects internal and external stakeholder interest in overall environmental stewardship; and through our Go Green 2020 program, we have committed to a 30% reduction in water use by 2020, from a 2010 baseline. Furthermore, in 2016, we conducted an economic input-output life-cycle assessment of our supply chain, facilities and our most material products and services to estimate environmental impacts across our value chain. Although energy and carbon were identified as part of our top 5 issues which cumulatively generate 92% of our total environmental impact, water did not materialize as a significant issue. However, to better understand risks and opportunities throughout our supply chain, 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 survey, suppliers were asked a series of questions regarding risk mitigation plans that include impacts from water; key performance indicators including water reduction; and water-related risks to their direct operations or their business with Lockheed Martin. After analyzing supplier responses, we develop an internal scorecard to provide our key internal stakeholders with valuable insights on risks and opportunities across our supply chain. In 2017, we expanded invitations to complete the survey from 166 to 299 suppliers, representing 48% of our supply chain spending.
Water utilities at a local level	Not relevant, included	Lockheed Martin is not a water-intensive company and our current water quantity and quality meet our demands without materially impacting the water basins in which we operate. Any future potential water stakeholder conflicts would be identified through our 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. This process will identify any future potential water stakeholder conflicts, but we have not identified any issues at this time.
Other stakeholder, please specify	Please select	

### W3.3d

#### (W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

This is the first year that we utilized the WBCSD Global Water Tool and the WRI Aqueduct Tool to examine which facilities in our operational control boundary are located in water-stressed regions. We chose to utilize these tools because they are recognized by Water CDP.

Lockheed Martin regularly measures and monitors total volumes of water withdrawn for over 50 of our largest facilities. Of these sites, over 10 were determined to have a baseline water stress status of "extremely high risk" through both outputs of the water risk tools. However, based on internal company measures, we do not consider these sites to present a potential substantive impact to our operations.

Water-related risks would be managed through internal company methods such as Lockheed Martin's 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, 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. ESHMS 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.

### W4. Risks and opportunities

#### W4.1

##### (W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

#### W4.1a

**(W4.1a) How does your organization define substantive financial or strategic impact on your business?**

Lockheed Martin considers water-related risks to be location specific but currently does not deem water to pose a material impact to our business. For the purposes of Water CDP disclosure, we would define substantive change from water-related risks as those that are present within certain regions where we or key suppliers operate that could lead to a 1% deviation from normal business operations (e.g. increased process time, disrupted material flow, supply chain delay, etc.) and/or a change in revenue or costs to the affected facility and/or supplier caused by a water shortage, regulatory water restriction, water-related natural catastrophe, or other water-related impact. This 1% threshold for substantive change is defined only for the purposes of the Water CDP and does not apply as a formal definition to what Lockheed Martin considers to be material or substantive. Water impacts currently do not constitute 1% of deviation in our normal business operations or our supply chain, and thus do not constitute a substantive change. As an example, although we experienced detrimental impacts to our Aguadilla, Puerto Rico facility from Hurricane Maria, this would not constitute a substantive impact to our overall Corporation because it did not approach the 1% thresholds related to deviations from normal business operations that we defined as substantive impact for the purposes of Water CDP only.

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

**W4.2b**

**(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?**

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from various stakeholders. Through this Core Issues Assessment, we have identified five core sustainability objectives and developed a Sustainability Management Plan (SMP) which includes specific goals and performance initiatives that we monitor and voluntarily disclose. Although water was not identified as a high-risk concern, our Resource Efficiency core issue directly reflects internal and external stakeholder interest in overall environmental stewardship; and through our Go Green 2020 program, we have committed to a 30% reduction in water use by 2020, from a 2010 baseline. Furthermore, in 2016, we conducted an economic input-output life-cycle assessment of our supply chain, facilities and our most material products and services to estimate environmental impacts across our value chain. Although energy and carbon were identified as part of our top 5 issues which cumulatively generate 92% of our total environmental impact, water did not materialize as a significant issue for our own operations, Tier 1 and 2 suppliers, other suppliers and client product use. The first life-cycle analysis of our products was conducted in 2012 and has been updated twice since then. We have not determined when we will conduct our next life cycle assessment, as this voluntary process is extensive and requires significant resources, but we anticipate updating the analysis every 2-4 years.

**W4.2c**

**(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?**

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from various stakeholders, including our suppliers. Through this Core Issues Assessment, we have identified five core sustainability objectives and developed a Sustainability Management Plan (SMP) which includes specific goals and performance initiatives that we monitor and voluntarily disclose. Although water was not identified as a high-risk concern, our Resource Efficiency core issue directly reflects internal and external stakeholder interest in overall environmental stewardship; and through our Go Green 2020 program, we have committed to a 30% reduction in water use by 2020, from a 2010 baseline. Furthermore, in 2016, we conducted an economic input-output life-cycle assessment of our supply chain, facilities and our most material products and services to estimate environmental impacts across our value chain. Although energy and carbon were identified as part of our top 5 issues which cumulatively generate 92% of our total environmental impact, water did not materialize as a significant issue for our own operations, Tier 1 and 2 suppliers, other suppliers and client product use. The first life-cycle analysis of our products was conducted in 2012 and has been updated twice since then. We have not determined when we will conduct our next life cycle assessment, as this voluntary process is extensive and requires significant resources, but we anticipate updating the analysis every 2-4 years. Furthermore, we conducted our third annual voluntary Supplier Sustainability Assessment in 2017 in which our suppliers were asked questions regarding risk mitigation plans that include impacts from water; key performance indicators including water reduction; and water-related risks to their direct operations or their business with Lockheed Martin. However, water-related issues did not materialize as a priority in the results of this assessment.

**W4.3**

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities, and some/all are being realized

**W4.3a**

**(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.**

**Type of opportunity**

Efficiency

**Primary water-related opportunity**

Improved water efficiency in operations

**Company-specific description & strategy to realize opportunity**

As part of our Go Green program, Lockheed Martin established a 30% water reduction goal by 2020 measured from a 2010 baseline. This program promotes water stewardship to improve operational efficiencies. Since 2010, a team of subject matter experts from facilities engineering and production and process engineering called the "Tiger Team" have been conducting in-depth analyses of energy and water systems across the company to identify projects for implementation. In 2017, the Tiger Team

conducted 10 structured improvement events resulting in energy and water savings through infrastructure and process/production optimizations.

#### Estimated timeframe for realization

1 to 3 years

#### Magnitude of potential financial impact

Medium-high

#### Potential financial impact

34000000

#### Explanation of financial impact

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. A significant portion of these cost avoidances are a result of energy efficiency, but efficiencies in water-related initiatives are included in this figure.

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#### Type of opportunity

Products and services

#### Primary water-related opportunity

Increased sales of existing products/services

#### Company-specific description & strategy to realize opportunity

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. 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 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.

#### Estimated timeframe for realization

>6 years

#### Magnitude of potential financial impact

Medium

#### Potential financial impact

2600000000

#### Explanation of financial impact

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 Delivery, Indefinite Quantity (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. The potential financial impact represents an average of the \$55 billion contract between 21 companies and does not represent the true value of contract specifically delegated to Lockheed Martin. 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 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.

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#### Type of opportunity

Resilience

#### Primary water-related opportunity

Increased resilience to impacts of climate change

#### Company-specific description & strategy to realize opportunity

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 the ability to save lives in storm-threatened areas.

#### Estimated timeframe for realization

>6 years

#### Magnitude of potential financial impact

High

#### Potential financial impact

1100000000

#### Explanation of financial impact

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.

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#### Type of opportunity

Products and services

#### Primary water-related opportunity

Sales of new products/services

#### Company-specific description & strategy to realize opportunity

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.

**Estimated timeframe for realization**

>6 years

**Magnitude of potential financial impact**

Medium-high

**Potential financial impact**

2100000000

**Explanation of financial impact**

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.

**W6. Governance**

**W6.1**

**(W6.1) Does your organization have a water policy?**

Yes, we have a documented water policy that is publicly available

**W6.1a**

**(W6.1a) Select the options that best describe the scope and content of your water policy.**

	Scope	Content	Please explain
Row 1	Company-wide	Description of water-related performance standards for direct operations Company water targets and goals Commitment to stakeholder awareness and education Commitment to water stewardship and/or collective action Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change	Lockheed Martin's water management is focused on attaining the Corporation's Go Green goals through increased efficiency, on-site water reuse and best management practices. Our Corporate goals for water conservation and ESH Management System are publicly available to further the transparency of our water stewardship efforts. We demonstrate our commitment to stakeholder education and recognize environmental linkages through our annual Sustainability Report. Performance standards for our facilities include implementation of water conservation projects and green building practices in the design, construction and operations of all owned or commercially leased facilities. We provide WASH services at all facilities under our operational control. In 2017, Lockheed Martin expanded pilot program through an external partnership called Businesses for the Bay, which encourages businesses within the Chesapeake Bay watershed to commit to voluntary actions that promote water stewardship.

**W6.2**

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

**W6.2a**

**(W6.2a) Identify the position(s) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual	Please explain
Other, please specify (Board of Directors/board committees)	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. 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, which may include water were addressed by the Ethics and Sustainability and the Strategic Affairs committees of the Board.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Reviewing and guiding major plans of action Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy	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. 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, which may include water were addressed by the Ethics and Sustainability and the Strategic Affairs committees of the Board.

W6.3

(W6.3) Below board level, provide the highest-level management position(s) or committee(s) with responsibility for water-related issues.

**Name of the position(s) and/or committee(s)**

Chief Sustainability Officer (CSO)

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

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 (CSO), the highest-level management position with responsibility for climate-related issues, which may include water. As chair of the Sustainability Working Group (SWG), the SVP for 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 SWG includes key functional executive leaders such as the vice president of Corporate Energy, Environment, Safety & Health (EESH) who leads the implementation of Lockheed Martin's environmental programs – in particular, our Go Green 2020 strategy which includes the goal of achieving a 30% reduction in water by 2020, from a 2010 baseline.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

No

W7. Business strategy

W7.1

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	No, water-related issues were reviewed but not considered as strategically relevant/significant	5-10	In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from various stakeholders. Through this Core Issues Assessment, we have identified five core sustainability objectives and developed a Sustainability Management Plan (SMP) which includes specific goals and performance initiatives that we monitor and voluntarily disclose. Although water was not identified as a high-risk concern, our Resource Efficiency core issue directly reflects internal and external stakeholder interest in overall environmental stewardship; and through our Go Green 2020 program, we have committed to a 30% reduction in water use by 2020, from a 2010 baseline. Furthermore, in 2016, we conducted an economic input-output life-cycle assessment of our supply chain, facilities and our most material products and services to estimate environmental impacts across our value chain. Although energy and carbon were identified as part of our top 5 issues which cumulatively generate 92% of our total environmental impact, water did not materialize as a significant issue for our own operations, Tier 1 and 2 suppliers, other suppliers and client product use. The first life-cycle analysis of our products was conducted in 2012 and has since been updated twice. We have not determined when we will conduct our next life cycle assessment, as this voluntary process is extensive and requires significant resources, but we anticipate updating the analysis every 2-4 years.
Strategy for achieving long-term objectives	No, water-related issues were reviewed but not considered as strategically relevant/significant	5-10	In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from various stakeholders. Through this Core Issues Assessment, we have identified five core sustainability objectives and developed a Sustainability Management Plan (SMP) which includes specific goals and performance initiatives that we monitor and voluntarily disclose. Although water was not identified as a high-risk concern, our Resource Efficiency core issue directly reflects internal and external stakeholder interest in overall environmental stewardship; and through our Go Green 2020 program, we have committed to a 30% reduction in water use by 2020, from a 2010 baseline. Furthermore, in 2016, we conducted an economic input-output life-cycle assessment of our supply chain, facilities and our most material products and services to estimate environmental impacts across our value chain. Although energy and carbon were identified as part of our top 5 issues which cumulatively generate 92% of our total environmental impact, water did not materialize as a significant issue for our own operations, Tier 1 and 2 suppliers, other suppliers and client product use. The first life-cycle analysis of our products was conducted in 2012 and has since been updated twice. We have not determined when we will conduct our next life cycle assessment, as this voluntary process is extensive and requires significant resources, but we anticipate updating the analysis every 2-4 years.
Financial planning	No, water-related issues were reviewed but not considered as strategically relevant/significant	5-10	In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from various stakeholders. Through this Core Issues Assessment, we have identified five core sustainability objectives and developed a Sustainability Management Plan (SMP) which includes specific goals and performance initiatives that we monitor and voluntarily disclose. Although water was not identified as a high-risk concern, our Resource Efficiency core issue directly reflects internal and external stakeholder interest in overall environmental stewardship; and through our Go Green 2020 program, we have committed to a 30% reduction in water use by 2020, from a 2010 baseline. Furthermore, in 2016, we conducted an economic input-output life-cycle assessment of our supply chain, facilities and our most material products and services to estimate environmental impacts across our value chain. Although energy and carbon were identified as part of our top 5 issues which cumulatively generate 92% of our total environmental impact, water did not materialize as a significant issue for our own operations, Tier 1 and 2 suppliers, other suppliers and client product use. The first life-cycle analysis of our products was conducted in 2012 and has since been updated twice. We have not determined when we will conduct our next life cycle assessment, as this voluntary process is extensive and requires significant resources, but we anticipate updating the analysis every 2-4 years.

**W7.2**

**(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

	Water-related CAPEX (+/- % change)	Anticipated forward trend for CAPEX (+/- % change)	Water-related OPEX (+/- % change)	Anticipated forward trend for OPEX (+/- % change)	Please explain
Row 1	-99	0	-14	0	Lockheed Martin decreased both our capital and operational expenditure related to water from 2016 to 2017. Operational expenditure related to water is only an estimate as water cost data is not collected at the Corporate level. We are not able to anticipate trends in our water-related CAPEX and OPEX for the next reporting year.

**W7.3**

**(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?**

	Use of climate-related scenario analysis	Comment
Row 1	Yes	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 carbon emissions than would be allocated based on our contribution to gross domestic product (GDP). 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. 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, which may include water. 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.

**W7.3a**

**(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?**

No

**W7.4**

**(W7.4) Does your company use an internal price on water?**

**Row 1**

**Does your company use an internal price on water?**

No, and we do not anticipate doing so within the next two years

**Please explain**

In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from various stakeholders and through this Core Issues Assessment, water was not identified as a high-risk concern. Furthermore, in 2016, we conducted an economic input-output life-cycle assessment of our supply chain, facilities and our most material products and services to estimate environmental impacts across our value chain. Although energy and carbon were identified as part of our top 5 issues which cumulatively generate 92% of our total environmental impact, water did not materialize as a significant issue for our own operations, Tier 1 and 2 suppliers, other suppliers and client product use. We do not use an internal price on water because through various comprehensive evaluations from stakeholder feedback and internal company analyses, we have determined that water is not material to our business.

**W8. Targets**

**W8.1**

**(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.**

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	As part of our Go Green program, Lockheed Martin has publicly committed to achieving a 30% reduction in water use by the year 2020, from a 2010 baseline. Our public commitment to water stewardship has influenced our business because we have put more emphasis on water conservation initiatives, achieved our first water reduction target, and then established a second, more aggressive target. In 2017, we achieved a 22% reduction in water usage from a 2010 baseline, as well as energy and water cost avoidances of approximately \$34 million compared to 2010.

**W8.1a**

**(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.**

**Target reference number**

Target 1

**Category of target**

Water withdrawals

**Level**

Company-wide

**Primary motivation**

Water stewardship

**Description of target**

As part of our Go Green program, Lockheed Martin has publicly committed to achieving a 30% reduction in water use by the year 2020, from a 2010 baseline. Our public commitment to water stewardship has influenced our business because we have put more emphasis on water conservation initiatives, achieved our first water reduction target, and then established a second, more aggressive target. In 2017, we achieved a 22% reduction in water usage from a 2010 baseline, as well as energy and water cost avoidances of approximately \$34 million compared to 2010.

**Quantitative metric**

% reduction in total water withdrawals

**Baseline year**

2010

**Start year**

2015

**Target year**

2020

**% achieved**

73

**Please explain**

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 included a 25% reduction in water use by 2020, from a 2010 baseline. However, we updated this goal in 2015 to achieve a 30% reduction in water use by 2020, from a 2010 baseline. As of 2017, we have achieved a 22% reduction in total water withdrawals against our 2010 baseline.

## W8.1b

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**(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.**

**Goal**

Reduce environmental impact of product in use phase

**Level**

Company-wide

**Motivation**

Corporate social responsibility

**Description of goal**

In late 2015, Lockheed Martin reassessed our priority sustainability issues through input from various stakeholders. Through this Core Issues Assessment, we have identified five core sustainability objectives and developed a Sustainability Management Plan (SMP) which includes specific goals and performance initiatives that we monitor and voluntarily disclose. In 2016, Lockheed Martin developed goals around Product Total Cost of Ownership with indirect impacts for water consumption, which include: 1) Add design-to-cost analysis criteria to each business segment's proposal planning and proposal review processes by 2020. 2) Generate \$1 billion in life-cycle cost reductions from products, resulting in decreased resource consumption and impacts on human health and the environment by 2020.

**Baseline year**

2016

**Start year**

2016

**End year**

2020

**Progress**

As of 2017, our progress around our Product Total Cost of Ownership includes: 1) We deployed several design-to-cost training modules to business and product development teams and further integrated design-to-cost into senior review criteria 2) We conducted life-cycle assessment case studies on three products, identifying cost savings of \$574 million, as compared to a business-as-usual scenario.

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**Goal**

Engaging with local community

**Level**

Basin level

**Motivation**

Water stewardship

**Description of goal**

In 2017, Lockheed Martin expanded a pilot program through an external partnership called Businesses for the Bay. The Alliance for the Chesapeake Bay's Businesses for the Bay Membership Association encourages businesses within the Chesapeake Bay watershed to take voluntary and measurable actions to support protection and restoration of the Chesapeake Bay and help the public understand the valuable role of the business community in sustaining the health of the Bay and its watershed.

**Baseline year**

2017

**Start year**

2017

**End year**

2018

**Progress**

As of the reporting year, 8 Lockheed Martin sites have committed to voluntary water stewardship actions.

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## W9. Linkages and trade-offs

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### W9.1

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**(W9.1) Has your organization identified any linkages or tradeoffs between water and other environmental issues in its direct operations and/or other parts of its value chain?**

Yes

### W9.1a

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**(W9.1a) Describe the linkages or tradeoffs and the related management policy or action.**

**Linkage or tradeoff**

Linkage

**Type of linkage/tradeoff**

Increased energy efficiency

**Description of linkage/tradeoff**

Lockheed Martin understands the synergies between water usage and energy efficiency. Our Corporate policies address both energy and water usage and our Go Green 2020 program aims for a 25% energy reduction and 30% water reduction by the year 2020, from a 2010 baseline. We are ensuring that water infrastructure at our facilities is properly maintained and efficient to conserve water, energy, and maintain integrity. Over the past 6 – 8 years, we've conducted Structured Improvement Activities (SIAs) at our top energy and water consuming sites to identify opportunities and develop plans for achieving energy and water reductions. One focus area of the activities was to assess the energy required to supply water in aging infrastructure and identify opportunities for improvement. 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.

**Policy or action**

Over the past 6 - 8 years, we've conducted Structured Improvement Activities (SIAs) at our top energy and water consuming sites to identify opportunities and develop plans for achieving energy and water reductions. One focus area of the activities was to assess the energy required to supply water in aging infrastructure and identify opportunities for improvement. Since 2010, a team of subject matter experts from facilities, engineering, and production 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.

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**Linkage or tradeoff**

Linkage

**Type of linkage/tradeoff**

Decreased energy use

**Description of linkage/tradeoff**

Lockheed Martin understands the synergies between water usage and energy efficiency. Our Corporate policies address both energy and water usage and our Go Green 2020 program aims for a 25% energy reduction and 30% water reduction by the year 2020, from a 2010 baseline. We are ensuring that water infrastructure at our facilities is properly maintained and efficient to conserve water, energy, and maintain integrity. Over the past 6 – 8 years, we've conducted Structured Improvement Activities (SIAs) at our top energy and water consuming sites to identify opportunities and develop plans for achieving energy and water reductions. One focus area of the activities was to assess the energy required to supply water in aging infrastructure and identify opportunities for improvement. 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.

**Policy or action**

In the U.S., we use a significant amount of water to generate electricity, creating a vital link between water usage and energy reliability. In 2017, reduced electricity consumption in our facilities indirectly saved more than 6.9 billion gallons of water, compared to 2010. Water savings were calculated using the U.S. Geological Survey's "Estimated Use of Water in the United States in 2010" average thermoelectric power water usage rate of 19 gallons per kilowatt hour, assuming Lockheed Martin's thermoelectric supply is approximately 76% of total electricity purchased, which is derived from Energy Information Administration (EIA) data on total electricity produced in the U.S. These figures are calculated against cumulative savings from the Go Green baseline year of 2010.

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**W10. Verification**

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**W10.1**

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**(W10.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1d)?**

Yes

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**W10.1a**

**W10.1a) Which data points within your CDP disclosure have been verified, and which standards were used?**

Disclosure module	Data verified	Verification standard	Please explain
W0. Introduction	Responses to this module are based on water stewardship, governance, procedures and performance data that were reviewed as a part of the third-party assurance of our annual Sustainability Report.	Other, please specify (DNV Verisustain Protocol)	Our water stewardship, governance, procedures and performance for the reporting year were verified to a limited level of assurance during the third-party assurance process of our annual Sustainability Report. We conduct third-party verification to ensure the accuracy and transparency of our environmental, social and governance claims for all locations under Lockheed Martin's operational control.
W1. Current state	Responses to this module are based on water stewardship, governance, procedures and performance data that were reviewed as a part of the third-party assurance of our annual Sustainability Report.	Other, please specify (DNV Verisustain Protocol)	Our water stewardship, governance, procedures and performance for the reporting year were verified to a limited level of assurance during the third-party assurance process of our annual Sustainability Report. We conduct third-party verification to ensure the accuracy and transparency of our environmental, social and governance claims for all locations under Lockheed Martin's operational control.
W2. Business impacts	Responses to this module are based on water stewardship, governance, procedures and performance data that were reviewed as a part of the third-party assurance of our annual Sustainability Report.	Other, please specify (DNV Verisustain Protocol)	Our water stewardship, governance, procedures and performance for the reporting year were verified to a limited level of assurance during the third-party assurance process of our annual Sustainability Report. We conduct third-party verification to ensure the accuracy and transparency of our environmental, social and governance claims for all locations under Lockheed Martin's operational control.
W3. Procedures	Responses to this module are based on water stewardship, governance, procedures and performance data that were reviewed as a part of the third-party assurance of our annual Sustainability Report.	Other, please specify (DNV Verisustain Protocol)	Our water stewardship, governance, procedures and performance for the reporting year were verified to a limited level of assurance during the third-party assurance process of our annual Sustainability Report. We conduct third-party verification to ensure the accuracy and transparency of our environmental, social and governance claims for all locations under Lockheed Martin's operational control.
W4. Risks and opportunities	Responses to this module are based on water stewardship, governance, procedures and performance data that were reviewed as a part of the third-party assurance of our annual Sustainability Report.	Other, please specify (DNV Verisustain Protocol)	Our water stewardship, governance, procedures and performance for the reporting year were verified to a limited level of assurance during the third-party assurance process of our annual Sustainability Report. We conduct third-party verification to ensure the accuracy and transparency of our environmental, social and governance claims for all locations under Lockheed Martin's operational control.
W6. Governance	Responses to this module are based on water stewardship, governance, procedures and performance data that were reviewed as a part of the third-party assurance of our annual Sustainability Report.	Other, please specify (DNV Verisustain Protocol)	Our water stewardship, governance, procedures and performance for the reporting year were verified to a limited level of assurance during the third-party assurance process of our annual Sustainability Report. We conduct third-party verification to ensure the accuracy and transparency of our environmental, social and governance claims for all locations under Lockheed Martin's operational control.
W7. Strategy	Responses to this module are based on water stewardship, governance, procedures and performance data that were reviewed as a part of the third-party assurance of our annual Sustainability Report.	Other, please specify (DNV Verisustain Protocol)	Our water stewardship, governance, procedures and performance for the reporting year were verified to a limited level of assurance during the third-party assurance process of our annual Sustainability Report. We conduct third-party verification to ensure the accuracy and transparency of our environmental, social and governance claims for all locations under Lockheed Martin's operational control.
W8. Targets	Responses to this module are based on water stewardship, governance, procedures and performance data that were reviewed as a part of the third-party assurance of our annual Sustainability Report.	Other, please specify (DNV Verisustain Protocol)	Our water stewardship, governance, procedures and performance for the reporting year were verified to a limited level of assurance during the third-party assurance process of our annual Sustainability Report. We conduct third-party verification to ensure the accuracy and transparency of our environmental, social and governance claims for all locations under Lockheed Martin's operational control.

**W11. Sign off**

**W-FI**

**(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

**W11.1**

**(W11.1) Provide details for the person that has signed off (approved) your CDP water response.**

	Job title	Corresponding job category
Row 1	Executive Vice President and Chief Financial Officer	Chief Financial Officer (CFO)

**W11.2**

**(W11.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].**

No

**Submit your response**

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	Public or Non-Public Submission	I am submitting to
I am submitting my response	Public	Investors

**Please confirm below**

I have read and accept the applicable Terms

