2020 Sustainability Report

Propelled — by — Principle

LOCKHEED MARTIN

Our Company

About This Report

Lockheed Martin is proud to present our tenth Sustainability Report, published annually in April on sustainability.lockheedmartin.com. Unless otherwise noted, this report includes global data and activities for the calendar year 2020 from Lockheed Martin's corporate offices and four Business Areas: Aeronautics, Missiles and Fire Control, Rotary and Mission Systems and Space. For additional information on topics discussed in this report, please visit sustainability.lockheedmartin.com.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option. Our select GRI and Sustainability Accounting Standards Board (SASB) Content Index is available on our sustainability website and ESG Portal.

DNV, an independent, third-party assurance provider, assured this report, including the Lockheed Martin Sustainability Management Plan (SMP) performance indicators, select SASB Standards and select GRI indicators. Verification details can be found in the 2020 Assurance Statement.

For questions on this report, please contact sustainability.lm@lmco.com.

For more general information on Lockheed Martin, visit our website at www.lockheedmartin.com and social media on the following pages:

Please refer to the inside back cover of this report for information on forward-looking statements made in this report and important factors that could cause actual results to differ materially from those statements.
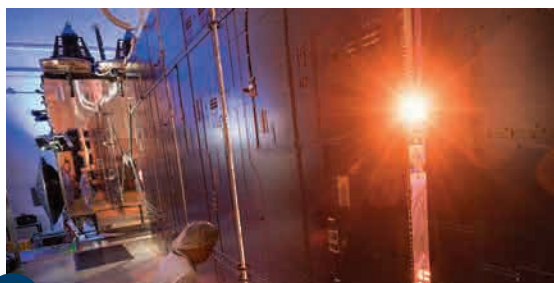
About the Cover Photo

Lockheed Martin 2100 Satellite Bus System installation.

Report Contents

This is Lockheed Martin

Business Overview

Lockheed Martin is a U.S. publicly traded global security and aerospace company headquartered in Bethesda, Maryland, that is principally engaged in research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. Our mission is to solve complex challenges, advance scientific discovery and deliver innovative solutions to help our customers keep people safe. Our primary customers are U.S. and allied government agencies. In 2020, we employed approximately 114,000 people worldwide and generated net sales of $65.4 billion. We own or lease building space at approximately 50 locations primarily in the United States and manage or occupy approximately 22 government-owned facilities under lease and other arrangements.

Propelled by Principle

Lockheed Martin develops innovative technology that enables the growth, resiliency and security of societies around the world. We develop these engineering solutions while upholding our Core Values to *Do What's Right, Respect Others and Perform with Excellence.* This is why Lockheed Martin has chosen the theme of "Propelled by Principle" to describe our sustainability approach. We are committed to principles described throughout this report, such as integrity, high ethical business standards, workplace safety, employee diversity and inclusion (D&I), community engagement and product and service safety and quality. Our principles guide us as we address complex, global challenges and propel a brighter future.

2020 Recognition

- **CDP:** CDP Climate A List
- **Fortune:** World's Most Admired Companies
- **Forbes:** America's Best Employers for Diversity
- **Human Rights Campaign:** Best Places to Work for LGBTQ Equality

- **JUST Capital:** 1st of Aerospace & Defense companies for second consecutive year
- **MilitaryTimes:** Best for Vets Employers
- **US Black Engineer Magazine:** #1 Top Supporter of HBCUs

Additional Lockheed Martin awards and recognition for 2020 can be found on our sustainability website.

2020 Business Impact[1]
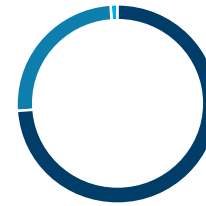
CUSTOMERS[2]

● U.S. Government[3]	**74%**
● International[4]	**25%**
● U.S. Commercial and Other Customers	**1%**

1   Please refer to the Lockheed Martin Form 10-K for additional figures.
2   A percentage of 2020 Net Sales.
3   Either as a prime contractor or as a subcontractor.
4   Including foreign military sales (FMS) contracted through the U.S. Government.

ECONOMIC IMPACT (IN MILLIONS)

$65,398 Net Sales

$56,744 Cost of Sales

$6,833 Net Earnings

$1,347 Income Tax Expense

SOCIAL IMPACT

~$45 Million in charitable donations

$8.4 Million in employee giving

Countries with 200+ Employees[5]

Australia: **1,000+**	Poland: **1,600+**
Canada: **1,100+**	United Kingdom: **1,800+**
New Zealand: **300+**	United States: **107,800+**

5   As of December 31, 2020. United States data includes US expatriates who are working overseas and does not include contract workers, interns, or employees of certain subsidiaries or joint ventures; All other country data includes local country nationals.

Chairman, President and CEO Letter

At Lockheed Martin, our mission is to solve complex challenges, advance scientific discovery and deliver innovative solutions to help our customers keep people safe. We advance this vital mission by producing 21st century technologies that preserve global security, enable international commerce and expand knowledge of our planet and our universe.

While innovation has always been the lifeblood of Lockheed Martin, the foundation of our continued success will always be a commitment to our Core Values—*To Do What's Right, Respect Others and Perform with Excellence*

Our Roadmap to a More Sustainable Enterprise

These same values underpin Lockheed Martin's Sustainability Management Plan, which provides a roadmap to build a more sustainable enterprise and ensure that we can continue to carry out our vital mission well into the future. Over the past five years, the plan has centered around five core issues: **Business Integrity, Employee Well-Being, Product Impact, Resource Efficiency and Information Security.**

As we evaluate the progress on our ambitious 2020 goals, we're also embarking on a journey toward a new Sustainability Management Plan with updated Sustainability Priorities and 2025 goals. These are aligned with our business strategy and ongoing commitment to protect the environment, strengthen communities and propel responsible growth.

Resilience in the Face of Adversity

The events of the past year were a stark reminder of the importance of building a sustainable corporation. Our company's resiliency and strong financial footing enabled us to continue to deliver on our customers' critical programs while also helping our communities at a time of great need.

The 2020 Sustainability Report demonstrates how Lockheed Martin continued to advance our sustainability goals in the midst of an extraordinarily challenging year defined by a global pandemic, the subsequent economic downturn and social unrest.

In response to the COVID-19 pandemic, Lockheed Martin made nearly $22 million in charitable contributions to organizations that helped frontline workers, first responders, public school students, small business owners and military service members weather the impacts of the crisis. Our employees applied their innovation and sense of community to produce and donate more than 93,000 protective gowns and 54,000 face shields for frontline medical workers caring for patients in more than 250 locations globally. And throughout the crisis, we helped keep the broader economy going by accelerating payments to more than 10,100 suppliers—including nearly 6,200 small businesses—across all 50 states, the District of Columbia, Puerto Rico and 47 nations.

Staying Focused on Our Long-Term Sustainability Strategy

While our relief efforts related to the pandemic were a key focus for Lockheed Martin in 2020, this year's report highlights many other significant achievements in advancing our long-term sustainability strategy.

For the first time, we published a Sustainability Accounting Standards Board (SASB) report and issued our first Climate-Related Risk and Opportunity Assessment in alignment with the Task Force on Climate-Related Financial Disclosure (TCFD) recommendations.

We were honored to be acknowledged globally for our efforts. In 2020, Lockheed Martin was once again listed on the Dow Jones Sustainability Indices and the CDP's "A" List for our efforts to mitigate climate change. We were also recognized as an industry leader and one of America's Most JUST Companies by Forbes and JUST Capital.

Optimism for a Sustainable Future

Lockheed Martin's demonstrated history of innovation and commitment to advancing our Core Values makes us a powerful force to build a more sustainable world. The challenges we faced over the past year underscored the importance of a collective sense of shared purpose. With sustainability properly integrated with our business strategy, I am confident that we will effectively pursue our vital mission for decades to come.

James D. Taiclet

James D. Taiclet
Chairman, President and Chief Executive Officer
Lockheed Martin Corporation

COVID-19 Response

At the onset of the COVID-19 pandemic in early 2020, Lockheed Martin took urgent action to prioritize the health and safety of our employees while maintaining our essential operations. Lockheed Martin responded swiftly to protect our employees, continue customer delivery, ensure continuity through our value chain and support our communities. We leveraged our strong leadership and resources to meet the unique needs of our various stakeholder groups.

Employees

Our top priority in the face of COVID-19 is to protect the safety and well-being of our employees. During the pandemic, we implemented a flexible teleworking policy for employees who can meet our customer commitments remotely. In addition to promoting Employee Assistance Program (EAP) services, Lockheed Martin health plans temporarily are covering COVID-19 treatment and telehealth services without any cost or cost sharing for enrolled employees and family members. This coverage ensures access to critical services such as COVID-19 medical care without worry of financial hardship, and access to virtual mental health services during an unprecedented time of stress and uncertainty. The Lockheed Martin Employee Disaster Relief Fund, which offsets costs associated with short-term emergency response and recovery in the face of a Federally-declared disaster, was activated to assist employees impacted by COVID-19. The fund disbursed $271,500 to support 608 employees. In addition to implementing new safety guidelines and providing resources such as personal protective equipment (PPE) to facilitate a safer work environment, we also offered direct access to COVID-19 testing through CVS Health. Despite uncertainties created by the virus, we continued our planned talent acquisition processes using virtual technology solutions to engage with and hire more than 11,000 people. For more information on our remote hiring efforts, please see the Talent Recruitment section of this report.

COVID-19 PPE Gown Production at the ATC (Advanced Technology Center) Palo Alto, California.

Suppliers

To support the defense industrial base and the greater economy, we launched Rise Up Resources, a campaign to facilitate communication with our suppliers and connect them with best practices and resources to respond to the unique challenges that emerged as a result of the pandemic. For example, we provided suppliers with COVID-19 reporting protocol, informed by Centers for Disease Control and Prevention (CDC) guidance. We provided financial resources to vulnerable businesses by using accelerated progress payments from the U.S Government plus cash on hand to advance $2.1 billion to our suppliers as of Dec. 31, 2020. This included accelerated payments to nearly 6,200 small businesses since March 2020. For more information on our efforts to support our suppliers, please see our COVID-19 Supply Chain Information page.

Community

During the challenging times created by the pandemic, it became more important to come together in support of our communities. We donated nearly $22 million to non-profit organizations and public schools trying to alleviate the educational, food and health challenges of COVID-19. We also worked to distribute PPE in our local communities. Lockheed Martin partnered with Boulder Crest Foundation to deliver critical mental health programming that wasn't readily available during the pandemic. This donation is part of a larger $1 million grant to expand access to proven mental health services for combat veterans across the country.

Even as employees shifted to work from home, we continued to partner with our food service providers to donate more than 300,000 meals to various charitable organizations around the country. In addition to supporting pandemic first responders, we made donations to support public school students' access to technology. For example, Lockheed Martin supported 60 public school districts, connecting thousands of students with resources for technology and other improved distance learning outcomes.

Government

To help solve the most pressing challenges faced by federal, state and local officials, we offered our engineering and technical capabilities. This included donating the use of our corporate aircraft and vehicle fleet for relief logistical support and medical supply delivery. We also donated the use of our facilities for crisis-related activities including critical medical supply storage, distribution and COVID-19 testing as needed.

Please visit the Lockheed Martin COVID-19 Information page for our most up-to-date information on our COVID-19 response.

Diverse Moments: Inclusive Movement

Throughout 2020, the United States experienced events that called to light the continuing need for our nation to ensure equal opportunity for all people. Lockheed Martin recognizes the importance of this moment to all of us as individuals, as communities, as a nation and as global citizens.

Lockheed Martin is dedicated to upholding our Core Values to *Do What's Right, Respect Others and Perform with Excellence.* These values influence how we approach every aspect of our business—including our zero-tolerance policy towards discrimination in any form—and will continue to shape our company's actions into the future. At Lockheed Martin, we are committed to coming together and moving forward—to increase representation, and foster an inclusive environment.

Lockheed Martin has taken the following steps to act on these commitments:

- Continue to listen and encourage dialogue and conversation inside Lockheed Martin about social issues. Through our leadership and Business Resource Groups (BRGs), we collect employee perspectives and organize panel discussions for employees to continue the conversation. These panels feature employees from diverse backgrounds, executives, allies and customers who all provide their perspectives on racism, discrimination and expanding opportunity. Throughout 2020 we saw nearly a 60 percent increase in BRG forum participation and supported over 80 Courageous Conversations on Race. We also launched a new learning module called I Care. I Act. for BRG leaders, members and allies who desire to learn more about addressing racial issues and becoming voluntary advocates for inclusion.

- Expand our existing workforce programs and initiatives to further build a diverse and inclusive workplace through training and development. Our industry-leading leadership training helps create an inclusive working environment where every employee feels welcome. We will continue to hold unconscious bias training to ensure we evaluate talent inclusively. Moving forward, we will assess how we can enhance our D&I trainings to provide ways for leaders and employees to actively contribute to an inclusive work environment.

- Strengthen existing relationships and advance educational equality to help lift-up communities and change the lives of individuals. In 2020 we pledged to provide $1 million to address educational access and opportunity. As part of this effort, we provided $250,000 each to the National Society for Black Engineers (NSBE), Advancing Minorities' Interests in Engineering and Girls Inc. We also established an employee matching program to support scholarships offered by INROADS, the Ron Brown Scholar Program and Black Engineer of the Year Awards (BEYA). Lockheed Martin matched up to $250,000 in total of

Lockheed Martin MFC Dallas, Texas Black History Month Cultural Day Group Photo.

employee giving to these organizations. For decades, Lockheed Martin has worked with and supported our nation's Historically Black Colleges and Universities through corporative giving, and also served as a foundational sponsor of the BEYA. Last year, the corporation contributed nearly $2.6 million in total to support minority serving institutions.

Lockheed Martin recognizes that our business success, industry leadership and team performance ultimately flow from our dedication and adherence to our Core Values. The actions we are taking are part of a long-term commitment that we believe strengthens our company and the communities where we live and work.

In 2021, we will continue building on our D&I efforts to address racial and social justice. We will seek opportunities at every level in the organization to increase diverse representation amongst our leadership and ensure leaders are held accountable for fostering D&I on their teams. We will continue to engage in conversations to better understand and support our employee experiences. We will also maintain our unwavering commitment to a culture of fair treatment and zero tolerance for retaliation against employees who speak up when they encounter adverse situations.

Please visit the Diversity and Inclusion section of our sustainability report and our Global Diversity and Inclusion website for more information.

Our Approach to Sustainability

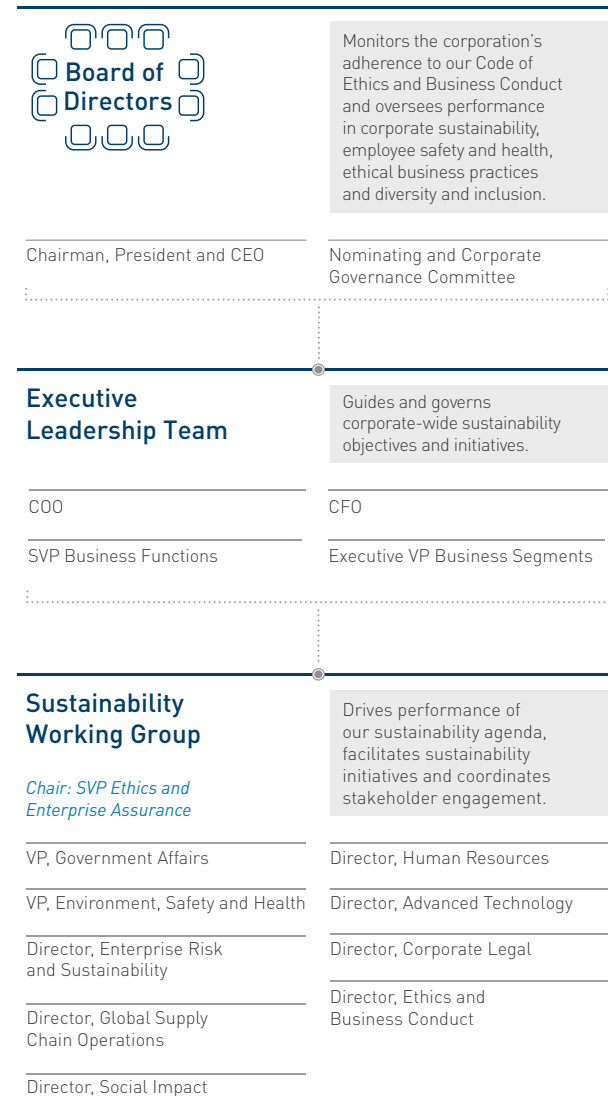## Sustainability Governance and Management

Overview

The mission of Lockheed Martin's sustainability program is to foster innovation, integrity and security to protect the environment, strengthen communities and propel responsible growth. We integrate sustainability throughout our business, including operations and product and service innovation. At Lockheed Martin, Sustainability is aligned with Enterprise Risk Management (ERM) under one department, managed by the Director of Enterprise Risk and Sustainability. This integrated approach helps deliver value for our customers, stockholders, employees and local communities. Please visit Lockheed Martin's ESG Portal to find sustainability related reports, policies and disclosures.

Sustainability Governance

The Lockheed Martin sustainability governance structure comprises the Nominating and Corporate Governance Committee (Governance Committee) chartered by the Board of Directors, the Executive Leadership Team and the Sustainability Working Group. All sustainability programs fall under the purview of the Senior Vice President (SVP), Ethics and Enterprise Assurance, who reports to the Chairman, President and Chief Executive Officer (CEO). The SVP of Ethics and Enterprise Assurance also chairs our cross-functional Sustainability Working Group. We choose to link incentive compensation for Lockheed Martin Executives[1] to performance on certain sustainability factors such as diversity and talent management. See our 2021 Proxy Statement for more information.

Our Corporate Sustainability Policy establishes a standard approach to integrating sustainability across Lockheed Martin. We develop a five-year Sustainability Management Plan (SMP) to set goals and drive progress in our priority sustainability areas. The Governance Committee of the Board oversees topics including ethical conduct, environmental stewardship, corporate culture, philanthropy, workforce diversity and health and safety—all of which are inextricably linked to our sustainability commitments and performance. Annually, the members of the Governance Committee review company performance against the SMP.

1 Executive is defined as director-level (one level below vice president) or higher.

Board of Directors

Monitors the corporation's adherence to our Code of Ethics and Business Conduct and oversees performance in corporate sustainability, employee safety and health, ethical business practices and diversity and inclusion.

Chairman, President and CEO

Nominating and Corporate Governance Committee

Executive Leadership Team

Guides and governs corporate-wide sustainability objectives and initiatives.

COO

CFO

SVP Business Functions

Executive VP Business Segments

Sustainability Working Group

Chair: SVP Ethics and Enterprise Assurance

Drives performance of our sustainability agenda, facilitates sustainability initiatives and coordinates stakeholder engagement.

VP, Government Affairs

Director, Human Resources

VP, Environment, Safety and Health

Director, Advanced Technology

Director, Enterprise Risk and Sustainability

Director, Corporate Legal

Director, Global Supply Chain Operations

Director, Ethics and Business Conduct

Director, Social Impact

Addressing Global Megatrends

For the past several years, Lockheed Martin has tracked relevant global trends to explore how they might impact the way we do business and provide opportunities for new solutions that address emerging needs. In 2020, the core megatrends identified include:

Reimagining Work

The global workforce is rapidly changing and technology is transforming the ways in which businesses operate. This includes the changing human-machine interface, workplace demographics shifting to more Millennial and Generation Z employees, a rapid increase in remote work as a result of the COVID-19 pandemic and enhanced efforts towards digital transformation.

Climate Resiliency

A changing global climate is causing an increase in intense weather events, longer droughts, changes in precipitation patterns and rising sea levels. The impacts of these changes provide both climate risks and opportunities for society. In response, governments and businesses including Lockheed Martin are implementing climate adaptation and mitigation strategies to prepare for the resulting impacts.

Reinforcing Confidence in Institutions

A range of stakeholders including investors, insurance providers, debt holders, employees and consumers want assurance that companies are operating with discipline, rigorous Board oversight and with an eye to emerging risks. Lockheed Martin is committed to doing our part to reinforce confidence in institutions, not only by investors but by all our stakeholders.

Examples of how Lockheed Martin is addressing these core megatrends within our sustainability strategy can be found throughout this report.

The Sustainability Management Plan

The Sustainability Management Plan (SMP) is a key component of Lockheed Martin's sustainability strategy. To create the SMP, we first develop sustainability core issues through extensive engagement with internal and external stakeholders as well as analysis of industry trends. The core issues ultimately selected for the SMP represent those most material to our stakeholders and to our business. After the core issues are established, we work with our internal stakeholders to create specific sustainability goals for which we track our performance. SMP goals can be retired and/or updated if necessary based on our progress and the changing needs of our business. We also continually monitor ESG risks and opportunities to stay informed on shifting and emerging trends.

This year marked the completion of our 2020 SMP, which is composed of the Core Issues of Business Integrity, Product Impact, Employee Wellbeing, Resource Efficiency and Information Security. This report highlights our final achievements on the 2020 SMP goals and associated sustainability efforts throughout our Business Areas. In 2020, we developed our new 2025 SMP and associated goals, which will guide our sustainability efforts over the next five years. An introduction to the 2025 SMP sustainability priorities, core issues and goals can be found on page 38 of this report.

Product Impact
Innovating energy, security and telecommunications infrastructures

Business Integrity
Advancing ethical conduct

Employee Wellbeing
Fostering a high-performance, inclusive workplace

Information Security
Securing data for our operations and customers

Resource Efficiency
Optimizing our energy, water and material usage

The 2020 Sustainability Management Plan Performance Summary

We are pleased to share Lockheed Martin's achievements on our 2020 SMP core issues, factors and goals. These goals have driven performance improvements in the areas considered most material to our business when the 2020 SMP was originally developed in 2015. Details on the performance against these goals can be found on the Key Factor pages in this report

☑ SUCCESS   ◔ PARTIAL SUCCESS   ☺ RETIRED

Business Integrity

Factor	2020 Goal	Achievement
Ethical Governance and Leadership	Meet or exceed global benchmark for Ethics Index based on All Employee Survey.	☑
Anti-Bribery and Corruption Controls	Achieve 100% completion rate of applicable employee training on business courtesies and international Business Conduct Compliance Training (BCCT) modules.	☑
	Achieve 100% completion rate of applicable training on ethics for business consultants.	☑
	Assess risks for all international consultants and other consultants identified through audits.	☑
Supplier Conduct	Increase participation in our ethics supplier mentoring program.	☑
Responsible Sales	Maintain transparency of hardware exports made without regulatory authorizations as a percentage of all hardware exports.	☑

Product Impact

Factor	2020 Goal	Achievement
Global Infrastructure Needs	Achieve $4 billion in annual product sales with direct, measurable benefits to energy and advanced infrastructure resiliency.	☑
Total Cost of Ownership	Add criteria to fully identify cost drivers early in product design cycle within each Business Area's proposal planning and proposal review processes.	☑
	Achieve >$700 million in cumulative corporate cost and supply chain efficiencies.	☑
	Generate $1 billion of life-cycle cost reductions from manufactured products related to the use of resources and impacts on human health and the environment.	☑
Product Safety	Track and report product failure or nonconformance due to manufacturing processes.	☑
Counterfeit Parts Prevention	Maintain or reduce instances of counterfeit parts in delivered systems.	◔

Employee Wellbeing

Factor	2020 Goal	Achievement
Workplace Safety and Wellness	Achieve or outperform day-away case and severity rate goals.	☑
Talent Development	Maintain a lower voluntary attrition rate among top performing employees as compared to the employee population.	☑
	Increase succession planning for senior leadership.	☑
Talent Recruitment	Achieve an intern conversion rate of greater than, or equal to, 50% conversion.	☑
Diversity and Inclusion	Develop the best workforce for our customers by increasing representation of women, people of color, veterans and people with disabilities.	◔
	Increase employee participation in company-sponsored diversity events, Business Resource Groups (BRGs) and leadership associations.	☑

Resource Efficiency

Factor	2020 Goal	Achievement
Energy and Carbon Management	Reduce energy use by 25%, scope 1 and 2 carbon emissions by 35% and water use by 30%.	◔
	Increase square footage of facilities with green building certifications.	☑
	Increase annual renewable energy consumption.	☑
	Help energy customers reduce carbon emissions by at least twice the carbon impact of our business operations.[1]	☺

1 With the divestiture of our Distributed Energy Solutions Group in November 2019, we retired this goal last year.

Information Security

Factor	2020 Goal	Achievement
Sensitive Data and Intellectual Property Protection and Customer Information Systems and Network Security	Monitor employee cybersecurity engagement to counter malicious email threats and monitor number of vulnerabilities per device on core information technology (IT) networks.	☑
	Monitor data loss incidents within core IT networks for business operations.	☑
	We track two other proprietary goals to improve the security of sensitive data and intellectual property and IT networks.	◔
Employee Privacy and Data Protection	Achieve annual recertification of EU-U.S. Privacy Shield Framework.	☑

The "I Wear a Mask…" digital signage campaign at Lockheed Martin RMS in Baltimore, Maryland on August 17, 2020.

Business Integrity

Objective

Advance standards and controls for ethical business conduct that strengthen customer relationships, supplier partnerships and workplace integrity.

Importance

The Ethics and Business Conduct organization supports our company-wide commitment to conducting business with honesty and integrity. We comply with the laws and regulations of the United States and the countries in which we operate. Our leaders create a work environment that is positive, diverse, open and inclusive.

Our world-class Ethics and Business Conduct Program was established in 1995 at the merger of Martin Marietta and Lockheed. The Ethics Office serves as an employee resource and collaborates to strengthen our ethical business culture by empowering employees and stakeholders to take action to address and resolve concerns. Ethical behavior and the application of our values is the foundation of our company-wide commitment to conducting business with honesty and integrity.

Key Factors

Ethical Governance and Leadership

Anti-Bribery and Corruption Controls

Supplier Conduct

Responsible Sales

Ethical Governance and Leadership

Objective

Maintain consistent, transparent and high ethical standards, policies, practices and leadership across our business.

Overview

At Lockheed Martin, we are committed to integrity and the highest standards of ethical conduct. We require all employees, consultants, contract laborers and Board members to follow the standards as outlined in our Code of Ethics and Business Conduct. Our ethics commitment directly aligns to our Core Values to *Do What's Right, Respect Others and Perform with Excellence.*

Our approach to managing ethics features a top-down accountability structure, with the SVP of Ethics and Enterprise Assurance overseeing our corporate-wide Ethics Programs, including all ethics and business conduct training. The SVP of Ethics and Enterprise Assurance reports directly to the Chairman, President and Chief Executive Officer (CEO) and makes regular reports to the Board of Directors. The Governance Committee of the Board has special responsibilities for setting the direction and adoption of Lockheed Martin's ethics standards. We empower everyone at Lockheed Martin to embrace ethical business practices by providing a standard ethics training program that is mandatory for all employees.

For more information, please visit our Ethical Governance and Leadership web page.

2020 SMP Goals

Meet or exceed global benchmark for Ethics Index based on All Employee Survey.

Achievement: Success
In 2019, the Ethics Index-based All Employee Survey improved to 84% favorable, exceeding the global benchmarking index of 76%. The survey is biennial.
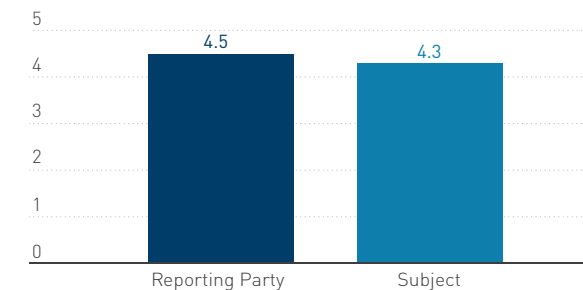
Raising the Bar: Lockheed Martin Annual Ethics in Engineering Case Competition

Reaffirming our commitment to business ethics, we held our third annual "Ethics in Engineering Case Competition" in 2020. Student teams majoring in engineering or business from 21 colleges and universities presented their resolution of a case involving ethical, business and engineering dilemmas in Artificial Intelligence (AI), machine learning (ML) technology and large-scaled data analytics. This year's case involved potential data bias within a fictional disaster relief startup's AI and ML technology, and was won by the Brigham Young University team competing against Virginia Tech in the final round. The competition also included hands-on opportunities for visiting students to learn about Lockheed Martin, its technologies and the role of ethics at Lockheed Martin.

ETHICS CONTACTS[1] (PER 1,000 EMPLOYEES)

● Guidance[2] ● Cases[3]

Year	Guidance	Cases
2016	36	4
2017	40	4
2019	37	4
2018	38	4
2020	33.9	2.8
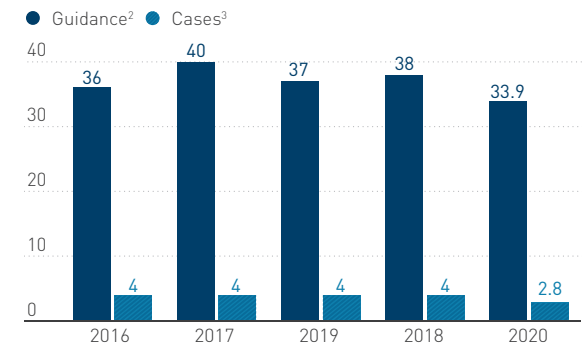
2020 INVESTIGATION FEEDBACK SCORES[4] (SATISFACTION SCORED ON A FIVE-POINT SCALE)

	Score
Reporting Party	4.5
Subject	4.3

1 Ethics Contact — Requests for an Ethics Officer to provide guidance or to investigate misconduct.

2 Ethics Guidance — Information, advice and/or resources to clarify policy and resolve workplace questions on a wide-range of ethics and compliance topics.

3 Ethics Case — Internal investigation into a good-faith allegation of misconduct.

4 Investigation Feedback Score — Perspectives of reporting party and subjects on the ethics investigative process.

Anti-Bribery and Corruption Controls

Objective

Prevent bribery and corruption among employees, suppliers and contractors.

Overview

An important aspect of our commitment to ethical business practices is establishing and maintaining strong anti-bribery and corruption controls. We work diligently to promote adoption of anti-corruption practices by our employees and business operations, and we apply the same standards throughout our value chain. The Lockheed Martin Compliance with Anti-Corruption Laws policy statement directs our approach to anti-bribery and corruption, which applies to all of our employees around the world. We make a variety of additional resources and guidance available through our intranet and Anti-Corruption Program and Polices site. We regularly review and update resources on the site to address changes in laws, regulations and the global environment. In 2020, we took key steps to strengthen our anti-bribery and corruption control policies, including updating the anti-corruption section of our Code of Ethics and Business Conduct, and shifting oversight of third-party consultants under the purview of Lockheed Martin's Legal team.

For more information, please visit our Anti-Bribery and Corruption Controls web page.

2020 SMP Goals

Achieve 100% completion rate of applicable employee training on Business Courtesies and International Business Conduct Compliance Training (BCCT) modules.

✓ **Achievement: Success**
100% completion rate of applicable employee training on Business Courtesies and International Business Conduct Compliance Training (BCCT) modules.

Achieve 100% completion rate of applicable training on Ethics for business consultants.

✓ **Achievement: Success**
100% overall completion of 2020 Ethics and Compliance Training for US and Internal Business Development Consultants who operate under specific Corporate Policies.

Assess risks for all international consultants and other consultants identified through audits.

✓ **Achievement: Success**
We completed the annual risks assessments and completed the audit plan of international business development consultants.

Evolution of Ethics and Compliance Training for Lockheed Martin Consultants

Lockheed Martin has always emphasized the importance of Ethics and Compliance training for our Business Development consultants; however, the manner in which our consultants have been educated on Lockheed Martin culture, policy and legal expectations has evolved over time. Originally, the Lockheed Martin business personnel responsible for managing the consultants' activities delivered this training. In order to improve the effectiveness of this training, since 2015 our International Regional Ethics Officers covering Europe, Middle East and Africa and Asia Pacific Regions started delivering in-person ethics and compliance training to consultants on a biennial rotational basis, alternating with due diligence and anti-corruption compliance discussions conducted by our legal team. In 2019, this direct training by a Lockheed Martin Ethics Officer was expanded to include in-person consultant training in Canada by our Canada-based Ethics Officer. In 2020, a further expansion saw our U.S.-based Ethics Officers also now delivering this training to U.S.-based international consultants. More agility and adaptation was required when COVID-19 emerged, and training was accomplished by Ethics Officers in a virtual environment. The ethics and compliance consultant training content is continually improved every year, and requires each consultant to sign an acknowledgment form confirming receipt of the training and their agreement to abide by the Lockheed Martin Code of Ethics and Business Conduct.

On Oct. 20, 2020, engineers at Lockheed Martin in Littleton, Colorado flew NASA's OSIRIS-REx spacecraft down to the surface of asteroid Bennu to collect a sample of the surface material.

Supplier Conduct

Objective

Help suppliers strengthen management and disclosure on ethical, labor, human rights and environmental issues.

Overview

Lockheed Martin's commitment to upholding business integrity extends to our supplier relationships. Our Supplier Code of Conduct establishes a set of business principles that we expect our suppliers to adhere to, including in areas such as anti-corruption, human rights, non-discrimination, conflict minerals and others. We communicate these expectations to all suppliers when they receive purchase orders from Lockheed Martin. We offer a range of resources to educate our suppliers on Lockheed Martin's expectations around ethical conduct and empower them to build and maintain their own programs. These resources include: the Supplier Wire website; the twelve key elements of an effective ethics program; guidance for improving sustainability performance; and our Supplier Mentoring Program.

For more information, please visit our Supplier Conduct web page.

2020 SMP Goals

Increase participation in our ethics supplier mentoring program.

⊘ Achievement: Success
Companies participating in our Ethics Supplier Mentoring Program increased in 2020 by ~52% compared to 2017. The program includes webinars and web-based training, added in 2020.

Assessing Human Trafficking Risks in Our Supply Chain

Our Global Supply Chain Operation's team conducted its first-ever Human Trafficking Supply Chain Assessment based on the U.S. Department of State Trafficking in Persons Report in 2019. Since then, we expanded the input sources and have developed a visual dashboard that maps Lockheed Martin's human trafficking risk across its supply chain. We will continue monitoring emerging global legislation as we advance our preventative approaches, and are working to integrate Transparency International's Corruption Perception Index and Conflict Mineral data from our annual due diligence process to provide additional perspectives.

Supporting Suppliers During COVID-19

At the onset of the COVID-19 pandemic, Lockheed Martin began close collaboration with the DoD to identify ways to provide critical financial and operational support to small business suppliers. One solution identified was for the DoD to increase the rate of progress payments to contractors, including Lockheed Martin, so that contractors could in turn flow these additional payments to their supply chain. After the increase went into effect, we flowed down all of the increased progress payments received in 2020, giving priority to small and vulnerable suppliers. The objective was to get cash in the hands of the businesses to provide stability and security in a time of uncertainty due to the pandemic. Throughout the pandemic, we helped ensure a healthy supply base, accelerating payments to more than 10,100 suppliers, including nearly 6,200 small businesses across all 50 states, the District of Columbia, Puerto Rico and 47 nations. In addition to flowing down the increased progress payments, Lockheed Martin accelerated cash to supply chain partners by paying invoices ahead of the negotiated payment terms.

For Lockheed Martin small business suppliers, we leveraged our insights and industry-wide network to rapidly make resources available and spotlight actionable sources of support during the COVID-19 pandemic. Through webinars and email publications, we provided small business suppliers ways to leverage valuable information, access options for COVID-19 relief and connect them with customer-led efforts to discover new opportunities. Those resources are geared towards assisting suppliers during these unprecedented times.

Responsible Sales

Objective

Ensure sales are conducted ethically and fairly, with careful consideration for export controls and trade policies, intended use of products and services and impact on civilian needs.

Overview

Lockheed Martin is committed to compliance with the trade laws and regulations of the United States and all countries where we do business, and maintains an integrated team of hundreds of professionals engaged in trade compliance throughout the enterprise.

Due to the nature of our business, we sell our products and services around the globe and sometimes through intermediaries. We are committed to follow all applicable domestic and international regulations regarding the sales of our products and services. At times, international sales of Lockheed Martin defense products and services occur on a government-to-government basis via Foreign Military Sales (FMS) programs, and at other times through Direct Commercial Sales from Lockheed Martin to our customers. Export transactions are authorized by the Arms Export Control Act (AECA), the Export Control Reform Act of 2018 (ECRA) and the Atomic Energy Act (AEA). The FMS program is funded by administrative charges to the customer and is operated at no cost to taxpayers. The Defense Security Cooperation Agency (DSCA) manages FMS sales for the DoD. The U.S. Executive Branch—and Congress, under certain conditions—reviews and approves the proposed exports to ensure they support U.S. national security and foreign policy objectives.

The U.S. Executive Branch establishes the U.S. Conventional Arms Transfer Policy and reviews international sales from this policy framework to consider the risk that an arms transfer might contribute to abuses of human rights. We also have the discretion not to bid on a contract for any reason, if we so choose. Refer to the Foreign Assistance Act, the International Traffic in Arms Regulations (ITAR) and the U.S. Conventional Arms Transfer Policy for more information on regulatory and policy guidelines and requirements.

To learn more about Lockheed Martin's Human Rights Policy, please refer to the Sustainability website or the 2021 Proxy.

2020 SMP Goals

Maintain transparency of hardware exports made without regulatory authorizations as a percentage of all hardware exports.

✓ **Achievement: Success**
We do not disclose performance data deemed competitive and proprietary. A reporting process is in place for unauthorized hardware exports to minimize associated risk.

F-35 Program and International Trade Compliance

The F-35 program is supported by over 1,900 suppliers worldwide. Lockheed Martin's international trade compliance teams manage over 500 regulatory authorizations, and certify hundreds of applicable exemptions and exceptions that together facilitate tens of thousands of F-35 related export/import transactions yearly.

Lockheed Martin's Human Rights Policy

As outlined in our Good Corporate Citizenship and Respect for Human Rights Policy, at Lockheed Martin, we believe that respect for human rights is an essential element of being a good corporate citizen. Our commitment to respect human rights underlies Setting the Standard, the Lockheed Martin Code of Ethics and Business Conduct and our stated values—*Do What's Right, Respect Others and Perform with Excellence*. This commitment applies to all employees, the Board and others who represent or act for us.

During LCS 23 trials conducted on Lake Michigan, Lockheed Martin partnered with representatives from the U.S. Navy and the Fincantieri Marinette Marine shipyard to put the USS Cooperstown through a series of capability tests.

Product Impact

Objective

Deliver optimal life-cycle value by engineering innovative solutions for resilient energy, global security, telecommunications and other critical infrastructure.

Importance

We leverage our training, logistics and exceptional sustainment capabilities to innovate integrated products and services to support our customers in achieving their missions. Our goal is to ensure the technologies we design provide the necessary capabilities throughout their entire life-cycles while maximizing efficiency and minimizing waste. Lockheed Martin's commitment to proactively managing product impact addresses one of the megatrends guiding business decisions globally: Climate Resiliency. We incorporate life-cycle impact considerations into the early stages of product design, and we collaborate closely with customers to ensure our efforts address their specific needs.

Key Factors

Global Infrastructure Needs

Total Cost of Ownership

Product Safety

Counterfeit Parts Prevention

Global Infrastructure Needs

Objective

Bring innovative products and services to market to help scale the advanced infrastructure required for sustainable development, future climate resiliency and national security efforts, and deliver reliable and secure energy, communications, logistics and systems that protect human health.

Overview

Across all four Business Areas, Lockheed Martin helps develop advanced solutions for energy and infrastructure resiliency. These technologies add value by addressing societal needs such as energy efficiency, space exploration, national security and information technology (IT).

Lockheed Martin aims for industry leadership through advanced technological solutions we develop specifically with global infrastructure needs in mind. We drive innovation and build our strategic plan by considering current and future needs as exhibited by shifts in U.S. national security policy; feedback about how our equipment is used by customers; key global security priorities by country; and collaboration with public and private sector research laboratories. We also track trends such as automation, the development of AI, the use of augmented reality and the advancement of logistics and sustainment technologies.

The maintenance of the infrastructure developed by Lockheed Martin is critical as we look to the future, especially as customers typically operate our products and services in remote locations and with limited crews.

This leads us to explore new opportunities for our products and services used in space, land and sea. For example, we aim to design products and services with the understanding that an astronaut will fill multiple roles during a mission, including pilot, maintainer and technician.

For more information, please visit our Global Infrastructure Needs web page.

2020 SMP Goals

Achieve $4 billion in annual product sales with direct, measurable benefits to energy and advanced infrastructure resiliency.

✓ **Achievement: Success**
We exceeded this goal with over $4.9 billion in product sales that benefit energy and infrastructure resiliency as of 2020.

FIREHAWK®: Lockheed Martin's Helicopter Designed for Wildfire Response

Lockheed Martin designed the Sikorsky FIREHAWK® aircraft to endure the unrelenting physical stress demands of aerial firefighting and utility missions. The FIREHAWK® Helicopter supports the courageous firefighters who respond to crises by minimizing time spent in transport between water and fuel sources, and maximizing time spent at the fire. This aircraft's game-changing capabilities push the boundaries of aerial firefighting and help operators ensure they bring people home—everywhere, every time.

Orion: Lockheed Martin and NASA Partnering to Bring Humans Deep into Space

Orion is the NASA spacecraft that will take humans deep into space. No other spacecraft in development has the technology needed for the extremes of deep space, such as life support, navigation, communications, radiation shielding and the world's largest heat shield that will protect astronauts and help return them safely home. Lockheed Martin is the prime contractor building Orion. The first spacecraft delivered on this contract, Artemis III, will carry the first woman and next man to the Moon. Orion is a critical part of NASA's Artemis program to build a sustainable presence on the lunar surface and to prepare us to move on to Mars. From its inception, Orion was designed to visit a variety of destinations in our solar system. Whether in orbit around the Moon, on a three-year mission to Mars or even other near-Earth bodies such as asteroids, Orion has unique capabilities that are needed beyond shorter missions to the International Space Station in a low-Earth orbit.

Total Cost of Ownership

Objective

Make our products more affordable by improving quality, efficiency and performance, as well as increasing resiliency and providing services to extend their useful lives.

Overview

Affordability discussions often center on design, engineering, production and material costs. Those elements are important, but they typically represent less than a third of total life-cycle costs. According to the U.S. Government Accountability Office, operation and maintenance comprise on average more than 70 percent of an owner's costs over the product life-cycle. The majority of these costs can be attributed to sustainment activities.

Lockheed Martin's Business Areas, Sustainment Council, Corporate Engineering, Logistics and Sustainment, Emerging Technologies Collaboration and Innovation (ETCI) Team and Digital Transformation Program are working to develop innovative technologies that address Sustainment earlier in a product's life-cycle. The focus is on employing sustainment design practices and new technologies during the concept development phase to improve product reliability, availability, maintainability and life-cycle cost. Ultimately, these efforts make Lockheed Martin products and services mission ready for the customer and at a lower cost.

For more information, please visit our Total Cost of Ownership web page.

2020 SMP Goals

Add criteria to fully identify cost drivers early in the product design cycle within each Business Area's proposal planning and review processes.

✓ **Achievement: Success**
We successfully integrated design-to-cost into proposal planning. It has become a standard element on key captures and programs.

Achieve >$700M in cumulative corporate cost and supply chain efficiencies.

✓ **Achievement: Success**
We have exceeded this goal by achieving a total $1.08 billion in cumulative realized cost and supply chain efficiencies since inception.

Generate $1 billion of life-cycle cost reductions from manufactured products related to the use of resources and impacts on human health and the environment.

✓ **Achievement: Success**
We exceeded this goal with $1.35 billion in life-cycle cost reductions through the end of 2020.

Sikorsky X2 Technology

Lockheed Martin is rising to meet the needs of the U.S. Army's high-speed requirements for its Future Vertical Lift helicopters—which will replace the Sikorsky Black Hawks currently used—by deploying Sikorsky helicopters with X2 technology in the competition. Our X2 technology not only enables operation at high speeds, but also at low altitudes with supervised autonomy—on-board algorithms and software that assist the pilot with flying the aircraft under these conditions. This also helps avoid detection. Core to these requirements are speed and the ability to execute the full mission within a high threat environment, high survivability and helicopter maintainability and sustainment. Inspired by our proactive maintenance technology in vehicles, our X2 aircrafts also use sensor technology to self-monitor and predict future maintenance requirements. By integrating self-monitoring functions, we are fully leveraging digital transformation and model-based design and maintenance to reduce operating and maintenance costs for our customers by more than half.

Product Safety

Objective

Advance rigorous safety and quality controls throughout design and manufacturing processes to ensure that the use of our products and services does not pose uncontrolled or unacceptable risks to customers, employees, suppliers or the general public.

Overview

Lockheed Martin is committed to providing its customers with safe and reliable products that meet or exceed applicable regulations and standards. In support of this commitment, the Quality, Mission Success and System Safety policy requires each Business Area to establish a Product Safety function with the independent authority to evaluate the safety of products and services and associated processes throughout the product life-cycle. The Product Safety function has unrestricted access to the Business Area's senior executive.

Product Safety encompasses design safety, system safety, development and test safety, sustainment safety and activities that have a direct bearing on the safety of Lockheed Martin products and services. The Product Safety functions works closely with the engineering, risk management and operations functions to ensure that safe designs and operational concepts are identified as early as possible in the product life-cycle, and that hazards are identified and eliminated or mitigated.

In 2020, we identified and initiated two new best practices:

- Created a Corporate Product Safety Committee comprising leaders from across our Business Areas who meet quarterly and report to Lockheed Martin's Vice President of Engineering.

- Launched a Safety Management System to establish company-wide expectations for product safety. The new system includes a Safety Policy, risk management procedures, safety assurance guidelines and safety promotion activities.

For more information, please visit our Product Safety web page.

Elements of an Effective Safety Management System

Safety Policy. We define management commitment and objectives, and establish a framework of organizational structures, accountabilities, plans, procedures and controls to meet the objectives.

Safety Risk Management. We conduct initial and continuing identification of hazards, analysis and assessment of safety risks and development and implementation of effective and appropriate mitigations and safety risk controls throughout the product/system life-cycle.

Safety Assurance. We assess the performance and effectiveness of risk controls, and ensure that risk controls perform in a way that continue to meet their safety objectives. This is accomplished through data collection, tracking and analysis to determine that requirements are being met, and investigate accidents and safety non-compliances for causation and lessons learned.

Safety Promotion. We promote continuous improvement by ensuring communication of safety information, employee training and competency development and establishing a safety culture within the organization.

2020 SMP Goals

Track and report product failure or non conformance due to manufacturing processes.

✓ **Achievement: Success**
We do not disclose performance data we deem competitive and proprietary. We track measures specific to each of our lines of business that indicate the quality of our manufacturing processes.

Integrating Safety Controls in Battery Monitoring

At Lockheed Martin, we are leveraging our innovative research and development (R&D) capabilities to improve lithium-ion battery storage safety and future battery designs. Battery fires can result from damage or mishandling, but they can also be spontaneous and may result in personal injury or damage to nearby products. Our research aims to improve the detection and prevention of lithium-ion battery thermal runaway during battery storage, production, transport, testing and operation. By integrating low size, weight and power wireless network monitoring devices at the battery cell level, we can detect failure early and notify users if any cells are approaching hazardous conditions. The use of low size, weight and power commercial off-the-shelf (COTS) electronics makes our solution significantly cheaper, resulting in minimal implementation costs for a larger number of products and units. Data from these devices also provide opportunities to study the root causes of battery failure and improve battery designs in the future.

Counterfeit Parts Prevention

Objective

Prevent counterfeit parts from entering the company's supply chain and potentially affecting product quality, safety and performance.

Overview

Lockheed Martin's customers count on our products and services to be reliable and ready for use when needed. The inclusion of sub-standard and unreliable parts in a Lockheed Martin product presents a serious threat to our goal of producing mission critical hardware that our customers rely on. One cause of sub-standard and unreliable parts is counterfeit components. Counterfeit components can lead to product failure, put human health and safety at risk, negatively impact intellectual property, threaten national security and increase costs due to the need for additional quality control measures.

To ensure the extension of our quality standards through our value chain, we require Lockheed Martin's suppliers to implement certain safeguards to reduce the risk of introducing counterfeit parts and materials in their own supply chains. We provide our suppliers with resources for preventing counterfeit parts, including Frequently Asked Questions (FAQs) documents and a list of actions to help suppliers avoid, identify and report potential counterfeits to Lockheed Martin.

Technicians at Lockheed Martin Space in Littleton, Colorado installed a microchip with 1.6 million names submitted by the public to ride along with NASA's InSight Mission to Mars.

Our customers have continued to place greater emphasis on product component traceability, sourcing from the original manufacturer or an authorized dealer and taking additional mitigation measures to ensure authenticity. In response to these evolving expectations, Lockheed Martin continually updates our counterfeit prevention training. We also continue to keep our internal stakeholders aware of the threat of counterfeits with practices for avoidance, prevention and mitigation.

For more information, please visit our Counterfeit Parts Prevention web page.

2020 SMP Goals

Maintain or reduce instances of counterfeit parts in delivered systems.

Achievement: Partial Success
1 suspect counterfeit delivered to customer. As a result, Government-Industry Data Exchange Programs (GIDEPs) were issued.

Lockheed Martin employee wearing PPE due to COVID-19 protocols in Baltimore on June 23, 2020.

Employee Wellbeing

Objective

Create a high-performance, inclusive workplace culture that engages employees and creates rewarding career paths for our current and future workforce.

Importance

Our employees drive the innovation and problem solving that makes Lockheed Martin a leader in our industry. We strive to create and maintain a positive environment so employees feel they can bring their whole selves to work, return home safely each day and learn and grow in their roles. Lockheed Martin's commitment to invest in our employees addresses one of the megatrends guiding business decisions globally: Reimagining Work. We listen to our employees, watch market trends and provide ample training opportunities to prepare our workforce for success at Lockheed Martin and beyond.

Key Factors

Workplace Safety and Wellness

Talent Development

Talent Recruitment

Diversity and Inclusion

Workplace Safety and Wellness

Objective

Ensure a safe and healthy workforce and workplace through ergonomic and operational design, protective work practices, worker resilience and targeted safety and health risk reduction techniques.

Overview

Maintaining a safe work environment for all of our employees is vital to Lockheed Martin's success. Our Environment, Safety and Health (ESH) Strategy goes beyond compliance to ensure safe work conditions, create a healthy work environment, promote workforce resiliency and enhance business value. We have an ESH Leadership Council that meets at least four times a year to develop and monitor our ESH strategies and evaluate performance. The ESH Leadership Council comprises senior leaders across all Business Areas directly responsible for ESH as well as from various corporate functions critical to the success of ESH programs. Our main Safety and Health program, called Target Zero, combines leadership commitment and employee engagement to prevent injuries and protect our most important assets: our people.

For more information, please visit our Workplace Safety and Wellness web page.

Lockheed Martin employees use PPE due to COVID-19 protocols in Baltimore, Maryland on June 23, 2020.

2020 SMP Goals

Achieve or outperform day away case and severity rate goals

Achievement: Partial Success
Our day-away rate was 0.23 and our severity rate was 5.06. We did not meet our 2020 targets as a result of direct and measurable effects from the impact of COVID-19. Challenges on Transitional Duty Program (TDP) execution, occupational COVID-19 illness cases and external health services stressed by COVID-19 support were identified as the key contributing factors.

DAY-AWAY CASE RATE

Year	Rate
2016	0.2
2017	0.18
2018	0.16
2019	0.18
2020	0.23

2020 Goal: 0.18

SEVERITY (LOST DAYS) RATE

Year	Rate
2016	5.15
2017	5.58
2018	4.48
2019	3.89
2020	5.06

2020 Goal: 4.62
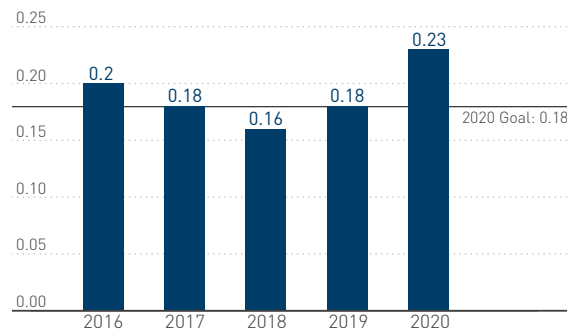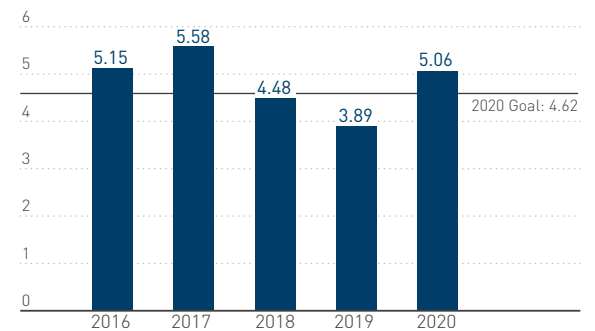
2020 Ergo Cup Competition

The Lockheed Martin Corporate Environment, Safety and Health (CESH) team sponsored the 7th annual Ergo Cup Competition in 2020. The competition fosters ideas for new ergonomic practices and processes to minimize ergonomic stressors experienced in the workplace. Employees from all Business Areas are encouraged to submit their ergonomic innovations. One such innovative project submitted was the CH-53K Landing Gear Installation Tool.

The CH-53K King Stallion helicopter, Lockheed Martin's new heavy lift aircraft, began its low rate production in the summer of 2019. The size and complexity of this rotary-wing aircraft, which is the largest in production at Lockheed Martin, presented opportunities for technological changes to the assembly line in Stratford, Connecticut, that are improving production and reducing ergonomic risk inherent in the build process.

One identified opportunity involved the installation of the aircraft's landing gear. The legacy process required multiple mechanics to support the 400-pound landing gear while aligning and securing it into position. In addition to the weight, the landing gear was installed in a confined space beneath the aircraft, putting the installers under significant physical stress.

The solution: The new CH-53K landing gear installation tool. This technology is a holding fixture capable of installing and removing the landing gear in all positions in final assembly. The tool also serves as a transport dolly with four independent locking casters, which allow seamless movement on the production floor. The tool uses a remote control to rotate and lift the landing gear in place, supporting 100 percent of the weight. This technology enables elimination of manual lifting and sustained holding of the landing gear, as well as the physical stresses of manually installing it from a confined space beneath the aircraft.

This innovation delivers significant labor efficiency by limiting the number of mechanics needed to perform the work, while greatly reducing the risk of injury. The CH-53K landing gear installation tool is a great example of technological innovations developed by employees of Lockheed Martin to improve the overall work experience and to maximize value for our customer.

Lockheed Martin 2020 COVID-19 Safety Moments Video Series

Lockheed Martin implemented a strategic and integrated communications plan, completed extensive communication campaigns and supported employee engagement activities throughout 2020. The ambitious 2020 Target Zero Communication Campaign transitioned traditional safety and health "Zero in on Safety" content to communications that addressed the corporation's greatest safety and health challenge: COVID-19. The COVID-19 Safety Moments video series delivered entertaining educational videos driving awareness on infection control measures and available resources. The aim was to reinforce appropriate employee actions during the pandemic, foster employee engagement and counter COVID-19 misinformation. Employees enjoyed the content so much that Lockheed Martin made it available externally so that employees could share the videos with their friends and family.

Sikorsky CH-53K King Stallion helicopter.

Talent Development

Objective

Ensure all employees have the knowledge, skills and work assignments to achieve performance goals in a dynamic business environment.

Overview

Lockheed Martin is proud to offer education, training and leadership development programs to prepare workers for long-standing careers in aerospace and defense. In 2020, each employee engaged in an average of 25.2 hours of training from our internal Learning Management System and took advantage of a variety of external training opportunities funded by Lockheed Martin. We develop a range of programs to reach individuals throughout the talent pipeline—from college-bound students, to those considering technical trades, to members of our current workforce. Our aim is to empower our current and future employees with the knowledge and skills they need to drive innovation and grow their careers. Our Human Resources (HR) team is leveraging digital transformation to improve human capital development efforts at Lockheed Martin. For example, our HR team uses a people analytics suite tool to track individual employee performance and development on a dashboard. Tools like these allow our people managers to help employees set and achieve goals, target talent development efforts and facilitate workforce planning.

Innovation Garage sites across the enterprise allow individuals to work together side-by-side or virtually to collaborate on new technologies and projects.

To help build a strong talent pipeline for the aerospace and defense industry as a whole, in 2018 Lockheed Martin committed to create 8,000 new apprenticeships and work-based learning opportunities through 2023. As of 2020, we are 53 percent of the way toward our goal, having created 4,300 of these opportunities. In response to the COVID-19 pandemic in 2020, we worked to move as many of our training and apprentice programs online as possible so that participants could continue to learn and grow remotely.

For more information, please visit our Talent Development web page.

2020 SMP Goals

Maintain a lower voluntary attrition rate among top performing employees as compared to the employee population.

✓ **Achievement: Success**
We achieved a lower attrition rate among top-performing employees compared to all employees this year.

Increase succession planning for senior leadership.

✓ **Achievement: Success**
We have increased our succession planning rate for senior leadership in comparison to our 2015 baseline.

Training Aspiring Locals to Engineer a New Tomorrow

In 2020, the Manassas T.A.L.E.N.T. (Training Aspiring Locals to Engineer a New Tomorrow) program reached apprenticeship status. The program capitalizes on the ever-increasing level of technical expertise that individuals are developing prior to college through high school career and technical education programs and programs like Project Lead The Way, a Lockheed Martin science, technology, engineering and mathematics (STEM) partner. T.A.L.E.N.T. provides a full-time job with training, mentoring and hands-on-experience to capable high school graduates that are not immediately entering a four-year college. To learn more about Lockheed Martin apprenticeship opportunities, please visit our Apprenticeships website.

Critical Skills Development Pathways

Lockheed Martin created Critical Skills Development Pathways (CSDP), a program targeting employees with adjacent skills, to prepare for current and emerging critical roles, starting with a focus on Cybersecurity, AI, Autonomy and Data Science. At the end of 2020, CSDP included 153 learning pathways and empowered employees to target their individual needs, fill skill gaps and accelerate their professional development. Pathways include courses from vendors such as Coursera, as well as curated university courses from institutions such as Stanford, Johns Hopkins, University of Maryland and Penn State. To support agile skill development, Lockheed Martin employees are now able to receive college credit and continuing education units without having to enroll in a full degree or certificate program. Through continued engagement with the Digital Transformation Program, Lockheed Martin is leveraging and developing pathways in areas of Software Factories, Model-Based Engineering, Data Literacy and Intelligent Factories, to name a few.

Since CSDP launched in November 2019, more than 1,000 courses have been completed, which were advertised to 1,120 employees in targeted roles in all Business Areas. CSDP is now expanding into a larger effort to address Critical Skills more holistically across Lockheed Martin and expand further. Pathways are also being mapped to Lockheed Martin career competencies and paths, connecting skill development with career advancement.

Talent Recruitment

Objective

Recruit employees with relevant skills and invest in a talent pool of future employees.

Overview

For Lockheed Martin to maintain our position as a leader in the aerospace and defense industry, it is vital that we attract and retain highly skilled employees. To do so, we developed a recruitment strategy that encompasses our entire workforce, including the following segments: experienced professionals, hourly, college and critical skills. This multi-prong approach enables us to meet the current needs of our business while investing in the education and training of our future workforce. Our business succeeds when our employees thrive in an environment where they are empowered to innovate. Employees with diverse backgrounds and perspectives contribute to our high-performance environment and enhance our competitiveness as an employer of choice. Attracting and retaining these diverse minds is essential in our success as a next-generation technology company. Recruiting top talent, developing employees and promoting D&I best positions us as a company to meet customer needs and innovate for the future.

Our Vocational and STEM Scholarship Programs create future talent pipelines of students pursuing certifications and degrees, and who will possess skills that our industry needs to deliver strong results. Our 2020 virtual hiring event for STEM scholars resulted in over a 300 percent increase in year-over-year job offers and a 400 percent increase in year-over-year offer acceptances, in large part due to an improved overall engagement and communications strategy for both the scholarship recipients and the Business Area Talent Acquisition teams. All of our Business Areas participated in the event and collectively Lockheed Martin

Project Lead the Way students explore a deep space habitat mockup in Colorado in February 2020.

hired 32 new employees. In 2020, Lockheed Martin received over 4,000 STEM applications and awarded 394 scholarships. In addition, we are already seeing success in our first vocational scholarship, with our first hires into Space's Software Associate Degree Program (SWAP). These individuals will complete their associate degrees and be ready to join Lockheed Martin after graduation.

For more information, please visit our Talent Recruitment web page.

2020 SMP Goals

Achieve an intern conversion rate of greater than, or equal to, 50% conversion.

✓ **Achievement: Success**
The 2019–2020 intern conversion rate was 62.5%

HBCU Connects

In the summer of 2020, Lockheed Martin held a series of virtual events with 16 Historically Black Colleges or Universities (HBCUs), connecting with both the STEM and Business students. There were four main priorities for these outreach events: answer questions concerning the STEM and business fields at Lockheed Martin, connect students from multiple HBCUs to grow the student's networks, provide recruitment advice including resume and interview tips and continue the conversation around the social justice movement. In addition, the team extended the concept of this HBCU Connects series to some of our fall events by hosting a Diversity Panel. These outreach efforts resulted in positive feedback from the participants around Lockheed Martin's commitment to hiring a diverse workforce and inclusive culture.

Lockheed Martin Serves

In 2020, in response to the challenges introduced by the COVID-19 pandemic, we launched the Lockheed Martin Serves program in support of the U.S. military community. Lockheed Martin Serves aims to accelerate hiring pathways for military members transitioning into the civilian workforce, military spouses and veterans. In 2020 we conducted 217 interviews, extended 71 offers and received 56 accepts from the military community through this program.

Diversity and Inclusion

Objective

Create a workplace that fosters a sense of belonging and where the diverse talents and unique perspectives of our people drive affordable and innovative solutions for our customers and business success.

Overview

D&I is foundational to Lockheed Martin's culture and reflects our Core Values to *Do What's Right, Respect Others and Perform with Excellence.* We know diverse and inclusive workforces yield higher performance outcomes and more creative solutions. To actively manage D&I, Lockheed Martin supports a robust Global Diversity and Inclusion (GD&I) strategy, provides tailored education and engagement programs and maintains an infrastructure that operates in all our Business Areas, domestically and internationally.

Driving our approach to D&I is a commitment from the top of the organization, as our Chairman, President and Chief Executive Officer sets the tone for integrating D&I across the enterprise. Lockheed Martin's Executive Inclusion Council (EIC) is composed of cross functional leaders and collaborates with internal and external stakeholders to promote D&I within their Business Areas and key functions. The GD&I team advances the organization toward best-in-class D&I performance and conducts people engagements, such as focus groups and surveys, across the enterprise to collect stakeholder feedback on our inclusion initiatives. Our EIC closely examines this feedback and executes plans to enhance and mature these efforts. In addition to the direction set by our EIC and GD&I team, the Lockheed Martin Code of Ethics and Business Conduct, Supplier

Lockheed Martin employees collaborating at an Aeronautics facility.

Code of Conduct, Nondiscrimination and Equal Employment Opportunity policy and Harassment-Free Workplace policy clearly define our stance on topics such as discrimination, equal opportunity and employee health and safety in detail.

Employee Engagement

An important part of our strategy is a commitment to empower our employees to be both champions and beneficiaries of a diverse and inclusive workspace. To ensure that our strategy is effective, we maintain compliance with federal, state and local laws through a framework of corporate policies and procedures that align with our mission to advance diversity and inclusion. To continue engaging employees in the D&I conversations outside of our trainings, we leverage our BRGs. At Lockheed Martin, BRGs are voluntary, employee-led groups that foster a diverse and inclusive workplace aligned with our organizational mission, values, goals and business practices. We currently partner with seven BRGs focused on building community and providing support for commonly underrepresented groups.

For more information, please visit our Diversity and Inclusion web page.

Business Resource Groups

35,991　Total number employees involved in BRGs as of 2020

Able & Allies
2,219

African American Council for Excellence (AACE)
5,736

Hispanic Organization for Leadership & Awareness (HOLA)
4,707

Military Veterans
6,128

Professional Asian American Network (PAAN)
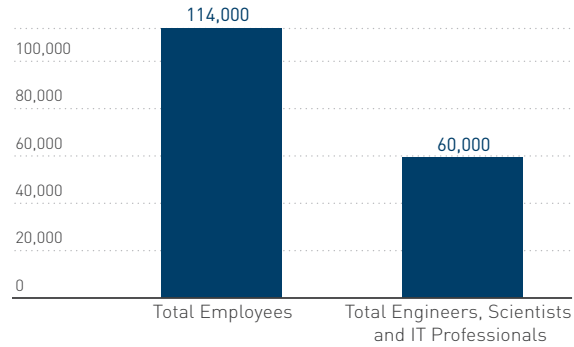**4,240**

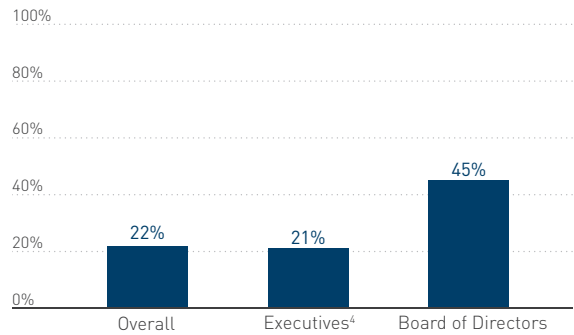Pride LGBT Professional Network (PRIDE)
3,971

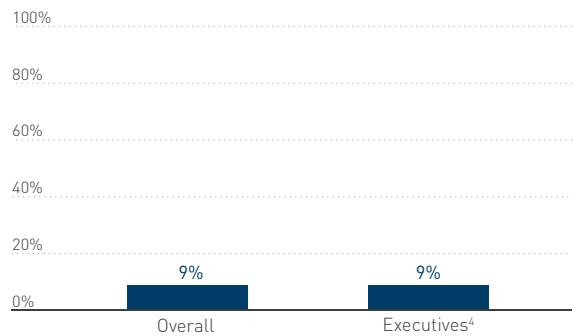Women Impact Network (WIN)
8,990

Workforce Profile[1,2]

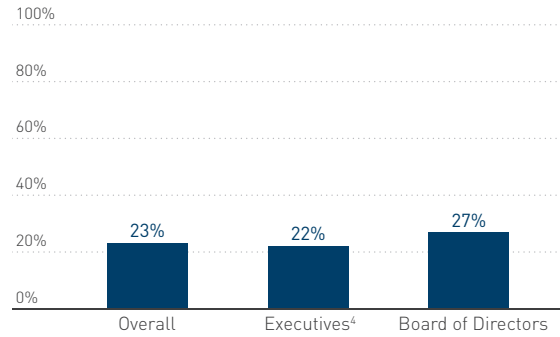### TOTAL EMPLOYEES (ROUNDED TO NEAREST 1,000)

Total Employees: 114,000
Total Engineers, Scientists and IT Professionals: 60,000

VETERANS[3]

Overall: 22%
Executives[4]: 21%
Board of Directors: 45%

PERSONS WITH DISABILITIES[3]

Overall: 9%
Executives[4]: 9%

WOMEN[3]

Overall: 23%
Executives[4]: 22%
Board of Directors: 27%

PEOPLE OF COLOR[3]

Overall: 28%
Executives[4]: 14%
Board of Directors: 9%
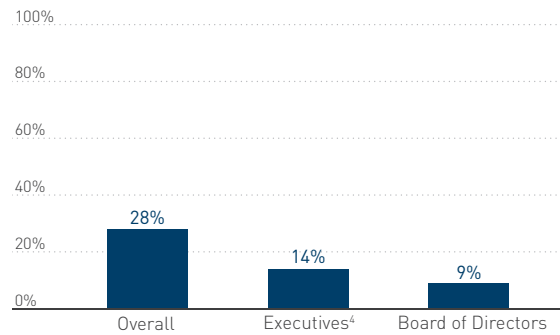
EDUCATION

● HS/none indicated	**30%**
● Associates/some college	**7%**
● Bachelors	**38%**
● Graduate/PhD	**25%**
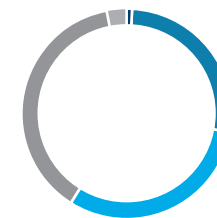
GENERATION

● Traditional	**<1%**
● Baby Boomer	**27%**
● Generation X	**31%**
● Millennials	**38%**
● Generation Z	**3%**

1 As of December 31, 2020 except for Board of Directors which is as of March 1, 2021.

2 Based on employees who self-identify. Includes only U.S. employees and expatriates except for Women, which also includes local country nationals. Excludes casual workers, interns/co-ops and employees of certain subsidiaries and joint ventures.

3 Rounded to the nearest whole percentage.

4 Executive is defined as director-level (one level below vice president) or higher.

2020 SMP Goals

Develop the best workforce for our customers by increasing representation of women, people of color, veterans and people with disabilities.

Achievement: Partial Success

Representation of People of Color and Persons with Disabilities has consistently over-performed against the 2015 baseline. Veterans representation continues to show a decline due to changing demographics and retirement trends. Women's representation remains below the 2015 baseline but has increased each reporting period since 2017.

PoC: 28.4% (2015 baseline 24.3%)
PwD: 8.6% (2015 baseline 5.65%)
Veterans: 21.5% (2015 baseline 23.5%)
Women: 23.2% (2015 baseline 23.8%)

Increase employee participation in company-sponsored diversity events, Business Resource Groups (BRGs) and leadership associations.

Achievement: Success

We saw an increase in employee participation in company-sponsored diversity events, Business Resource Groups (BRGs) and leadership associations in 2020.

Highlights

- To raise awareness for mental health and well-being during the COVID-19 pandemic, GD&I partnered with the BRGs to launch the Mind Matters campaign in the United States. The campaign aimed to inform employees about mental health topics and equip individuals with tools to support themselves and others. More than 700 people joined the bi-weekly meditation moments, and more than 200 people joined the internal communications channel to engage in conversations about mental health.

- In February 2020, Lockheed Martin's GD&I Diversity Outreach team conducted a hiring event for participants of the National Society of Black Engineers (NSBE) conference. The event was enormously successful, as we secured over a 90 percent offer acceptance rate.

- In the wake of racial disparity issues, GD&I launched an innovative allyship initiative, called "I. Care. I. Act" to bring together BRG leaders, members and allies. The purpose was to provide two-way, group-led conversations focused on learning more about leveraging inclusion, driving allyship and addressing racial issues. During bi-weekly meetings, participants of the initiative learn about ways to become agents of change within their own professional and personal interactions. The program serves as a place for dialogue, support and accountability related to continued commitment to racial and social justice.

- In March 2020, we hosted our third annual International Women's Day event to show our support for women in our workforce and across the globe. The 2020 theme was "Each for Equal," and events focused on how gender equality is essential for economies and communities to thrive. Nearly 1,800 employees joined the webcast, which was a 47 percent increase from 2019, from 33 locations across the globe.

- In May 2020, Lockheed Martin's Military Veteran BRG launched Military Spouse Alliance to foster networking for sustainable and meaningful career paths for Military Spouses.

- We hosted a virtual panel discussion on Lockheed Martin's external outreach strategy and its positive impact on diversifying our talent pipeline. A range of Lockheed Martin panelists covered topics including outreach to Minority Serving Institutions and HBCUs, external awards sponsorship and engagement and recruitment efforts.

- In June 2020, Lockheed Martin's Chairman, President and CEO, Jim Taiclet, met with leaders of each of our seven BRG's during roundtable. Our Chairman, President and CEO was able to convey his personal commitment to D&I and BRGs and explore the groups' roles in addressing COVID-19 and racial disparity challenges.

- Lockheed Martin sent out information and hosted events to encourage our employees to learn about and commemorate the Juneteenth holiday in the U.S. Our BRGs hosted employee forums to highlight perspectives on racism, discrimination and opportunities to expand D&I efforts. Additionally, Lockheed Martin offered lump sum matching of up to $250,000 to support organizations that expand educational access for students of diverse backgrounds.

- In November 2020, Lockheed Martin's PRIDE Community and Transgender Council partnered with GD&I to sponsor a series of events during Transgender Awareness Week to focus on increasing understanding for transgender people and the issues the community faces.

- Lockheed Martin expanded its D&I initiatives by embracing National Native American Heritage Month in November. Employees of Native American heritage were featured in internal communications with stories describing their tribal communities, favorite traditions and what their native background means to them.

Celebrating Diversity in STEM

Lockheed Martin is a long-time charter co-host of the Black Engineer of the Year Awards (BEYA) STEM Conference, attracting students and professionals in STEM fields and offering opportunities for career development and recruitment. Lockheed Martin award recipient Audrell Samuels attended the conference and led a workshop for 360 pre-college students to inspire and encourage them to pursue STEM careers. The conference is also an exciting opportunity for employers and prospective employees; during the 2020 BEYA conference, employers conducted 576 interviews and made 118 same-day offers, an increase from the 321 interviews and 71 same-day offers from the year before.

Lockheed Martin's fully-assembled SBIRS GEO 5 missile warning satellite moves into the Thermal Vacuum (TVAC) test chamber.

Resource Efficiency

Objective

Increase business resiliency and accelerating atmospheric carbon reduction through improved energy and water management, materials conservation and increased renewable energy use.

Importance

According to our life-cycle assessments, the most significant environmental impact of our business operations derives from our energy use and greenhouse gas (GHG) emissions. We have a responsibility to operate our own facilities with efficient use of resources and minimal environmental footprint. Lockheed Martin's commitment to driving efficient use of resources addresses one of the megatrends guiding business decisions globally: Climate Resiliency. By reducing energy consumption and water use in our operations, we reduce our associated carbon footprint and safeguard related natural resources.

Key Factors

Energy and Carbon Management

Energy and Carbon Management

Objective

Manage energy use and GHG emissions associated with company operations, including efforts to use renewable energy and promote energy and water efficiency.

Overview

The management of Lockheed Martin's environmental footprint begins at the top levels of leadership and extends to employees throughout the company. The Nominating and Corporate Governance Committee of our Board of Directors sets the direction of our resource efficiency program and reviews ESH performance. The ESH Leadership Council and the Facilities and Operational Leadership Teams disseminate the strategic direction and goals to drive efficiency, cost avoidance and atmospheric carbon emissions reductions across our operations. We aim to develop solutions that reduce both our environmental impact and related costs at our facilities enterprise-wide.

The Lockheed Martin corporate ESH Management System is certified to ISO 14001 and ISO 45001, and sets a company-wide approach to championing resource use efficiency. The system provides direction that takes into consideration the potential risks of non-compliance with law, reputation loss and business growth restraints. To ensure consistent execution across the enterprise, the ESH Management System incorporates design, implementation and oversight processes of the ISO Standards. Our ESH Management System stands up to rigorous internal scrutiny, including peer assessments, self-assessments and internal auditing and the corporate certificates allow for the inclusion of individual site certification. Thus far, we have 41 sites certified under the corporate ISO 14001 certification, and 26 sites certified under the corporate ISO 45001 certification. We are also able to leverage lessons learned from each audit conducted by the certification body and continuously improve the ESH Management System.

In addition to the management system, we leverage our Go Green program to drive operational improvements. Our Go Green program focuses on reducing atmospheric carbon emissions through energy efficiency and use of renewable energy, reducing facility water use and reducing waste generation to propel responsible growth. Since the inception of the Go Green program in 2007, Lockheed Martin has been able to reduce energy consumption by 19 percent, atmospheric carbon emissions by 47 percent and waste to landfill by 51 percent. In 2020, we set our new fourth generation Go Green goals. In setting these goals we used a science-based methodology established by the Center for Sustainable Development to exceed science-based targets (SBT) for our carbon emission reductions with a baseline year of 2015 in alignment with SBT recommendation.

For more information, please visit our Energy and Carbon Management web page.

2020 SMP Goals

Reduce energy use by 25%, scope 1 and 2 carbon emissions by 35% and water use by 30% from a 2010 baseline.

Achievement: Partial Success

Energy: Our critical operations remained online throughout 2020. Impacts to energy usage included increased HVAC/air handling activity due to COVID-19 operating protocols combined with a minor offset in plug load from fewer employees working onsite.

Carbon: Our critical operations remained online throughout 2020 and energy and fuel usage remained consistent compared to the prior year.

Water: Our critical operations remained online throughout 2020. The site water usage was lower than the prior year driven mainly by large campuses with lower employee population, kitchen/cafeteria activity, etc.

Reduction against 2010 Baseline:
Energy: 18% reduction
Carbon: 38% reduction
Water: 22% reduction

Increase square footage of facilities with green building certifications from a 2015 baseline.

Achievement: Success

In 2020, we reached 3.7 million square feet of green buildings. The MFC Orlando Southpark Center LEED certification added approximately 134,000 square feet to our Green Building footprint in 2020.

Increase annual renewable energy consumption

Achievement: Success

In 2020 we consumed 322,000 megawatt hours (MWh) of clean energy, comprising nearly 13,396 MWh of onsite renewables, approximately 248,580 MWh of renewable energy certificates (RECs) and 60,024 MWh through Power Purchase Agreements (PPAs).

Help energy customers reduce carbon emissions by at least twice the carbon impact of our business operations.

Achievement: Retired

With the divestiture of our Distributed Energy Solutions Group in November 2019, we retired this goal last year.
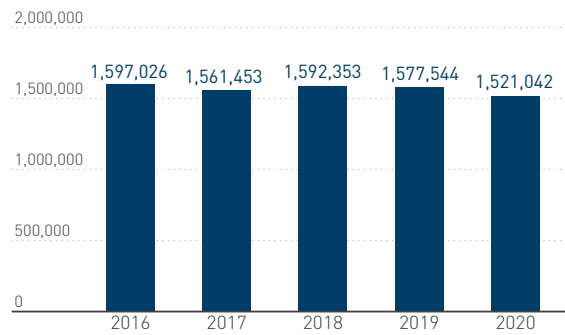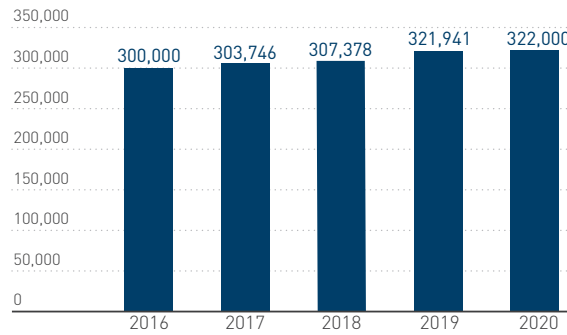
Go Green Goals

2030 Goal

↓70% Reduce carbon emissions per $ gross profit by 70%
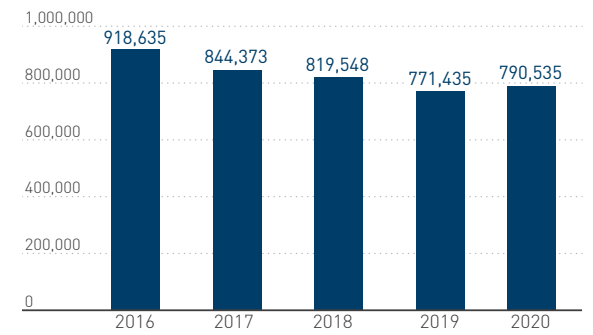*2015 baseline

2025 Goals

↓14% Reduce energy per occupant by 14%
*2016 baseline

↓11% Reduce waste per occupant by 11%
*2016 baseline

ENERGY COST AVOIDANCE
$25M
IN 2020

2020 PERFORMANCE   39%   14%   9%

Resource Efficiency Data

ENERGY CONSUMPTION (MWH)

Year	Value
2016	1,597,026
2017	1,561,453
2018	1,592,353
2019	1,577,544
2020	1,521,042

RENEWABLE ENERGY (MWH)

Year	Value
2016	300,000
2017	303,746
2018	307,378
2019	321,941
2020	322,000

TOTAL SCOPE 1 AND SCOPE 2 GHG EMISSIONS (MT CO_2e)

Year	Value
2016	918,635
2017	844,373
2018	819,548
2019	771,435
2020	790,535

Lockheed Martin ENERGY STAR Partner of the Year

Every October, Lockheed Martin celebrates Energy Awareness Month to bring attention to the role that energy plays in our work. The Aerospace manufacturing industry constitutes only three percent of the 26 quadrillion thermal units of energy that the entire U.S industrial sector consumed in 2019. In aerospace terms, that 26 quadrillion thermal units of energy is equivalent to a fully fueled C-130J Super Hercules taking off almost 2 million times. In 2020, we also developed new goals to reduce carbon intensity emissions by 70 percent by 2030 and reduce energy intensity use by 14 percent by 2025 against a 2015 baseline, making energy efficiency an essential component of our environmental stewardship strategy. We are proud that the U.S. Environmental Protection Agency (EPA) recognized Lockheed Martin twice as ENERGY STAR Partner of the Year for Industrial Energy Management, the highest level of EPA recognition. As we work towards our 2025 and 2030 energy goals, we continue to identify and prioritize efficiency opportunities to work smarter with less energy.
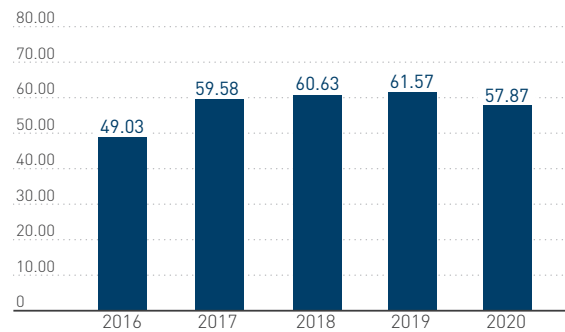
Resource Efficiency Data (cont.)

WATER USED (BILLION GALLONS)

Year	Value
2016	1.16
2017	1.32
2018	1.23
2019	1.36
2020	1.32
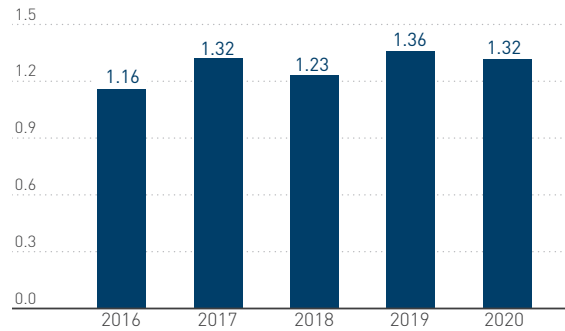
WASTE GENERATED (MILLION lbs.)

Year	Value
2016	49.03
2017	59.58
2018	60.63
2019	61.57
2020	57.87
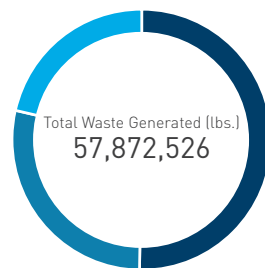
2020 WASTE BY DESTINATION (lbs.)[1]

Total Waste Generated (lbs.)
57,872,526

● Total Waste Recycled	**50%**
● Total Waste to Landfill	**28%**
● Other Disposal Methods[2]	**22%**

1 Total Waste Generated includes Regulated (Hazardous), Non-Hazardous, Universal and Other waste streams.

2 Includes waste-to-energy, incineration and additional alternative forms of disposal.

Identification of Water-Stressed Facilities and Water Performance

Our new Go Green goals shift our focus from across-the-board reductions to zeroing in on sites located in water-stressed regions. Using the Aqueduct Water Risk Atlas, we have identified our sites in the highest water-stressed regions today and those predicted to be in water-stressed regions out to 2040. That data is used to prioritize and execute site water balances and associated water conservation activities. Based on preliminary analysis of water performance across our Business Areas, we have identified several major sites with significant year-over-year reductions. We are working with these sites to understand their reduction drivers.

Waste Reduction at Lockheed Martin

Our waste program is focused on reducing total waste using the management hierarchy modeled after the EPA waste management pyramid. Actions and improvement activities for our operations are prioritized based on the minimization of impact and responsible management of materials. In 2020, the Go Green Waste Metric Scorecard was developed to track the progress of the external waste metric and the internal key program objectives. These objectives include specific activities that further advance improvement in hazardous waste management, management of construction and demolition materials, employee engagement/recognition and external certifications. All of our efforts are governed by our policy on waste disposal and recycling. Lastly, we have a corporate-sponsored program to address employee e-waste, which collected over 60,000 pounds in 2020.

Climate-Related Risks and Opportunities

At Lockheed Martin, climate-related risk and opportunity drivers can impact our long-term resiliency as a leader in global security and aerospace. We believe it is our responsibility to understand and actively address these drivers to foster a strong business model for the future. In 2020, we released our first Task Force on Climate-related Financial Disclosures (TCFD)-aligned report on climate-related risks and opportunities. This report reflects our 2020 responses to the Dow Jones Sustainability Index (DJSI) and CDP, and our continuing research on how physical and transitional climate-related risks may impact us in years to come. Our qualitative climate-scenario analysis and risk assessment is based on two possible futures—one that limits global temperatures rising no more than 2 degrees Celsius (°C) by 2100, and another where global temperatures exceed 2 °C by 2100. We evaluated climate-related risk drivers within the parameters of each scenario and assessed qualitatively the likelihood and impact of these risk drivers on our facilities, production operations, supply chain and workforce. Please visit our ESG Portal to learn more about our 2020 disclosure, including the assessment results, implications and next steps.

Lockheed Martin's 2100 communication satellite bus launch.

Information Security

Objective

Minimize the likelihood and impact of cybersecurity incidents on our business operations and customer missions, and protect business-sensitive, customer and personal information from external and internal threats.

Importance

From initial concept to life-cycle sustainment, we consider and integrate full-spectrum cyber and counterintelligence capabilities into everything we deliver to our customers. We are dedicated to helping our customers protect their platforms, systems, networks and data through our cyber resilient products and technologies. Lockheed Martin's commitment to information security addresses one of the megatrends guiding business decisions globally: Reinforcing Confidence in Institutions. We leverage our tools, technology and talent to organize, analyze and protect data for our customers.

Key Factors

Sensitive Data and Intellectual Property Protection

Customer Information Systems and Network Security

Employee Privacy and Data Protection

Sensitive Data and Intellectual Property Protection

Objective

Protect company and supplier proprietary information to reduce the likelihood of data fraud, loss, sabotage and theft.

Overview

As we expand data sharing and collaborative capabilities in our products and services, they become targets for increasingly sophisticated cyber adversaries. Lockheed Martin's Corporate Information Security (CIS), Counterintelligence Operations and Corporate Investigations (CO/CI) and Privacy teams work to continually strengthen our internal cybersecurity systems to best protect our data and intellectual property. The Classified Business and Security Committee of our Board of Directors reviews the Lockheed Martin procedures for maintaining data and information security for our customers and our own business operations.

Lockheed Martin maintains an enterprise ISO27001 certification that undergoes annual surveillance auditing and recertification every three years. In 2020, the annual ISO27001 Surveillance Audit of the Lockheed Martin Enterprise Information Technology (EIT) focused on several Continental United States and International sites and locations across the corporation. The audit was successfully completed with zero findings.

Lockheed Martin's cybersecurity policies, as well as our Corporate Insider Threat policy, direct our compliance with global privacy laws and regulations. We integrate privacy considerations into new business opportunities, contracts, systems and acquisitions. We instill in our employees a respect for data protection and privacy through outreach, education, training and awareness. Education and awareness are vital to maintaining an environment where

our employees, customers and partners trust us to use and protect personal information responsibly. Lockheed Martin provides multiple privacy-related courses, ranging from a mandatory new-hire Privacy Awareness training to a Privacy Professional Certification class.

For more information, please visit our Sensitive Data and Intellectual Property Protection web page.

Corporate Email Testing Program

The Lockheed Martin CIS team began its internal email testing program for phishing randomly selected employees ten years ago. Focused Phishing is a new program to identify and test vulnerable employee populations based on real-time threats and provide tailored awareness such as the risks of supplier compromise. This more in-depth testing focuses on awareness and providing tailored test content, training and actionable follow-ups.

Insider Threat Awareness Campaign

In 2020, the Lockheed Martin Space Counterintelligence team launched a video campaign to raise employee awareness and engagement on the topic of insider threats. The videos aim to explain the concept of an insider threat, how to identify related behaviors and risk indicators and how each individual can contribute to insider threat prevention efforts at the company.

2020 SMP Goals

Monitor employee cybersecurity engagement to counter malicious email threats and monitor number of vulnerabilities per device on core IT networks.

✓ **Achievement: Success**
We do not disclose performance data deemed competitive and proprietary.

Monitor data loss incidents that occur within core IT networks for business operations.

✓ **Achievement: Success**
We do not disclose performance data deemed competitive and proprietary.

We track two other proprietary goals to improve the security of sensitive data and intellectual property and IT networks.

◔ **Achievement: Partial Success**
We do not disclose performance data related to these proprietary goals.

Customer Information Systems and Network Security

Objective

Ensure our products and processes capture, store and transfer data securely to protect the privacy and security of customer information and reduce the likelihood of data fraud, loss, sabotage and theft.

Overview

New technologies such as AI, augmented reality and networked factories are poised to revolutionize the way we design, build and sustain our products and services. The interconnected nature of these new technologies creates opportunities for greater efficiency but also expands the scope of activities which operate in a computer network environment. This presents significant challenges to our ability to protect our products and services against increasingly sophisticated cyber threats.

To address these risks, Lockheed Martin is delivering full-spectrum cyber capabilities and cyber resilient systems to our defense, intelligence community and global security customers. From initial concept to life-cycle sustainment, we consider and integrate full-spectrum cyber capabilities into everything we deliver to our customers. Lockheed Martin provides services and builds the platforms, tradecraft and tools proven to help our customers move faster, be safer, improve quality and contain costs for critical missions.

Our classified cybersecurity operations are fully integrated with the Lockheed Martin Fusion Center that was launched in 2020. We leverage our industry-leading Insider Threat tools within our classified environments to facilitate the protection of our customers' most sensitive technologies and programs.

For more information, please visit our Customer Information Systems and Network Security web page.

2020 SMP Goals

Monitor employee cybersecurity engagement to counter malicious email threats and monitor number of vulnerabilities per device on core IT networks.

Achievement: Success
We do not disclose performance data deemed competitive and proprietary.

Monitor data loss incidents that occur within core IT networks for business operations.

Achievement: Success
We do not disclose performance data deemed competitive and proprietary.

We track two other proprietary goals to improve the security of sensitive data and intellectual property and IT networks.

Achievement: Partial Success
We do not disclose performance data related to these proprietary goals.

Level 3 Enterprise CMMC Mock Assessment Success

As part of the Cybersecurity Maturity Model Certification (CMMC) Pathfinder project, Lockheed Martin in late July 2020 participated in a CMMC mock assessment. The mock assessment provided an opportunity to exercise many different assessment stages: training the assessors, preparing for an assessment, using assessment evaluation materials, conducting a mock CMMC assessment and scoring a mock assessment. This CMMC Level 3 mock assessment focused on the 20 new security practices from CMMC and the 3 maturity processes for Level 3 Certification. Lockheed Martin passed the mock assessment, and the experience gave us the opportunity to have a two-day dry run as preparation for our official assessment.

The aeroshell for the Mars 2020 rover was designed and built at Lockheed Martin Space near Denver and is comprised of two parts, the heat shield and the backshell.

Employee Privacy and Data Protection

Objective

Protect the privacy and integrity of employee data to reduce the likelihood of data fraud, loss, sabotage and theft.

Overview

At Lockheed Martin we respect and are committed to protecting employee privacy. Our comprehensive approach to employee privacy and data protection complies with all applicable international rules and regulations across our footprint. In the face of an ever-changing regulatory landscape, we continue to evolve our processes and procedures to meet new and emerging data protection and privacy challenges. We empower our employees to take a proactive role in protecting their personal data. Lockheed Martin requires all new-hires to attend a privacy awareness training, and all employees must complete sensitive information training. We also offer more detailed two-day privacy professional certification classes.

For more information, please visit our Employee Privacy and Data Protection web page.

2020 SMP Goals

Achieve annual recertification of EU-U.S. Privacy Shield[1] Framework.

⊘ **Achievement: Success**
The U.S. International Trade Administration, which administers the Privacy Shield framework, completed its review and approval of Lockheed Martin's 2020 Privacy Shield recertification.

1 The Privacy Shield Framework was invalidated in 2020 and Lockheed Martin no longer relies on it to transfer personal information from the EU to the U.S.

Lockheed Martin: Protecting the Enterprise—Visibility, Manageability, Survivability

Our Corporate global enterprise encompasses:

- Over 114,000 employees
- 300,000 network nodes
- 3.3 million IP addresses and 145,000 managed user desktops around the globe
- 8,500+ Programs across 300+ Customers

Each day, protection of these enterprise resources requires the collection, analysis and management of:

- ~20 billion sensor events per day
- 450 million web requests daily
- 10 million blocked as malicious
- ~1PB full packet capture storage
- 92 million emails per week
- 28 million are SPAM
- 800,000 active directory objects

Women in Cybersecurity

Lockheed Martin is proud to serve as a strategic partner with Women in CyberSecurity (WiCyS). WiCyS is a non-profit 501(c)(3) membership organization dedicated to developing a robust cybersecurity workforce with gender equality by facilitating recruitment, retention and advancement activities for women in cybersecurity. Through this strategic partnership, we support year-round activities and help women achieve their career goals in the cybersecurity field. Lockheed Martin works together with WiCyS to help provide a global community of engagement, encouragement and support for women at all stages of their cybersecurity careers. Whether women are students considering a career in cybersecurity, veterans transitioning from the military to civilian workforce, or experienced leaders in the workforce, we provide tangible benefits through an extensive network of world-class cybersecurity professionals. We leverage our strong relationships with academia, industry and government to help bring together women and allies in offering opportunities for mentoring, networking, learning, career development and support.

2025 Sustainability Management Plan

As the goals associated with our 2020 Sustainability Management Plan (SMP) have come to a close, Lockheed Martin is pleased to share our new 2025 Sustainability Management Plan. It reflects stakeholder feedback, internal and external trends and the continued evolution of our business. Please refer to our 2019 Sustainability Report on the ESG Portal to find out more about how these sustainability priorities were established.
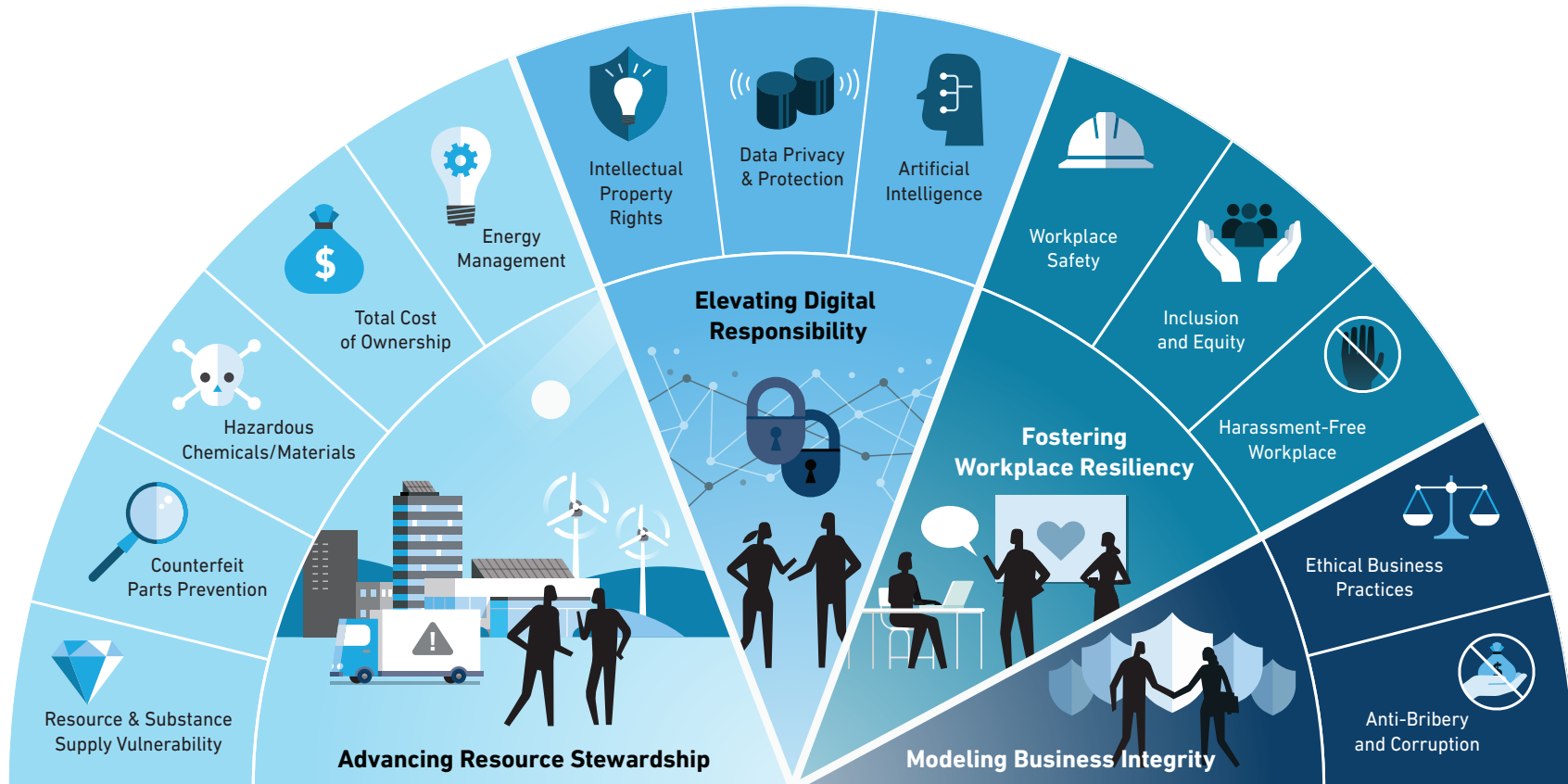
Advancing Resource Stewardship

Counterfeit Parts Prevention

Achieve 100% completion rate of applicable training on the identification and reporting of counterfeit parts.

Energy Management

Increase square footage of LEED and/or BREEAM certified/rated facilities.

By 2030 reduce scope 1 and 2 carbon emissions per $ gross profit by 70% to outperform the science-based target to prevent 1.5C warming.

By 2030 match 30% of electricity used across Lockheed Martin global operations with electricity produced from renewable sources (via a combination of onsite or offsite generation).

Annually increase carbon removal technology installation, investment and support (e.g. afforestation/reforestation, Direct Air Capture, habitat restoration, etc.).

Offset 100% of carbon emissions resulting from business-related travel.

Hazardous Chemicals/Materials

Annually reduce the amount of Lockheed Martin Priority Chemicals (LMPCs) used per unit sold of Lockheed Martin top 5 (by sales) Programs.

Annually reduce the amount of LMPCs used per dollar of sales revenue across Business Areas.

Resource and Substance Supply Vulnerability

Increase traceability of critical mineral resources, and substances used in the supply chain, through data analysis and mitigation, for signature programs.

Total Cost of Ownership

All Business Areas meet or exceed annual customer savings goals as defined in Business Area Executive Vice President scorecards.

Elevating Digital Responsibility

Artificial Intelligence

100% of AI developers will have been trained in system engineering approaches to AI Ethical Principles.

Data Privacy and Protection

50% of Lockheed Martin Employees will have been trained in Data Literacy and data-centric practices.

100% of data objects identified for common definition in the Lockheed Martin Data Strategy (Tier 1 Data) and 100% of certified data sources have Data Stewards assigned by 2022.

Intellectual Property Rights

An Intellectual Property (IP) protection hierarchy has been deployed with tiered protection of IP data assets based on their classification within that hierarchy.

Fostering Workforce Resiliency

Harassment Free Workplace

All Lockheed Martin employees participate in at least one Bystander Workshop.

Inclusion and Equity

All leaders have an Inclusive Leadership experience or complete one Diversity & Inclusion-associated action annually.

Increase hiring of protected veterans and people with disabilities to meet or exceed annual department of labor targets.

Contribute to annual increase in number of minority and female high school seniors selecting STEM majors at schools receiving STEM support from Lockheed Martin.

Increase representation of women and people of color enterprise-wide by 2021.

Workplace Safety

Reduce # of days away from work due to occupational injury or illness (Lost Days Severity Rate).

Establish risk-based approach to serious incident and fatality prevention programs.

Modeling Business Integrity

Anti-Bribery and Corruption

Achieve 100% completion of required employee training on "Gifts and Business Courtesies" and "International Business Practices" modules.

Ethical Business Practices

Score at or below 35% of the total percentage of employees who observe misconduct within the past 12 months, but neither report it nor take action to address it.

Multiple

Inclusion and Equity, Energy Management, Anti-Bribery and Corruption

By 2030, double the level of corporate giving addressing the following societal issues:

Quality Education: Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment and entrepreneurship.

Gender Equality: Enhance the use of enabling technology, especially information and communications technology, to promote the empowerment of women.

Affordable and Clean Energy: Expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries.

Peace, Justice, Strong Institutions: Substantially reduce corruption and bribery in all their forms.

Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) Content Index

General Disclosures

Standard	Code	Description	Location
Organizational Profile	102-1	Name of the organization.	Lockheed Martin Corporation
	102-2	Activities, brands, products and services.	2020 Sustainability Report: This is Lockheed Martin 2020 Annual Report / Form 10-K, p. 3–6
	102-3	Location of the organization's headquarters.	2020 Annual Report / Form 10-K, p. 9
	102-4	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the topics covered in the report.	2020 Sustainability Report: This is Lockheed Martin 2020 Annual Report / Form 10-K, p. 24 Lockheed Martin About Us
	102-5	Nature of ownership and legal form.	2020 Annual Report / Form 10-K, p.1
	102-6	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	2020 Sustainability Report: This is Lockheed Martin 2020 Annual Report / Form 10-K, p. 3–24
	102-7	Scale of reporting organization.	2020 Sustainability Report: This is Lockheed Martin 2020 Annual Report / Form 10-K
	SASB RT-AE-000.A	Production by reportable segment	Aircraft (Fixed and Rotary Winged) represent the largest market segment by sales in Lockheed Martin's product portfolio. Publicly the number of annual and quarterly deliveries are provided as part of our Quarterly Earnings Release documentation.
	102-8	Information on employees and other workers.	ESG Performance Data 2020 Sustainability Report: This is Lockheed Martin 2020 Annual Report / Form 10-K, p. 8
	SASB RT-AE-000.B	Number of employees	ESG Performance Data 2020 Annual Report / Form 10-K, p. 8
	102-9	Description of the organization's supply chain.	In 2020, Lockheed Martin had 17,200 active tier 1 suppliers from 64 countries. 93% of these active suppliers are based in the United States. 46% are manufacturers, 25% provide services and 13% are distributors; the remaining 16% include suppliers such as subcontractors, universities and other suppliers. 50% of our active suppliers are small businesses. We define "tier 1" as vendors that contract directly with Lockheed Martin, and that are listed in our Exostar supplier management tool. 2020 Annual Report / Form 10-K, p. 6–7
	102-10	Significant changes to the organization and its supply chain.	2020 Annual Report / Form 10-K
	102-11	Whether and how the organization applies the Precautionary Principle or approach.	2020 Sustainability Report: Our Approach 2020 Sustainability Report: Workplace Safety and Wellness 2020 Sustainability Report: Resource Efficiency Climate-Related Risks and Opportunities, Lockheed Martin Corporation, p. 3

Standard	Code	Description	Location
Organizational Profile	102-12	List of externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	<u>Nonbinding/Voluntary:</u> ISO 14001, OHSAS 18001, ISO 45001, OSHA and State VPP, LEED, EnergyStar, BREEAM, Corporate Renewable Energy Buyers' Principles, GRI Standards, SASB Standards, TCFD Framework, Catalyst Organization CEO Champions for Change <u>Compliance/Obligatory:</u> CRC Energy Efficiency Scheme, FAR, DFARS
	102-13	Membership of industry or other associations, and national or international advocacy organizations.	2020 CDP Climate, C12.3c Political Disclosures Website
Strategy	102-14	Statement from the most senior decision-maker at Lockheed Martin about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	2020 Sustainability Report: SVP Video 2020 Sustainability Report: Chairman, President and Chief Executive Officer Letter
Ethics and Integrity	102-16	A description of the organization's values, principles, standards and norms of behavior.	2020 Sustainability Report: This is Lockheed Martin 2020 Sustainability Report: Our Approach Supplier Code of Conduct Lockheed Martin Code of Conduct
SASB Business Ethics	SASB RT-AE-510a.2	Revenue from countries ranked in the "E" or "F" Band of Transparency International's Government Defense Anti-Corruption Index	ESG Performance Data
	SASB RT-AE-510a.3	Discussion of processes to manage business ethics risks throughout the value chain	Lockheed Martin Code of Conduct Ethics Home Page Supplier Code of Conduct 2020 Assurance Statement
Governance	102-18	Governance structure of the organization, including committees of the highest governance body and committees responsible for the decision-making on economic, environmental, and social topics.	2020 Sustainability Report: Our Approach 2021 Proxy Statement p. 21-28
Stakeholder Engagement	102-40	List of stakeholder groups engaged by the organization.	We actively engaged with stakeholders during our SMP review process that concluded in 2019. Please see our 2019 Sustainability Report. 2021 Proxy Statement p. 6, 8, 28 2020 Assurance Statement
	102-41	Percentage of total employees covered by collective bargaining agreements.	ESG Performance Data 2020 Annual Report / Form 10-K, p. 8
	102-42	Basis for identification and selection of stakeholders with whom to engage.	CPS-803: Corporate Sustainability Policy 2020 Assurance Statement The Lockheed Martin sustainability stakeholder engagement process is guided by our Corporate Policy Statement on Sustainability, CPS-803. The Director, Enterprise Risk and Sustainability is responsible for an annual engagement plan providing internal and external strategies for education, memberships, academic connections, association recognition events, conferences and publications related to sustainability.
	102-43	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an identification of whether any of the engagement was undertaken specifically as part of the report preparation process.	We actively engaged with stakeholders during our SMP review process that concluded in 2019. Please see our 2019 Sustainability Report. 2021 Proxy Statement p. 6, 8, 28 2020 Sustainability Report: Business Integrity 2020 Sustainability Report: Employee Wellbeing 2020 Assurance Statement
	102-44	Key topics and concerns that have been raised through stakeholder engagement.	2020 Sustainability Report: The 2020 Sustainability Management Plan 2021 Proxy Statement p. 28

Standard	Code	Description	Location
Reporting Practice	102-45	Entities included in the consolidated financial statements.	2020 Annual Report / Form 10-K
	102-46	Details on report content and topic boundaries.	2020 Sustainability Report: Our Approach 2020 Sustainability Report: About This Report 2020 Assurance Statement
	102-47	List of material topics.	2020 Sustainability Report: The 2020 Sustainability Management Plan 2020 Assurance Statement
	102-49	Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	No significant changes from previous reporting periods in the list of material topics and topic boundaries
	102-50	Reporting period for information provided.	2020 Sustainability Report: About This Report
	102-51	Date of most recent previous report.	The 2020 Sustainability Report was released in April 2021.
	102-52	Reporting cycle (such as annual, biennial).	Annual
	102-53	Contact point for questions regarding the report or its contents.	sustainability.lm@lmco.com
	102-54	The claim made by the organization, if it has prepared a report In accordance with the GRI Standards.	This report has been prepared in accordance with the GRI Standards: Core option.
	102-55	GRI Content Index	2020 Sustainability Report: GRI and SASB Index
	102-56	A description of the organization's policy and current practice with regard to seeking external assurance for the report.	2020 Sustainability Report: About This Report 2020 Assurance Statement

Economic

Standard	Code	Description	Location
GRI 201: Economic Performance	103-1, 103-2, 103-3	Explanation of Economic Performance as a material topic and its Boundary, the management approach and its components, and the evaluation of the management approach.	2020 Sustainability Report: Responsible Sales 2020 Annual Report / Form 10-K, p. 3–20, 25
	201-1	Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations.	2020 Sustainability Report: This is Lockheed Martin 2020 Annual Report / Form 10-K
	201-2	Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure.	Climate-Related Risks and Opportunities Disclosure 2020 CDP Climate Change Response, C2.3, C2.4
GRI 204: Procurement Practices	103-1, 103-2, 103-3	Explanation of Procurement Practices as a material topic and its Boundary, the management approach and its components, and the evaluation of the management approach.	2020 Sustainability Report: Supplier Conduct Supplier Ethics 2020 Annual Report / Form 10-K, p. 6–7
	204-1	Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation.	ESG Performance Data
GRI 205: Anti-Corruption	103-1, 103-2, 103-3	Explanation of Anti-Corruption as a material topic and its Boundary, the management approach and its components, and the evaluation of the management approach.	2020 Sustainability Report: Business Integrity Core Issue Overview 2020 Sustainability Report: Anti-Bribery and Corruption Controls CPS-803: Corporate Sustainability Policy Code of Conduct CPS-008: Gifts, Hospitality, Other Business Courtesies, and Sponsorships CPS-730: Compliance with Anti-Corruption Laws CPS-001: Ethics and Business Conduct

Standard	Code	Description	Location
GRI 205: Anti-corruption	205-1	Total number and percentage and of operations assessed for risks related to corruption and the significant risks identified.	ESG Performance Data
	205-2	Communication and training about anti-corruption policies and procedures.	2020 Sustainability Report: Anti-Bribery and Corruption Controls Supplier Code of Conduct Supplier Ethics CPS-730: Compliance with Anti-Corruption Laws 2020 Assurance Statement
	SASB RT-EE-510a.3	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	2020 Sustainability Report: Anti-Bribery and Corruption Controls Supplier Code of Conduct CPS-730: Compliance with Anti-Corruption Laws CPS-008: Gifts, Hospitality, Other Business Courtesies, and Sponsorships 2020 Assurance Statement
	SASB RT-AE-510a.1	Total amount of monetary losses as a result of legal proceedings associated with incidents of corruption, bribery, and/or illicit international trade	Lockheed Martin considers this information to be confidential.
	205-3 RT-AE-510a.1 RT-AE-510a.2	Confirmed incidents of corruption and actions taken.	ESG Performance Data

Environmental

Standard	Code	Description	Location
GRI 302: Energy SASB Energy Management	103-1, 103-2, 103-3	Explanation of Energy as a material topic and its Boundary, the management approach and its components, and the evaluation of the management approach.	2020 Sustainability Report: Resource Efficiency
	302-1 SASB RT-AE-130a.1	Total fuel consumption within the organization from non-renewable source including fuel types used.	ESG Performance Data 2020 CDP Climate Change Response, C8.2a 2020 Assurance Statement
	302-3	Energy intensity ratio for the organization.	ESG Performance Data
	302-4	Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.	ESG Performance Data 2020 Assurance Statement
	302-5	Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples.	2020 Sustainability Report: Resource Efficiency 2020 CDP Climate Change Response, C4.5
GRI 305: Emissions SASB Fuel Economy and Emissions in Use-Phase	103-1, 103-2, 103-3	Explanation of Emissions as a material topic and its Boundary, the management approach and its components, and the evaluation of the management approach.	2020 Sustainability Report: Resource Efficiency Climate-Related Risks and Opportunities, Lockheed Martin Corporation, p. 3
	305-1	Gross direct (Scope 1) GHG emissions in metric tons of CO_2 emissions.	ESG Performance Data 2020 CDP Climate Change Response, C6.1 Climate-Related Risks and Opportunities, Lockheed Martin Corporation, p. 14 2020 Assurance Statement

Standard	Code	Description	Location
GRI 305: Emissions SASB Fuel Economy and Emissions in Use-Phase	305-2	Indirect (Scope 2) GHG emissions.	ESG Performance Data 2020 CDP Climate Change Response, C6.3 Climate-Related Risks and Opportunities, Lockheed Martin Corporation, p. 14 2020 Assurance Statement
	305-3	Gross other indirect (Scope 3) GHG emissions in metric tons of CO_2 emissions.	ESG Performance Data 2020 CDP Climate Change Response, C6.5 Climate-Related Risks and Opportunities, Lockheed Martin Corporation, p. 14 2020 Assurance Statement
	305-4	GHG emissions intensity ratio for the organization.	ESG Performance Data 2020 CDP Climate Change Response, C6.10
	305-5	GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO_2 equivalent.	ESG Performance Data 2020 Sustainability Report: Resource Efficiency 2020 CDP Climate Change Response, C4.3 2020 Assurance Statement
	305-6	Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent.	We track ODS refrigerant data to include in our GHG inventory. The data indicates that ODS refrigerant use is not a significant portion of our GHG inventory.
	SASB RT-AE-410a.2	Description of approach and discussion of strategy to address fuel economy and greenhouse gas (GHG) emissions of products	2020 Sustainability Report: Resource Efficiency 2020 Sustainability Report: Total Cost of Ownership 2020 Assurance Statement
GRI 308: Supplier Environmental Assessment	103-1, 103-2, 103-3	Explanation of Supplier Environmental Assessment as a material topic and its Boundary, the management approach and its components, and the evaluation of the management approach.	2020 Sustainability Report: Supplier Conduct Supplier Code of Conduct Sustainable Supply Chain Webpage Sustainable Packaging Guidelines
	308-1	Percentage of new suppliers that were screened using environmental criteria.	Unavailable. We do not track this information at an enterprise-wide level.
	308-2	Number of suppliers assessed for environmental impacts and the number identified as having significant actual and potential negative environmental impacts.	Unavailable. We do not track specific information on the environmental impacts across our supply chain.
SASB Hazardous Waste Management	SASB RT-AE-150a.1	Amount of hazardous waste generated; percentage recycled	ESG Performance Data
	SASB RT-AE-150a.2	Number and aggregate quantity of reportable spills, quantity recovered	ESG Performance Data For discussion on long-term remediation activities, refer to disclosures in SEC filings (10-K/10-Q).
SASB Material Sourcing	SASB RT-AE-440a.1	Description of the management of risks associated with the use of critical materials	2020 Annual Report / Form 10-K, p. 6 and 14–15

Social

Standard	Code	Description	Location
GRI 401: Employment	103-1, 103-2, 103-3	Explanation of Employment as a material topic and its Boundary, the management approach and its components and the evaluation of the management approach.	2020 Sustainability Report: Employee Wellbeing 2020 Annual Report / Form 10-K, p. 8–9, 19
	401-1	Total number and rates of employee hires and employee turnover by age group, gender and region.	ESG Performance Data 2020 Sustainability Report: Talent Recruitment
	401-2	Benefits which are standard for full-time employees of the organization by are not provided to temporary or part-time employees, by significant locations of operation.	2020 Sustainability Report: Employee Wellbeing Working here at Lockheed Martin
	401-3	Number and retention of employees entitled to, that took and that returned to work from parental leave.	ESG Performance Data
GRI 403: Occupational Health and Safety SASB Employee Health and Safety	103-1, 103-2, 103-3	Explanation of Occupational Health and Safety as a material topic and its Boundary, the management approach and its components and the evaluation of the management approach.	2020 Sustainability Report: Workplace Safety and Wellness Environment, Safety and Health (ESH) Corporate Web Site 2020 ESH Year-End Program Summary 2020 Annual Report / Form 10-K, p. 9
	403-1	Description of occupational health and safety management system.	2020 Sustainability Report: Workplace Safety and Wellness 2020 ESH Year-End Program Summary Environment, Safety and Health (ESH) Corporate Web Site
	403-2	Hazard identification, risk assessment and incident investigation.	2020 Sustainability Report: Workplace Safety and Wellness Environment, Safety and Health (ESH) Corporate Web Site 2020 ESH Year-End Program Summary 2020 Assurance Statement
	403-3	Description of occupational health services functions.	2020 Sustainability Report: Workplace Safety and Wellness 2020 ESH Year-End Program Summary Environment, Safety and Health (ESH) Corporate Web Site
	403-4	Description of worker participation and consultation.	2020 ESH Year-End Program Summary 2020 Sustainability Report: Workplace Safety and Wellness Environment, Safety and Health (ESH) Corporate Web Site
	403-5	Description of relevant occupational health and safety training for workers.	2020 Sustainability Report: Workplace Safety and Wellness 2020 ESH Year-End Program Summary Environment, Safety and Health (ESH) Corporate Web Site
	403-6	Access to non-occupational healthcare and health promotion.	2020 Sustainability Report: Workplace Safety and Wellness Environment, Safety and Health (ESH) Corporate Web Site
	403-7	Description of OHS impacts directly linked by business relationships.	2020 Sustainability Report: Workplace Safety and Wellness 2020 Sustainability Report: Resource Efficiency ("Chemical Stewardship at Lockheed Martin" Highlight) 2020 ESH Year-End Program Summary Environment, Safety and Health (ESH) Corporate Web Site
	SASB RT-IG-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate and (3) near miss frequency rate (NMFR)	ESG Performance Data
GRI 404: Training and Education	103-1, 103-2, 103-3	Explanation of Training and Education as a material topic and its Boundary, the management approach and its components and the evaluation of the management approach.	2020 Sustainability Report: Talent Development 2020 Annual Report / Form 10-K, p. 8–9 Economic and Workforce Impact Corporate Website

Standard	Code	Description	Location
GRI 404: Training and Education	404-1	Average hours of training that the organization's employees have undertaken during the reporting period.	ESG Performance Data 2020 Sustainability Report: Talent Development
	404-2	Type and scope of programs implemented and assistance provided to upgrade employee skills.	2020 Sustainability Report: Talent Development Economic and Workforce Impact Corporate Website
	404-3	Percentage of employees receiving regular performance and career development reviews, by gender and employee category.	ESG Performance Data
GRI 405: Diversity and Equal Opportunity	103-1, 103-2, 103-3	Explanation of Diversity and Equal Opportunity as a material topic and its Boundary, the management approach and its components and the evaluation of the management approach.	2020 Sustainability Report: Diversity and Inclusion 2020 Sustainability Report: Diverse Moments: Inclusive Movement Global Diversity and Inclusion Lockheed Martin Code of Conduct, p. 7–11
	405-1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group and other indicators of diversity.	ESG Performance Data 2020 Sustainability Report: Diversity and Inclusion 2020 Assurance Statement
	405-2	Ratio of basic salary and remuneration of women to men by employee category, by significant location of operations.	Unavailable. This information is unavailable at an enterprise-wide level.
GRI 406: Non-Discrimination	103-1, 103-2, 103-3	Explanation of Non-Discrimination as a material topic and its Boundary, the management approach and its components and the evaluation of the management approach.	2020 Sustainability Report: Diversity and Inclusion 2020 Sustainability Report: Diverse Moments: Inclusive Movement Global Diversity and Inclusion Lockheed Martin Code of Conduct, p. 7–11
	406-1	Total number of incidents of discrimination and corrective actions taken.	ESG Performance Data
GRI 412: Human Rights Assessment	103-1, 103-2, 103-3	Explanation of Human Rights Assessment as a material topic and its Boundary, the management approach and its components and the evaluation of the management approach.	2021 Proxy, p. 27 2020 Sustainability Report: Supplier Conduct Good Corporate Citizenship and Respect for Human Rights Eradicate Human Trafficking Corporate Website Lockheed Martin Code of Conduct, p. 35
	412-2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	ESG Performance Data
GRI 414: Supplier Social Assessment	103-1, 103-2, 103-3	Explanation of Supplier Social Assessment as a material topic and its Boundary, the management approach and its components and the evaluation of the management approach.	2020 Sustainability Report: Supplier Conduct Supplier Code of Conduct Supplier Ethics Corporate Website Eradicate Human Trafficking Corporate Website
	414-1	Percentage of new suppliers that were screened using social criteria.	100%
	414-2	Suppliers assessed for social impacts (#) and suppliers identified as having significant actual and potential negative social impacts.	ESG Performance Data Eradicate Human Trafficking Corporate Website U.S. Trafficking in Persons Report Supplier Ethics Corporate Website
GRI 415: Public Policy	103-1, 103-2, 103-3	Explanation of Public Policy as a material topic and its Boundary, the management approach and its components and the evaluation of the management approach.	Political Disclosures Website
	415-1	Total value of political contribution by country and recipient/beneficiary.	Political Disclosures Website

Standard	Code	Description	Location
GRI 416: Customer Health and Safety	103-1, 103-2, 103-3	Explanation of Customer Health and Safety as a material topic and its Boundary, the management approach and its components and the evaluation of the management approach.	2020 Sustainability Report: Product Safety 2020 Sustainability Report: Resource Efficiency ("Chemical Stewardship" Highlight)
SASB Product Safety	416-1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	All of our end-deliverable products and services are assessed by our system safety group for continuous improvement in health and safety performance. The system safety group also supports the environmental, health and safety function for matters related to facilities and production, as required.
	416-2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life-cycle, by type of outcomes.	ESG Performance Data
	SASB RT-AE-250a.1	Number of recalls issued; total units recalled	Lockheed Martin considers this information to be confidential.
	SASB RT-AE-250a.2	Number of counterfeit parts detected	ESG Performance Data 2020 Assurance Statement
	SASB RT-AE-250a.3	Number of Airworthiness Directives received, total units affected	Docket No. FAA-2019-0663, Number of units impacted: 13 (US only), Action: Inspection and Replacement, 2020-02-17 Docket No. FAA-2020-0212, Number of units impacted: 99 (US only), Action: Software Update, 2020-15-17 Docket No. FAA-2019-1115, Number of units impacted: 36 (US only), Action: Auxiliary Installation, 2020-16-19 Docket No. FAA-2020-0625, Number of units impacted: 204 (US only), Action: Inspection, 2020-22-19 Docket No. FAA-2020-0792, Number of units impacted: 85 (US only), Action: Establish Life Limits, 2020-26-13
	SASB RT-AE-250a.4	Total amount of monetary losses as a result of legal proceedings associated with product safety	Lockheed Martin does not disclose this information.
GRI 418: Customer Privacy	103-1, 103-2, 103-3 SASB RT-AE-230a.2	Explanation of Customer Privacy as a material topic and its Boundary, the management approach and its components and the evaluation of the management approach.	2020 Sustainability Report: Information Security 2020 Annual Report / Form 10-K, p. 20 Cyber Kill Chain 2020 Assurance Statement
SASB Data Security	418-1	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	We regularly report metrics and engage our Board of Directors to discuss cyber security risk and associated actions plans. For security reasons, we do not publicly disclose performance on these measures.
	SASB RT-AE-230a.1	(1) Number of data breaches, (2) percentage involving confidential information	Lockheed Martin considers this information to be confidential.
SASB Labor Practices	TC-ES-310a.1	(1) Number of work stoppages and (2) total days idle	In 2020, Lockheed Martin implemented full site closures 46 times, the majority of which (98%) represented weather-related closures. Wildfires represented the remaining events, at only 2%. These closures represented a total of 119 or 1.1% of estimated operational days at affected sites. The longest closure lasted 51 days as a result of wildfires in Santa Cruz County, California.

Forward-Looking Statements

This report contains statements which, to the extent not recitations of historical fact, constitute forward-looking statements within the meaning of the federal securities laws. The words "will," "enable," "expect," "plan," "forecast," "anticipate," "continue," "achieve," "scheduled," "estimate," "believe," "intend," "aim," "orient," "goal," and similar expressions are intended to identify forward-looking statements. Statements and assumptions with respect to achievement of goals and objectives; anticipated actions to meet goals and objectives; allocation of resources; planned, encouraged or anticipated actions; planned performance of technology; or other efforts are also examples of forward-looking statements.

Forward-looking statements are based on our current expectations and assumptions, are not guarantees of future performance and are subject to risks and uncertainties. Actual results could differ materially due to factors such as (i) the availability of funding for the programs described in this report; (ii) our ability to achieve reductions in energy use, greenhouse gas emissions and other sustainability goals and objectives; (iii) changes in our priorities as well as changes in the priorities of our customers and suppliers; (iv) the amount of our future investments; (v) the accuracy of our estimates and assumptions; (vi) the future effect of legislation, rulemaking and changes in policy; (vii) the impact of acquisitions or divestitures or other changes in our employee or product and service base; (viii) the competitive environment; (ix) the ability to attract and retain personnel and suppliers with technical and other skills; (x) the success of our diversity and inclusion initiatives; (xi) the success of technologically developed solutions; (xii) the willingness of suppliers to adopt and comply with our programs; (xiii) the impact of cyber or other security threats or other disruptions to our business; and (xiv) global economic, business, political and climate conditions.

These are only some of the factors that may affect the forward-looking statements contained in this report. For further information regarding risks and uncertainties associated with our business, please refer to our U.S. Securities and Exchange Commission (SEC) filings including our Annual Report on Form 10-K for the year ended December 31, 2020 and our subsequent Quarterly Reports on Form 10-Q, which can be obtained at our website www.lockheedmartin.com/investor or through the website maintained by the SEC at www.sec.gov. The forward-looking statements in this report are intended to be subject to the safe harbor protection provided by federal securities laws.