Lockheed Martin
Climate Lobbying Assessment Report
Version 1.0, Release Year 2022
Introduction

Lockheed Martin has an established sustainability program with a mission to foster innovation, integrity and security to protect the environment, strengthen communities and propel responsible growth. Effective management of climate-related risk is part of this strategy.

As a company, Lockheed Martin is committed to participating in the political and public policy process in a responsible and ethical way that serves the best interests of our stockholders and customers. Additionally, Lockheed Martin contributes to select public policy debates by participating in trade and industry associations.

Lockheed Martin has undertaken an evaluation of the public policy positions of selected trade and industry associations of which we are members to assess their alignment with our sustainability policy and program.

This report is divided into the following sections

Lockheed Martin’s Sustainability and Climate Programs and Reporting

Our corporate Sustainability policy establishes a standard approach for integrating sustainability practices throughout our business strategy, including operations and product and service innovations. Our 2025 Sustainability Management Plan and fourth generation of Go Green program goals drive progress across a number of climate-related areas.

Lockheed Martin has established a carbon reduction goal to reduce our Scope 1 and Scope 2 carbon emissions per dollar of gross profit by 70% by 2030 [2015 baseline]. We set this target using a methodology established by the Center for Sustainable Organizations to exceed science-based target requirements. The Paris Agreement’s goal is to limit global warming by the end of the century to well below 2°C of pre-industrial levels and preferably to 1.5°C. Our carbon emissions target is expected to outperform the Center for Sustainable Organizations model criteria for aligning with a 1.5°C outcome in the long-term. In 2021, Lockheed Martin reduced our carbon emissions per dollar of gross profit by 47% [2015 baseline]. We reduced energy use per occupant by 7% [2016 baseline] and reduced waste per occupant by 5% [2016 baseline]. Our success in reducing energy consumption and carbon emissions is a direct result of investments in capital and operational projects that improve resource efficiency. In 2021, we completed 64 energy efficiency projects that resulted in annual savings of 40.0 million kilowatt-hours of electricity and 17,200 MMBTU of natural gas, and the avoidance of $3.8 million in utility and maintenance costs.

At Lockheed Martin, we are committed to use of renewable energy. In 2019, we announced a goal that by 2030, we aim to match 30% of electricity used across our global operations with electricity produced from renewable sources. In 2021, we used renewable energy for 22% of our total electricity. Highlights from 2021 included beginning construction of a 20-megawatt, on-site, single-axis photovoltaic system at our Palmdale, CA, facility, initiating a 15-year power purchase agreement at our Fort Worth, TX, facility and installing our third solar carport at our Orlando, FL, facility.

Lockheed Martin’s 2025 Sustainability Management Plan includes emphasis on carbon removal and carbon offsets. This includes our commitment to annually increase carbon removal technology installation, investment and support. In 2021, we engaged with internal partners, such as Lockheed Martin Ventures and our Social Impact team, as well as drafted our first offset procurement guidelines. We hosted our first internal Climate Tech Summit where technical leaders
from across the company explored applying current product
capabilities to a changing environment to develop possible
climate intelligence solutions. Summit topics included natural
disasters, greenhouse gases, land cover change, geospatial
data and climate intelligence.

Our environmental, social and governance (ESG) portal
contains our most recent ESG publications, five years of
historical ESG disclosures and ESG-related policies and
resources. Annually, we disclose progress on our
sustainability website and in our sustainability report, including
in our 2021 Sustainability Report. Related metrics on energy,
waste, water and Scope 1, 2 and 3 emissions are published
as part of our annual ESG Performance Index, available with
our sustainability report and on our ESG Portal. In 2020, we
published our first Climate-Related Risks and Opportunities
report, developed in alignment with Task Force on Climate-
related Financial Disclosures (TCFD) recommendations. This
report contains additional information on climate-related risks
and opportunities. We plan to update this report in 2023 and
make it available on our ESG Portal.

Lockheed Martin’s Political Activities and Governance Processes

Lockheed Martin ensures we act ethically and responsibly as a
company using strong governance procedures and adherence to
our corporate policies, which lay out our high expectations for
conduct. Multiple corporate policies, such as CPS-001, Ethics and
Business Conduct Policy and CPS-730, Compliance with Anti-
Corruption Laws, provide guidance and inform actions. Lockheed
Martin’s high standards of conduct and strong governance extend
to our participation in political and public policy processes.

Lockheed Martin’s political and public policy activities, including
our advocacy efforts, government affairs activities and political
spending is overseen by the Nominating and Corporate
Governance Committee (Governance Committee) of the Board
of Directors. The Governance Committee supervises the policies
related to these activities to ensure the intended purposes of
the activities and their related benefits are well-aligned with our
company strategy and driving long-term value. The Governance
Committee receives regular reports from management on these
matters and, in turn, supports accountability, transparency
and public disclosure of corporate political expenditures and
lobbying activities. We detail and disclose extensive information
on our Political Disclosures website about our political and
public policy activities well beyond what is required by law.

Lockheed Martin is committed to participating in the political
and public policy process in a responsible and ethical way that
serves the best interests of our stockholders and customers.
We also operate in the highly regulated global security industry.
Our public policy activities include advocacy efforts at the
federal and state levels, thought leadership regarding global
security trends and other important issues impacting us and
our customers, educational outreach and promotion, and
other related activities. We only engage in political activities
directly related to our core business interests, such as national
defense, space exploration, alternative energy technologies,
corporate taxes, export policy and international trade. Further
information on our engagement in the legislative process,
including expenditure practices and engagement reports, is
available on our Political Disclosures website.

Decisions regarding corporate political and public policy
activities are managed by the Senior Vice President, Lockheed
Martin Government Affairs, following coordination with individual
Lockheed Martin elements in accordance with established
policies and procedures and are ultimately overseen by the
Governance Committee. Any political or other public policy
activity in which we engage, including political expenditures,
comply with all internal policies and procedures, are made
solely based on the best interests of the company and its
stockholders, and are not based on personal agendas of individual
directors, officers, or employees. We comply with all applicable
laws and regulations in connection with our political and public
policy activities. Our political activities are audited on a regular
basis in accordance with our established audit schedule and
outside counsel provides regular guidance regarding compliance
with applicable laws and regulation of political activities.

Lockheed Martin contributes to public policy debates by
participating in trade and industry associations, as well as
engaging directly in advocacy and grassroots communications
efforts. Our participation in trade associations is subject to
management oversight by our Government Affairs function,
which also serves as the principal representative of the
company in trade and industry associations and approves
corporate memberships.

As described on our Political Disclosures website, Lockheed
Martin joins trade associations that represent a broad
spectrum of industry as well as industry segments. We do so
to engage on those policy issues important to our business
interests. We may not always agree with all of the positions
taken by these groups, but we focus on those critical to our
core business interests. Mission consistency is important to
us, and we review the value proposition of our participation
in associations on a regular basis. We believe this approach
of engagement, evaluation and monitoring are the best way
to ensure the industry is problem-solving together for the
greatest impact.
Climate Lobbying Assessment Methodology and Findings

In accordance with our above-described governance processes, Lockheed Martin has conducted an evaluation of the public policy positions of our selected trade associations to evaluate alignment with our own sustainability and climate programs.

Our climate lobbying assessment methodology includes the following:

- Develop a selected list of relevant trade associations for evaluation. We defined this selected list as those memberships with annual dues of $25,000 or more and whose remit is national.
- Evaluate, through website research, the public climate positions of each identified trade association.
- If the trade association has made a public statement around sustainability or climate matters, determine if there is a misalignment with Lockheed Martin's sustainability and climate strategy.
- Develop a consolidated report summarizing the results of our evaluation, as appropriate to their potential proprietary nature.
- Publish this report to our [ESG Portal](https://esg.lockheedmartin.com).

In 2022, Lockheed Martin evaluated the trade associations summarized in Table 1 which were those that met the above criteria for selection. The list of associations matched the 2021 membership disclosure available on our [Political Disclosures](https://www.lockheedmartin.com) website and in our [2022 CDP Climate Change](https://www.lockheedmartin.com) response.

### Table 1. Selected Trade Associations Evaluated in 2022

<table>
<thead>
<tr>
<th>Trade Association</th>
<th>Nondeductible Portion of Dues Paid (ranges of $25,000)</th>
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</thead>
<tbody>
<tr>
<td>Aerospace Industries Association (AIA)</td>
<td>Less than $100,000</td>
</tr>
<tr>
<td>American-Central European Business Association</td>
<td>Less than $25,000</td>
</tr>
<tr>
<td>American Clean Power</td>
<td>Less than $25,000</td>
</tr>
<tr>
<td>Association for Unmanned Vehicle Systems International (AUVSI)</td>
<td>Less than $25,000</td>
</tr>
<tr>
<td>Business Roundtable</td>
<td>Less than $125,000</td>
</tr>
<tr>
<td>National Association of Manufacturers (NAM)</td>
<td>Less than $25,000</td>
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<tr>
<td>Professional Services Council</td>
<td>Less than $25,000</td>
</tr>
<tr>
<td>Satellite Industry Association (SIA)</td>
<td>Less than $25,000</td>
</tr>
<tr>
<td>Telecommunications Industry Association (TIA)</td>
<td>Less than $25,000</td>
</tr>
<tr>
<td>U.S. Chamber of Commerce</td>
<td>Less than $100,000</td>
</tr>
</tbody>
</table>

1Amounts are based on percentage of dues reported by the trade association as being used for "Lobbying expenditures" per the definition at Section 162(e)(1) of the Internal Revenue Code.
2As of April 2022, Lockheed Martin has suspended membership in AIA.
3For the period of February 2021 - May 2022, Lockheed Martin was not a member of NAM.

Our evaluation found no misalignments between the climate positions of these associations and our own sustainability and climate strategy. We found that four (4) associations do not have public positions specifically related to sustainability or climate in their remit as an association. The remaining six (6) associations have public policy statements that are aligned with Lockheed Martin’s related policies and programs.

### Conclusion

Lockheed Martin is committed to continuing to monitor and evaluate the climate positions of the selected trade associations and to assess these for alignment with our own sustainability policies and programs. We believe this represents an important element of our integration of sustainability throughout our business strategy. This Climate Lobbying Assessment Report is published and made available on our [ESG Portal](https://esg.lockheedmartin.com).

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