



Lockheed Martin Climate Lobbying Assessment Report

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Introduction

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

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

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

This report is divided into the following sections



**Lockheed Martin's
Sustainability and Climate
Programs and Reporting**



**Lockheed Martin's Political
Activities and Governance
Processes**



**Climate Lobbying
Assessment Methodology
and Findings**

Lockheed Martin's Sustainability and Climate Programs and Reporting

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

Lockheed Martin has established a carbon reduction goal to reduce our Scope 1 and Scope 2 carbon emissions per dollar of gross profit by 70% by 2030 (2015 baseline). We set this target using a methodology established by the Center for Sustainable Organizations to exceed science-based target requirements. The Paris Agreement's goal is to limit global warming by the end of the century to well below 2°C of pre-industrial levels and preferably to 1.5°C. Our carbon emissions target is expected to outperform the Center for Sustainable Organizations model criteria for aligning with a 1.5°C outcome in the long-term. In 2021, Lockheed Martin reduced our carbon emissions per dollar of gross profit by 47% (2015 baseline). We reduced energy use per occupant by 7% (2016 baseline) and reduced waste per occupant by 5% (2016 baseline). Our success in reducing energy consumption and carbon emissions is a direct result of investments in capital and operational

projects that improve resource efficiency. In 2021, we completed 64 energy efficiency projects that resulted in annual savings of 40.0 million kilowatt-hours of electricity and 17,200 MMBTU of natural gas, and the avoidance of \$3.8 million in utility and maintenance costs.

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

Lockheed Martin's [2025 Sustainability Management Plan](#) includes emphasis on carbon removal and carbon offsets. This includes our commitment to annually increase carbon removal technology installation, investment and support. In 2021, we engaged with internal partners, such as Lockheed Martin Ventures and our Social Impact team, as well as drafted our first offset procurement guidelines. We hosted our first internal Climate Tech Summit where technical leaders

from across the company explored applying current product capabilities to a changing environment to develop possible climate intelligence solutions. Summit topics included natural disasters, greenhouse gases, land cover change, geospatial data and climate intelligence.

Our [environmental, social and governance \(ESG\) portal](#) contains our most recent ESG publications, five years of historical ESG disclosures and ESG-related policies and resources. Annually, we disclose progress on our [sustainability website](#) and in our sustainability report, including

in our [2021 Sustainability Report](#). Related metrics on energy, waste, water and Scope 1, 2 and 3 emissions are published as part of our annual ESG Performance Index, available with our sustainability report and on our [ESG Portal](#). In 2020, we published our first [Climate-Related Risks and Opportunities](#) report, developed in alignment with Task Force on Climate-related Financial Disclosures (TCFD) recommendations. This report contains additional information on climate-related risks and opportunities. We plan to update this report in 2023 and make it available on our [ESG Portal](#).

Lockheed Martin's Political Activities and Governance Processes

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

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

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

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

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

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

Climate Lobbying Assessment Methodology and Findings

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

Our climate lobbying assessment methodology includes the following:

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

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

Table 1. Selected Trade Associations Evaluated in 2022

Trade Association	Nondeductible Portion of Dues Paid (ranges of \$25,000) ¹
Aerospace Industries Association (AIA) ²	Less than \$100,000
American-Central European Business Association	Less than \$25,000
American Clean Power	Less than \$25,000
Association for Unmanned Vehicle Systems International (AUVSI)	Less than \$25,000
Business Roundtable	Less than \$125,000
National Association of Manufacturers (NAM) ³	Less than \$25,000
Professional Services Council	Less than \$25,000
Satellite Industry Association (SIA)	Less than \$25,000
Telecommunications Industry Association (TIA)	Less than \$25,000
U.S. Chamber of Commerce	Less than \$100,000

¹Amounts are based on percentage of dues reported by the trade association as being used for “Lobbying expenditures” per the definition at Section 162(e)(1) of the Internal Revenue Code.

²As of April 2022, Lockheed Martin has suspended membership in AIA.

³For the period of February 2021 – May 2022, Lockheed Martin was not a member of NAM.

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

Conclusion

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