

2025

LMA Sustainability  
Reporting Disclosure

**LOCKHEED MARTIN**  
**AUSTRALIA**



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# 1. Consolidated Lockheed Martin Australia Pty Ltd Climate Report

## 1.1 Basis of Preparation

### 1.1.1 2025 climate-related financial disclosures

This report represents a complete set of climate-related financial disclosures for Lockheed Martin Australia Pty Ltd and its controlled entities (LMA) for the year ended 31 December 2025. LMA’s climate-related disclosures have been prepared in accordance with *AASB S2 Climate-related Disclosures* which is the mandatory Australian Sustainability Reporting Standard (ASRS) that has been issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. As this is the first year in which LMA has applied AASB S2, LMA has elected to not disclose comparative information or Scope 3 GHG emissions in this report.

This report has been prepared for the same consolidated reporting entity and reporting period as LMA Consolidated Financial Statements (please refer to “Note 2 Basis of consolidation” in the financial statements) and has incorporated climate-related information of LMA.

### 1.1.2 Connectivity with financial statements

This report should be read in conjunction with LMA’s financial statements prepared in accordance with Australian Accounting Standards. The presentation currency of climate-related financial disclosures is Australian dollars (\$) which aligns to the presentation currency used in the financial statements.

No other matters, circumstance or information have arisen since 31 December 2025 that have or will significantly affect the climate-related financial disclosures contained within this Report.

## 1.2 Judgements and Measurement Uncertainties

### 1.2.1 Judgements

In preparation of this disclosure, LMA made the below judgements. We believe these judgements have had the most significant effect on the information included in this report.

Topic	Description
<b>Risk and Opportunity Identification</b>	LMA applied judgment to pinpoint risks, opportunities, and information that could be reasonably expected to affect prospects, by evaluating value chain impacts and dependencies that could realistically affect our strategy, business model, or financial results.
<b>GHG emissions</b>	LMA exercised judgement when selecting appropriate emission factors.
<b>Scenario analysis assumptions</b>	LMA applied judgement in selecting appropriate climate scenarios to assess reliance, using externally developed climate assumptions and socio-economic assumptions and timelines that reflect a range of plausible risk outcomes relevant to our strategy, business model, and financial performance.

### 1.2.2 Measurement Uncertainties

The climate-related disclosures contain a degree of measurement uncertainty because the underlying information is not always complete or precise. Uncertainty arises from several key factors, including gaps in the available data, the necessity to make assumptions, the impact of external variables beyond our control, and the incorporation of forward-looking assumptions. The main factors impacting measurement uncertainty in this report are GHG emissions and scenario analysis.

Topic	Description
<b>Resilience assessment</b>	LMA's assessment of quantitative figures are estimated for climate related risks and opportunities using Network for Greening the Financial System (NGFS) data and are used to determine the level of risk. These estimates have significant uncertainty in future temperature outcomes, precipitation patterns, sea-level rise and the frequency and severity of extreme weather events at regional and local scales. These uncertainties affect the ability to precisely assess the timing, location and magnitude of potential physical impacts on assets and operations.
<b>GHG emissions</b>	Quantifying GHG emissions inevitably faces substantial intrinsic constraints due to gaps in scientific understanding and the inherent limitations of the data and methodologies used to derive emission factors. If management had chosen alternative, yet still acceptable, emission factors or measurement approaches, the reported GHG figures could have differed markedly.

## 2. Governance

### 2.1 Business Governance

LMA Board of Directors (the Board) have the ultimate responsibility for setting and overseeing LMA's strategies and risk management approach, including climate-related risks and opportunities relevant to LMA. In exercising this responsibility, the LMA Board is supported by established management-level governance structures that assist with the identification, assessment and monitoring of climate-related risks and opportunities affecting LMA's operations and value chain. These include the LMA Governance Council, the LMA Risk and Opportunities Committee, and the LMA Sustainability Committee.

While LMA is part of the Lockheed Martin Corporation (LMC) group and relies on certain group-level climate frameworks, data and analytical processes, governance oversight of climate-related risks and opportunities for the purposes of this report rests with the LMA Board, with supporting input from LMA management and committees. Group-level processes are applied where relevant to inform LMA's

understanding of climate-related risks and opportunities and do not replace LMA-level governance oversight.

As part of LMC, LMA and its directors follow LMC's global climate strategy. The LMA sustainability governance structure is described below. The LMA Policy is currently aligned to the LMC Policy.

## 2.2 Roles and Responsibilities of Governance

### 2.2.1 Board oversight

The Board is ultimately responsible for corporate governance and the risk management framework, including the oversight of climate-related risks and opportunities relevant to LMA. The Board reviews and approves the release of the LMA Sustainability Reporting Disclosure aligned with the Australian Sustainability Reporting Standard (ASRS).

The Board comprises seasoned professionals with extensive experience and expertise in defence industry, products, and global markets. The Board meets, at a minimum annually, to review comprehensive business and operational performance, including risks and opportunities. Climate-related risks and opportunities are within the Board's oversight remit; however, during the reporting period they were not yet formally embedded into the Board's routine review of business performance or decision-making processes. Because of this, climate risks and opportunities have not yet been a factor for consideration in decision making at this level or considered trade-offs associated with these risks.

The Board has not historically been trained on climate topics, however, has received a briefing on the climate report requirements, from the LMA Sustainability Committee, and moving forward, a more structured approach to Board education on climate-related risks and opportunities is being developed for implementation in future periods.

### 2.2.2 Committees in place to support Board oversight

#### *LMA Governance Council (Council)*

LMA Council has responsibility for climate-related matters. It comprises senior representatives including the Chief Executive, VP Operations, Business Operations director and directors from each business area. This Council oversees performance in LMA's sustainability, environmental stewardship, and other related matters, including climate-related risks and opportunities relevant to LMA, which are inextricably linked to our sustainability commitments.

Annually, members of this Council review the LMA Sustainability Reporting Disclosure, as well as metrics against LMC's climate goals and performance. This Council is also provided progress reports and is briefed by a representative of the sustainability committee on progress towards achieving climate-related goals throughout the year.

#### *LMA Leadership Team (LT)*

LMA LT, comprising senior leaders of LMA (including Chief Executive, VP Operations, Business Operations Director, Risk and Opportunity Director, senior representatives from each business area and function), oversees the LMC climate program locally supporting LMA's strategic plan by enabling personnel in business areas and functions to pursue and implement opportunities and practices that support the climate risk management framework.

LMA LT supports LMA’s strategic plan for climate goals and performance and appoints members to LMA’s Sustainability Committee. LMA LT meets monthly, and climate related matters and climate reporting progress are included on the agenda during the Operational Review Board (ORB).

*LMA Risk and Opportunities Committee (R&O committee)*

LMA R&O committee was developed in 2025 and includes senior representatives of each function within the business (Finance, IT, HR, Legal, Environment, Safety, Health & Sustainability (ESHS), Supply Chain and so on) as well as Senior executives of each of the Business Areas.

The R&O committee oversees enterprise risk management activities to inform senior executives and the Board on strategic, operational and compliance risk management efforts. This will include climate-related risks going forward. This R&O committee also provides support for sustainability strategies, risks and opportunities, including climate-related risks and opportunities relevant to LMA.

*LMA Sustainability Committee (Committee)*

LMA Sustainability Committee meets monthly and includes representatives from various functions and business areas across LMA including (but not limited to) Finance, ESHS, Supply Chain, and Facilities. The Committee was formed in 2025 and has commenced reviewing opportunities for program enhancement and sharing internal and external insights and best practices. The Committee identifies climate-related opportunities and risks and develops and monitors LMA’s climate strategy.

LMA Sustainability Governance Framework, endorsed by the Board on 22 May 2025, defines responsibilities for climate commitments and strategies, risk identification and management process, which aligns the LMA framework with the LMC climate strategy. All LMA employees have a role in our operational, compliance and risk management procedures. As outlined in the Framework, responsibilities are defined as per Table 1 below:

*Table 1 LMA Sustainability Responsibilities*

Position	Responsibilities
LMA Board of Directors	<p>Existing Responsibilities:</p> <ul style="list-style-type: none"> <li>• Ultimately responsible for corporate governance and the risk management framework, including the oversight of climate-related risks and opportunities relevant to LMA</li> <li>• Approve an LMA Sustainability Governance Framework</li> <li>• Consider external adviser’s recommendations where applicable</li> <li>• Review and approve the release of LMA’s annual Sustainability Reporting Disclosure</li> </ul> <p>In Development:</p> <ul style="list-style-type: none"> <li>• Make decisions to mitigate sustainability, environmental stewardship, and other related risk matters based upon relevant information obtained from the LMA Sustainability Committee</li> <li>• Participate in ongoing Director development of skills and knowledge through the annual climate briefings</li> <li>• The reporting of climate matters to the LMA Board of Directors take place, at a minimum, annually. The Board is informed by the LMA Sustainability Committee.</li> </ul>

<p>LMA Governance Council</p>	<ul style="list-style-type: none"> <li>• Oversee performance in LMA sustainability, environmental stewardship, and other related matters, including climate-related risks and opportunities relevant to LMA – all inextricably linked to sustainability commitments aligned with LMC</li> <li>• Annually review the LMA Sustainability Reporting Disclosure, including progress reports and metrics against our climate goals and performance</li> <li>• Participate in a briefing throughout the year on progress towards achieving climate-related goals</li> </ul>
<p>LMA Leadership Team (LT)</p>	<ul style="list-style-type: none"> <li>• Review and oversee the LMC climate program, adopted by LMA, by enabling personnel in business areas and functions to pursue and implement opportunities and practices that support the Sustainability Governance Framework</li> <li>• Appoint members to the LMA Sustainability Committee</li> <li>• Support the strategic plan for climate goals and performance</li> <li>• Support risk reduction, goals and initiatives related to climate related risks and opportunities relevant to LMA</li> </ul>
<p>LMA Risk and Opportunities Committee</p>	<ul style="list-style-type: none"> <li>• Oversee enterprise risk management activities to inform senior leadership and the Board on strategic, operational and compliance risk management efforts, including climate-related risks and opportunities relevant to LMA.</li> <li>• Provide support for sustainability strategies, risks and opportunities for the LMA Sustainability Reporting Disclosure</li> <li>• Review, approve and provide feedback related to climate risks and opportunities in partnership with the Corporate Sustainability Organisation, and LMA Sustainability Committee</li> </ul>
<p>LMA Sustainability Committee</p>	<ul style="list-style-type: none"> <li>• Review opportunities for program enhancement and share internal and external insights and best practices</li> <li>• Identify opportunities and risks using a risk and opportunities assessment provided by the Corporate Sustainability Organisation</li> <li>• Develop and monitor the LMC climate program, for supporting LMA climate risk management framework</li> <li>• Prepare, file and communicate the LMA Sustainability Reporting Disclosure</li> <li>• Liaise with the Corporate Sustainability Organisation to explore new initiatives, report targets and metrics, obtain support and guidance from sustainability experts</li> <li>• Ensure systems are adequate and effective for data collection for metrics and reporting</li> <li>• Ensure documentary evidence is maintained for assurance of governance processes and data collection/metrics to support reports</li> <li>• Review the need for external advice, input and recommendations</li> </ul>

LMC Sustainability Organization	<ul style="list-style-type: none"> <li>• Support global and regional sustainability committees with expertise in sustainability knowledge and resources, including climate-related risks and opportunities relevant to LMA</li> <li>• Manage the data governance, calculations and methodologies in line with corporate policies and functional procedures</li> <li>• Prepare, review and report on LMC sustainability, Sustainability Management Plan (SMP), strategy, targets and metrics</li> <li>• Prepare information for employees, investors, customers, prospective hires, others through publications</li> <li>• Keep current on regulatory developments</li> <li>• Prepare international risk and opportunities report and provide to the LMA Sustainability Committee and LMA Risk and Opportunities Committee</li> <li>• Complete greenhouse gas (GHG) and other climate-related calculations (Scopes 1, 2 and 3)</li> </ul>
LMA Environment, Safety, Health, and Sustainability (ESHS) Team	<ul style="list-style-type: none"> <li>• Report sustainability matters to the LMA Board and the LMA leadership team</li> <li>• Coordinate the LMA Sustainability Committee</li> <li>• Collect and report climate-related performance data to the Corporate Sustainability organisation</li> <li>• Inform LMA employees on LMA sustainability priorities</li> </ul>
LMA Finance	<ul style="list-style-type: none"> <li>• Engage auditors for assurance process</li> <li>• Support quantifying the financial impacts of climate initiatives</li> <li>• Disclose climate related requirements in annual report</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Maintain awareness of LMA sustainability priorities</li> <li>• Contact and consult with the LMA Sustainability Committee, as needed</li> <li>• Engage with suppliers on the approved supplier list, as needed or applicable</li> </ul>

2.2.3 Management Responsibilities

The Board delegates day to day responsibilities of executing strategy, including climate-related matters, to appointed management roles specified below. The Board has oversight over relevant roles through the above-mentioned Council and committee. The Chief Executive is supported by a team of management executives, which have been detailed below in key roles in executive management of climate-related matters that are delegated to support the Board oversight.

**Key roles that are delegated to executives to support Board oversight include:**

- Chief Executive and Director: responsible for LMA climate related matters at the highest level, including the oversight of climate-related risks and opportunities relevant to LMA, and focusing on efficiency, resilience and compliance
- VP Operations and Director: responsible for the inclusion of climate related matters into LMA operations and overall alignment with other areas of operations

- Program Management Director (Risk & Opportunity): responsible for including climate-related risk management into the overall Enterprise Risk Management framework.
- LMA ESHS Manager: responsible for facilitating the LMA sustainability strategy, coordinating with and reporting performance to key stakeholders and reviewing compliance against the ASRS requirements and Lockheed Martin's governance.
- Financial Controller: responsible for incorporating climate related matters into financial processes, financial reporting (including climate related financial disclosures) and disclosure activities for alignment to financial reporting

#### 2.2.4 Climate-related skills and experience

At present, LMA does not have a separate process of assessing climate-related skills and competencies of the LMA Board. However, the Board possesses experience in overseeing strategies designed to respond to risks and opportunities impacting LMA, including a new understanding of climate-related risks and opportunities. While climate knowledge is still being developed, the LMA Board brings a robust knowledge and understanding of LMA's business model and strategy, which is core to understanding the future effects of climate related-risk and opportunities. Where there is a skills gap, the Board or the Executive Committees will consult with relevant subject matter experts, who are best qualified to advise on climate-related matters. LMA's approach to responding to climate-related risks and opportunities is guided by the LMC group-level strategy, and LMA relies on the LMC Board and group governance structures to assist in informing local responses, while local governance structures are being established to support future LMA-specific strategy development.

A formal and ongoing training on climate-relating matters for the Board is being developed for implementation in 2026 to better understand the underlying factors for climate-related risks and opportunities and the effect they may have on the company and its value chain

#### 2.3 Incentives

At present, climate-related performance metrics are not included in remuneration or incentive arrangements. As LMA's climate governance and strategy continue to develop, the appropriateness of linking climate-related considerations to remuneration may be reviewed in future reporting periods.

### 3. Strategy

Currently LMA does not maintain its own strategy but in the interim, while this is being considered, LMA continues to work within the bound of the LMC global climate strategy. LMA is committed to building a strong foundation to support long-term decarbonisation, including investment in energy efficiency and renewable electricity. Climate-related risk and opportunity drivers affect our long-term resiliency as a leader in global security and aerospace. We seek to understand and address how those drivers will affect our business.

Climate-related risks and opportunities are assessed throughout the year as individual risks. These assessments are based on our qualitative enterprise level assessment detailed below in section 4 and focus on the quantification of individual risks at the most appropriate level of business (e.g., enterprise, entity, business segment, facility).

LMA’s climate strategy is being developed and is guided by the global strategy while being adapted to applicable local laws and operations.

### 3.1 Risk and Opportunities

#### 3.1.1 Climate risks

LMA climate risks are evaluated for their relevance to LMA’s financial condition, operational performance and employee safety. This assessment utilises a risk universe of 20 acute physical risks, 5 chronic physical risks, and 8 transitional risks. The results are based on a scoring method, which allows us to isolate higher level risks by score, estimated impact, and direct business impact across our global enterprise of operations and suppliers. LMA is specifically assessed within this global risk universe to determine whether a climate-related risk or opportunity is considered significant for disclosure purposes. The climate-related risks and opportunities that could reasonably be expected to affect LMA's prospects are presented below

Risk	Nature of the Risk	Mitigation or Adaptation Efforts	Anticipated Financial Effects
<p>Policy &amp; Legal- Increased pricing of GHG Emissions (transition risk)</p> <ul style="list-style-type: none"> <li>• Time Horizon: long term</li> <li>• Status: Increasing</li> </ul>	<p><b>Risk description</b></p> <p>As governments introduce policy mechanisms to address climate change, carbon pricing is increasingly expected to be a leading regulatory response.</p> <p>While structured carbon pricing schemes are currently limited in scope globally and price levels remain relatively low, pricing mechanisms may increase over time as policy efforts intensify to accelerate the transition away from emissions intensive assets and processes.</p> <p>LMA provides sustainment and support services for platforms and systems deployed on customer owned defence assets and systems. These assets are purchased and owned by LMA’s customers through third parties or LMC, rather than through LMA directly. LMA, as a service provider, does not manufacture, own or operate these assets directly and therefore has limited exposure to direct carbon pricing in our own operations.</p> <p>However, the assets LMA provides sustainment and support services on are typically emissions intensive to manufacture and operate. As a result,</p>	<p><b>Adaptation</b></p> <p>LMA does not currently have a standalone climate-related transition plan; however, practices have been developed and will continue to mature to mitigate and adapt.</p> <p>Mitigation and/or adaptation to address the potential for carbon pricing impacts is limited.</p>	<p><b>Current financial effects</b></p> <p>Based on our current analysis and available information, there has been no significant effect on our financial position, financial performance or cash flows arising from this risk in 2025.</p> <p><b>Anticipated financial effects</b></p> <p>There is no significant risk of material adjustment to the carrying amount of assets or liabilities reported in the financial statements expected in the next 12 months.</p> <p>LMA does not expect a notable shift in carbon pricing globally, but it is likely that regional variation in timing and extent is possible. In response the implications to our business model may result in reducing our affordability compared to our peers. Across all relevant timeframes, while additional exposure in the form of</p>

	<p>LMA may be indirectly exposed to transition risks where carbon taxes or similar emissions reduction policy measures are imposed on customer owned assets or applied. Increased costs arising from carbon pricing may influence customer decisions regarding the acquisition, operation, utilisation, retention, or replacement of these platforms.</p> <p>Future changes in laws, regulations or policies introduced may also drive changes in customer procurement frameworks, including increased consideration of emissions intensity, lifecycle emissions and climate related risks. Where customers transition towards lower emissions alternatives, reduce the utilisation of existing platforms, or retire assets earlier than anticipated, the overall demand for sustainment services may decline.</p> <p><b>Concentration in the business model and value chain</b></p> <p>LMA's exposure to the risk is concentrated in LMA's value chain. These factors may affect future demand, program selection, and contract renewals over the long term.</p>		<p>higher cost of sales will, in most cases, also translate into equal increases in revenue because of pass-through costs, in those instances where an additional cost is unallowable by the customer applicable to LMA, then it is expected that the increase in cost of sales would reduce profits.</p> <p>Long-term residual implications may become present in the calculation of our rates and affect the pricing LMA provides to our customers. Issues of competitive affordability thus may impact our win rates over time.</p> <p>Over the longer term, there is significant uncertainty associated with the basis for any financial quantification due to demand being influenced by a range of factors, including global supply levels, economic conditions, growth and geopolitical events. There is also significant uncertainty due to the variable nature of regulatory and environmental policy settings.</p>
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### 3.1.2 Climate opportunities

As this is the first-year reporting under these standards, LMA acknowledges that the process for identifying and assessing climate-related opportunities is still developing. At this stage, we have not identified specific opportunities relevant to our operations. However, we are committed to building these internal capabilities and plan to establish a structured approach for identifying, evaluating, and integrating potential climate opportunities into our strategy for future reporting.

### 3.1.3 Integration and decision-making

Given the process for climate identification is new to LMA, the results that could reasonably be expected to affect LMA's prospects have not yet been considered into strategic decision making. However, governance structures have been put in place to begin this analysis going forward.

As a company driven to provide technical solutions to the most complex challenges of our customers, our portfolio will expand to meet our customer' needs, including to address climate change and adaptation solutions in new markets.

We are principally engaged in the research, design, development, integration, and sustainment of advanced technology systems, products, and services that improve and promote long-term capabilities in national security, space exploration, and information technology.

#### *Business Model*

At LMA, we are engaged in the integration and sustainment of advanced systems, products and services across space, air, land, sea and cyber domains. Our technologies have contributed to the realisation of Australia's national interests for over 70 years, and our vision for the future of security aims to do the same for the decades to come.

Supporting our global supply chains, providing opportunities for technology transfer, innovation, local skilled jobs and sustainable business growth is paramount to our presence in Australia. As of December 2025, LMA does not manufacture products in Australia. LMA is largely a service-based business, supporting our customers (largely in the Defence industry) to deliver advanced aerospace and defence solutions primarily through government contracts, emphasising long-term relationships, local partnerships, and tailored technical services to develop and deliver innovative and high-quality defence systems while ensuring compliance and sustainability in its operations.

As a service-based organisation, LMA's direct operational environmental footprint is relatively limited. Within the LMA footprint, the primary sources of environmental impact relate to energy consumption and associated greenhouse gas (GHG) emissions from facilities and supporting infrastructure. Although these emissions are small in absolute terms, and significantly lower than the estimated emissions associated with products in use by our customers (Scope 3), LMA recognises its responsibility to operate facilities efficiently and minimise environmental impacts where practicable. Although these emissions are small compared to the estimated emissions of our products (~70% of our overall GHG emissions) in use by our customers, we believe that we have a responsibility to operate our own facilities with efficient use of resources and to minimise environmental impacts. The LMC Go Green program is the company-wide commitment to environmental stewardship. By integrating energy efficiency in our operations, incorporating renewable energy technologies, and promoting responsible resource management across our facilities and supply chain, we aim to lessen our environmental impact. The Go

Green program drives measurable improvements in waste reduction, greenhouse gas reduction, and promotes climate resilient design. We do not currently have a climate-related transition plan.

#### *Value Chain*

LMA's value chain encompasses key activities such as research and development, design and engineering, manufacturing, supply chain management and customer support, aimed at delivering advanced defence systems and services.

We enable customer and mission success through supply chain strategies and manage supply chain risks to ensure positive supplier performance. Our key focus is on execution that delivers superior operational and program performance and creates competitive advantage through continuous improvement. Our team ensures compliance with government regulations, public law, policies and procedures, to mitigate risk within the supply chain.

While we are working towards implementing a due diligence process, due to the service-based nature of our business in Australia, we consider the immediate likelihood of significant impacts of climate risk to our business model and value chain to be low.

#### *Financial Planning*

LMA, as a subsidiary of LMC, follows a robust process for capital expenditure. Capital requests are approved from a global budget, and LMA has access to the LMC Go Green capital program. Cost savings and other opportunities from green initiatives, as well as alignment to LMC's environmental strategy, are considered as part of the business case. The LMA Sustainability Committee will continue to partner with the business and identify and consider climate-related risks and opportunities.

The Go Green capital program, managed by LMC's ESHS function, is a financial planning element that pairs the opportunity to implement energy efficiency or renewable energy projects to reduce carbon emissions while ensuring those projects meet specific return on investment criteria and deliver facility resiliency. On an annual cycle, sites from across business areas submit potential energy and resource efficiency projects to ESHS for review. Technically sound projects that meet certain financial thresholds are earmarked for Go Green investment and are added to the respective business area's overall capital plan. Once part of the approved annual plan, progress towards Go Green project completion is briefed twice a year to the LMC executive Facilities Strategic Governance Board to ensure progress towards energy and decarbonisation goals.

In 2022, LMA successfully put forward a business case to the Go Green gated capital program for solar installation at LMA Space leased facility in Uralla, NSW. The project was approved and funded through the program capital. The 150-kilowatt ground mounted system was commissioned in March 2024 and enables the site to source sustainable energy for at least 33% of its energy requirements. There were no LMA Go Green capital projects submitted or completed in 2025.

## 4. Risk Identification and Management

### 4.1 Risk Management

LMA's climate strategy is being developed and is guided by the LMC strategy while being adapted to applicable local laws and operations. LMA currently heavily relies on LMC and its support in its local decarbonisation strategy and analysis of climate related risks and opportunities. The analysis performed

this year has been heavily supported by LMC but focused on local business and value chain impacts. LMC addresses climate risk through a multi-pronged approach including implementation of LMC's own decarbonisation strategy and regular analysis of our climate-related risks and opportunities. This analysis is used to understand potential business and value chain impacts.

We use 3 time horizons when assessing climate-related risks and opportunities: short term (1-5 years), medium-term (5-10 years), and long-term (10-20 years). Currently, these time horizons are not linked to planning horizons used by LMA for strategic decision making.

#### 4.2 Risk and Opportunity Assessment

LMA identifies and assesses climate-related risks and opportunities through an annual climate impact and risk assessment, which draws on group-level methodologies and data developed by LMC and is applied to LMA's operations and value chain. The assessment considers potential financial and strategic impacts qualitatively, having regard to the nature of LMA's business and the appropriate level at which risks may arise.

The assessment process begins by evaluating climate-related drivers that may affect LMA and considering their relative likelihood and impact. Identified drivers are modelled under multiple scenarios to support understanding of their potential significance. Risks are evaluated for their relevance to LMA's financial condition, operational performance and employee safety. Based on this assessment, LMA determines whether a climate-related risk or opportunity is considered material for disclosure purposes.

The overarching approach to assess climate related risk is to use data driven methods vs. subjective surveys whenever possible. It is also necessary to approach climate related risks from the top down to ensure organisational hierarchical consistency in methods, data, and results. As a global enterprise, it is vital that LMC's assessment of risk is aligned regardless of the location or jurisdiction so that a true and proper evaluation of the risk can be applied universally across the global operational and supplier-based portfolio of assets. Thus, the core concept is to develop and deploy an enterprise level assessment and evaluation, then further isolating individual entities and/or jurisdiction to meet a variety of reporting or regulatory needs.

Our process begins by evaluating the risks and opportunities that a climate-focused universe of drivers presents to LMA and their relative likelihood and impact. This approach identifies quantitative climate-related drivers to be modelled against multiple scenarios for better understanding of their overall level of significance and impact. We evaluate the estimated relative likelihood and magnitude of climate-related risks and opportunity drivers on our facilities, and our supply chain by using damage functions and likelihood of occurrence. Risks impacting our employee base are proximally aligned with our operations. Each stakeholder category represents a unique application of adaptation or mitigation within our value chain. The risks are then evaluated for their significance to LMA's financial condition, operational performance, and/or employee safety. This evaluation determines whether the risk is considered material to LMA.

LMA may use input from external advisors to provide advice, timely updates of new laws, and to flag risks.

#### 4.2.1 Scenario Integration

Our climate risk assessment combines physical and transition risk scenarios using a structured, data driven approach. The entity level assessment embeds multiple scenarios into a collective risk score. Physical risks are evaluated for the present and projected to mid-century ( $\approx 2050$ ) under the high emissions Representative Concentration Pathway 8.5 (RCP 8.5). RCP 8.5 is widely adopted in academic and governmental climate studies and serves as a robust worst-case scenario, reflecting a “business as usual” trajectory in which limited climate policy leads to continued high greenhouse gas emissions. Because of the inertia of the climate system, projected physical impacts for 2050 remain relatively consistent across alternative pathways, allowing us to focus on a single, defensible scenario. In conjunction with RCP 8.5, additional scenarios are used to model the socio-economic effects subject to individual physical “hazards” that align with each climate risk indicator. While the physical risk aligns with RCP 8.5, the socio-economic pathways are used to estimate growth and will vary based on transitional climate pathways. Estimated impacts to cash flows due to physical climate risks in the form of capital destruction or production losses are a product of those transitional scenarios detailed more below and will be mitigated in the short term as insurable assets, including business disruption. In the long term, as we develop our risk management strategy more specific actions will be identifiable through mitigation or adaptation efforts to respond beyond our insurance strategy, including planned investments.

Transition risks are modelled using the NGFS scenario framework, which combines physical climate indicators with socioeconomic variables. The NGFS data employs several assessment models to generate multiple distinct NGFS pathways that capture a spectrum of policy ambition, technological change, and geopolitical outcomes. The functional assumptions related to the scenarios chosen are that while the actual implications remain uncertain, the country level directional trends found in the socio-economic indicators reflect possible outcomes aligned with the overarching objectives of each scenario.

The following NGFS scenarios are used:

Scenario	Term	Peak Warming	Policy Reaction	Technology Change	CO2 Removal	Regional Variation
Low Demand	Long	1.1 °C	Fast	Fast	Medium	Medium
Net Zero 2050	Long	1.4 °C	Fast	Fast	Med-High	Medium
B2C	Long	1.8 °C	Fast & Consistent	Moderate	Medium	Low
Delayed Transition	Long	1.7 °C	Delayed	Slow then Fast	Medium	High
NDCs	Long	2.3 °C	Current	Slow	Low	Medium
Current Policies	Long	3.0 °C	Current	Slow	Low	Low
Fragmented World	Long	2.4 °C	Fragmented	Slow	Low-Medium	High

Disasters & Policy Stagnation	Short	NA	Current	Slow	Low	Low
Diverging Realities	Short	NA	Fast	Slow	Medium	Low

While each scenario is modelled individually, our assessments are based on a more holistic approach, wherein each scenario is assigned a probability weight reflecting our best judgment of its likelihood. The weighted results are then aggregated to produce a range of outcomes that include distributional range to then inform our risk quantification and strategic planning. This methodology provides a single, coherent set of risk metrics while preserving the ability to drill down into individual scenario details when deeper analysis is required.

By leveraging both a credible high emission physical baseline and a suite of socioeconomic transition pathways, our scenario integration delivers a balanced, transparent view of the potential climate related risks and opportunities that may affect our business over the near, medium, and long term(s).

4.2.2 Scenario Analysis

Scenarios were further stress tested throughout 2025 to evaluate the business model resilience based on projections for each. This analysis is applied using the “Current Policies” (3.0 °C) and “Net Zero 2050” (1.4 °C) scenarios from NGFS to validate one case leading to warming above 2.5 °C and another more closely aligned with a 1.5 °C or less. Entity level revenue is projected based on socio-economic indicators representing each scenario and the financial exposure values are estimated based on loss ratios for capital, production, and productivity based on the region of each operational asset or supply chain stakeholder. The total amount of financial exposure for each timeframe is evaluated against the total estimated revenue by scenario for the same timeframe. The ratio of financial exposure to revenue is used against two thresholds; 0.008 - 0.01 is an emerging risk and >0.01 is a significant risk to the resiliency of our business model. The key component of evaluating our business model resilience is the year at which each threshold is exceeded by risk or hazard. This includes both physical and transitional risks; and is applied to all AU assets operated by LMA and the global suppliers supporting those operations.

The results of our analysis do not indicate either emerging or significant risks currently. It is important to caveat this as a first iteration of our risk assessment and scenario analysis. Future iterations will include more depth in data resources across our full value chain.

Additionally, scenarios are embedded within specific risk drivers to determine the associated risk based on our current strategy versus one aligned with a more aggressive net zero 2050 emission pathway. Carbon pricing currently accounts for the difference between our current stated decarbonisation goal and aligning with a net zero pathway, based on emissions scope. It is therefore considered in our scenario analysis, and we assess the costs of our GHG emissions based on geographical location and NGFS scenarios over time. We do not use an internal price on carbon.

As mentioned in the Governance and Strategy sections, the inclusion of climate-related factors in the strategy and overall business model, including scenario analysis, is new to LMA and therefore has not

yet been considered robustly beyond the process of assessment. Due to this, LMA has not yet considered LMA's ability to adjust strategy to climate change, including the redeployment, repurpose, or decommissioning of assets.

### 4.3 Risk Governance

The local policy aligns to the global policy and can be viewed on our external website. Building on that enterprise framework, LMA has a separate Sustainability Governance Framework policy outlining the framework by which LMA ensures climate reporting disclosures and obligations are met from an operational, governance and risk management perspective. The governance structure is described in this framework and has a current priority focus on climate-related matters. This framework may expand to include additional sustainability priorities as required or as appropriate.

*See section 1.1 Governance and Oversight*

### 4.4 Risk and Opportunity Monitoring

Following on from the risk assessment process, the LMA Sustainability Committee considers the climate related risks and will record the material risks in LMA's Risk Register. These risks will be reviewed periodically (but at a minimum every year) and maintained by the LMA Sustainability Committee in partnership with the LMA Risk and Opportunity Committee. The Risk Register shall identify reasonably foreseeable climate risks in the work environment, including associated initial risk assessment, controls and residual risk assessment.

Within LMC, risk, opportunity and performance monitoring are independent and objective assurance activities within the Sustainability organisation, which falls within the overarching ESHS function that seek to add value to LMA's operations. The activity assists LMA in accomplishing its objectives, by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, internal control, financial reporting and governance processes, financial administration, and project management.

Performance monitoring and continuous improvement activities provide assurance to LMA that key organisational risks are identified, understood, and managed appropriately, and in turn opportunities for improvement are identified, where possible. As we do with other safety and health risks, climate risks will be assessed and their risk level determined (i.e., high, medium, low) in the future, as we integrate climate risks into our LMA Risk Register. This level will determine the pathway of management with regards to prioritisation, resources and risk mitigation strategies.

For LMA and its controlled entities' climate risks and opportunities, the below evaluation will continue to be undertaken to determine objective achievement, areas of change and areas of improvement:

- Climate Strategy: LMC's climate strategy and associated objectives and targets are regularly monitored, scheduled and objectives reviewed by the LMA Sustainability Committee. Monitoring is performed at least annually and included in LMA's Annual Board Meeting reports. The LMA climate strategy is being developed and is guided by the LMC strategy and adapted to applicable local laws and operations.

- Prioritisation of higher inherent risks that have, or have the potential to cause, significant climate damage
- Feedback from the LMA Sustainability Committee team members
- Feedback from audits and audit team members and other stakeholders (i.e. external assurance reviews)
- Opportunities for improvement
- Reporting of the results of climate strategy and objectives with key stakeholders including:
  - Results and trends
  - Evolving needs and expectations
  - Alternative or new methods
  - Effectiveness of actions addressing risks

## 5. Metrics and Targets

### 5.1 Climate-related targets

LMA does not have any climate related targets currently. As a wholly owned subsidiary of LMC, LMA is included in the scope of LMC climate targets, underscoring the organisation's commitment to a unified approach to environmental stewardship. The LMC overarching climate goals and objectives are closely aligned with LMA values and priorities. This alignment enables LMA to contribute to the achievement of LMC's climate targets, while also supporting LMA's own efforts to reduce our environmental footprint and mitigate climate-related risks.

### 5.2 Climate-related metrics

Absolute gross greenhouse gas emissions generated during the reporting period:

Metric	2025
Scope 1 Gross Direct GHG Emissions (metric tonnesCO <sub>2</sub> e)	140
Scope 2 Gross Location-Based Indirect GHG Emissions (metric tonnesCO <sub>2</sub> e)	990
Gross GHG Emissions (Scope 1 + Scope 2 Location-Based) (metric tonnesCO <sub>2</sub> e)	1,130

#### 5.2.1 Reporting scope and methodology

LMA calculates GHG emissions in accordance with the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) Greenhouse Gas – A Corporate Accounting and Reporting Standard (2004), also referred to as GHG Protocol, leveraging the operational control approach. The operational control approach was selected because it enables LMA to distinguish between emissions from activities it controls (through the authority to introduce and implement operating policies) and emissions from activities in the value chain, which it does not directly control, but may be able to influence. Under this approach, LMA accounts for emissions from operations where it has authority to introduce and implement operating policies.

Our inventory year runs January 1 – December 31 and covers the greenhouse gases listed in the Kyoto Protocol: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride SF<sub>6</sub>, and nitrogen trifluoride NF<sub>3</sub>. All emissions are aggregated into carbon dioxide equivalents (CO<sub>2</sub>e) using global warming potentials (GWP) based on a

100-year time horizon from the latest Intergovernmental Panel on Climate Change (IPCC) assessment, where applicable.

#### 5.2.2 Scope 1 & 2 GHG emissions

Scope 1 & 2 GHG emissions are reported for operations in all eligible facilities. Eligible facilities are those within LMA's portfolio that are operational and in which LMA has operational control. Facilities are assessed annually to ensure completeness of our GHG inventory and metrics. Monthly energy data from eligible facilities are collected and reviewed quarterly. For select small, leased facilities, energy consumption is estimated based on building footprint and the energy intensity of a proxy site. Emission factors are sourced from the Australian National Greenhouse Accounts (NGA) Factors. The 2025 NGA Factors are presented in terms of CO<sub>2</sub>e utilizing the IPCC Fifth Assessment Report. As the NGA emissions factors already convert constituent gases into CO<sub>2</sub>-e, the emission factors are not recalculated using the latest IPCC Sixth Assessment Report (AR6).

Scope 1 emissions represent emissions from direct combustion including stationary and mobile fuel consumption and fugitive emissions. Stationary and mobile emissions of CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O are calculated based upon the amount of fuel burned and emission factors by fuel type. Fugitive emissions from eligible facilities are estimated based on best available data from similar LMC facilities using an emissions per building footprint factor.

Scope 2 emissions represent emissions from indirect energy sources including purchased electricity, heat, steam or cooling. Scope 2 emissions are calculated using the location-based methodology. LMA does not source energy from purchased heat, steam or cooling. Emissions of CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O are calculated based on electricity purchased and the applicable state, territory or grid emission factors, as provided by the NGA Factors. LMA has not currently entered into any Scope 2-related contractual agreements (e.g., green tariff).

## 6. Directors' Declaration

This report was authorised for issue in accordance with a resolution of the directors on 28 April 2026.

In the opinion of the directors of Lockheed Martin Australia Pty Ltd and its controlled entities, I state that LMA has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report of LMA and its subsidiaries for the year ended 2025 as presented on pages 3 to 19, are in accordance with the *Corporations Act 2001*, including:

- (a) Complying with Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* and any further requirements determined under section 296C (2) of the *Corporations Act 2001*; and
- (b) Containing the climate statement disclosures required by section 296D of the *Corporations Act 2001*.

Made in accordance with a resolution of the directors of Lockheed Martin Australia Pty Ltd pursuant to section 296A (6) of the *Corporations Act 2001*, as modified by section 1707C (2) of the *Corporations Act 2001*.

On behalf of the board

Signed by:

  
Jeremy King

Director

28 April 2026



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## Independent auditor's review report to the members of Lockheed Martin Australia Pty Ltd

### Conclusion

We have conducted a review of the following information in the Sustainability Report of Lockheed Martin Australia Pty Ltd (the Company) and its subsidiaries (collectively the Group) for the year ended 31 December 2025 (the 'selective sustainability information') as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Selective sustainability information	Criteria: Reporting requirement of AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	Section 2 pages 4 to 9.
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Section 3 pages 9 to 18.
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Section 5.2 page 18.

The requirements of AASB S2 identified in the table above form the criteria relevant to the selective sustainability information and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the selective sustainability information specified in the table above does not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

### Basis for conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the selective sustainability information is free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the *Summary of the Work performed* section of our report.



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Our responsibilities under ASSA 5000 are further described in the *Auditor's responsibilities* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Act and the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code) that are relevant to our review of the selective sustainability information in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## **Other information**

The directors of the Company are responsible for the other information. The other information comprises the Company's Annual Report, including the Financial Report and the Sustainability Report, but does not include the selective sustainability information and our review report thereon.

Our conclusion on the selective sustainability information does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our review of the selective sustainability information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the selective sustainability information, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities for the selective sustainability information**

The directors of the Company are responsible for:

- The preparation of the selective sustainability information in accordance with the Act; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the selective sustainability information, in accordance with the Act that is free from material misstatement, whether due to fraud or error.

## **Inherent limitations**

As discussed on page 12 of the Report, climate-related risk management is an emerging area, and often uses data and methodologies that are developing and uncertain. The Report contains forward looking statements, including climate-related scenarios, targets, assumptions, climate projections, forecasts, statements of future intentions and estimates and judgements that have not yet occurred



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and may never occur. We do not provide assurance on the achievability of this prospective information.

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

### **Auditor's responsibilities**

Our objectives are to plan and perform the review to obtain limited assurance about whether the selective sustainability information, defined in the *Conclusion* section of our report, is free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the selective sustainability information.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

### **Summary of the work performed**

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the selective sustainability information. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

In conducting our review, the procedures we performed included, but were not limited to:

- Considered the completeness of Lockheed Martin Australia Pty Ltd's assessment of climate-related risks and opportunities
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selective sustainability information during the reporting period
- Read minutes of relevant committees to understand matters discussed and decisions made with respect to climate-related disclosures
- Assessed the appropriateness of the reporting boundaries applied



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- Undertook analytical review procedures to support the reasonableness of the selective sustainability information
- Evaluated the appropriateness of emission factors applied in the greenhouse gas emission processes
- Agreed the selective sustainability information disclosures made in the report with the underlying records
- Evaluated the presentation and disclosure of the selective sustainability information against the requirements of AASB S2

A handwritten signature in black ink that reads 'Ernst &amp; Young' in a cursive, flowing script.

Ernst & Young

A handwritten signature in black ink, appearing to be 'ITzavaras', written in a cursive style.

Irene Tzavaras  
Partner  
Canberra  
28 April 2026

**LOCKHEED MARTIN**   
**AUSTRALIA**