

Independent Assurance Statement

DNV Business Assurance USA, Inc. (DNV) was commissioned by Lockheed Martin Corporation (Lockheed Martin) to conduct independent assurance of its 2021 Sustainability Report and specified performance indicators in its ESG Performance Index ('the Report'), as published on the company's website at <https://sustainability.lockheedmartin.com/sustainability/index.html> for the year ended December 31, 2021 (except for environmental footprint indicators which were verified for the period of 1 November, 2020 – 31 October, 2021).



Our Opinion: On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe Lockheed Martin's adherence to the Principles described below. In terms of reliability of the performance data, nothing came to our attention to suggest that these data have not been properly collated from information reported at operational level, nor that the assumptions used were inappropriate. In our opinion, the Report provides sufficient information for readers to understand the company's management approach to its most material issues and impacts.

Without affecting our assurance opinion, we also provide the following observations:

Inclusivity

Actively identifying stakeholders and enabling their participation in establishing an organization's material sustainability topics, and developing a strategic response to them.

Throughout the assurance process, we reviewed evidence of Lockheed Martin's engagement of stakeholders across the organization, both formally and informally, as it works towards achievement of its 2021-2025 Sustainability Management Plan (SMP).

In addition to carrying out an annual engagement strategy, the company has engaged extensively with stakeholders in order to address emerging issues of concern. These engagement activities were particularly visible in Diversity, Equity and Inclusion (DE&I) efforts such as the Upstander Campaign and Inclusive Leadership training program.

In our opinion, the Report accurately reflects the stakeholder groups engaged and mechanisms used to gather stakeholder viewpoints and inform report content.

Materiality

The identification and prioritization of the most relevant sustainability topics, taking into account the effect each topic has on an organization and its stakeholders.

In our opinion, the Report addresses the most material ESG issues for the company and its stakeholders. Lockheed Martin continues to refine its process for systematically integrating non-financial risks and opportunities into decision-making and reporting. This is especially demonstrated through its assessment of human rights risks within the supply chain and expanded disclosures on its approach to monitoring and managing human rights.

Lockheed Martin continues to build on its leading practice of leveraging processes used by enterprise risk to identify, monitor, and manage risks in its management of ESG risks and opportunities. In future reports, DNV recommends Lockheed Martin provide further context, through either the narrative or an infographic, on the extent to which the principle enterprise risks and SMP core issues overlap and how these perspectives inform the company's short and long-term approach to its priority topics.

Responsiveness

Timely and relevant reaction to material sustainability topics and their related impacts.

Stakeholder concerns and priorities influence decision-making throughout the business. In 2021, Lockheed Martin conducted several benchmarking activities, led by subject matter experts, to ensure that the performance metrics established and tracked are relevant to stakeholders and can be measured by the business. The company has a clear commitment to continuous improvement in its response to key stakeholders including investors, customers, employees, and suppliers.

Impact

Effect of behavior, performance and/or outcomes on the part of the organization on the economy, environment, society, stakeholders or the organization itself.

The 2025 SMP identifies the impacts that the company has on key stakeholders and is the framework against which the company will measure its sustainability performance through 2025. The 2021 progress against the 2025 SMP goals has been largely positive. Within the report, the company has noted the process undertaken to establish the metrics and performance target for newly adopted goals as well as included a discussion on the four SMP goals where it faced challenges in meeting annual performance expectations.

Reliability and quality

The accuracy and comparability of information presented in the Report, as well as the quality of underlying data management systems.

Overall, we have confidence in the processes in place to ensure reasonable accuracy for the information presented in the Report, and data management systems. Goals and performance data are presented clearly and in an objective manner.

Our review of the specified data presented in the report resulted in minimal technical errors being identified based on our sampling. These errors have been corrected for the final report.

Based on the processes and procedures conducted with a type 2, moderate assurance, there is no evidence that the GHG assertions and environmental footprint data are not materially correct, are not a fair representation of GHG and environmental data and that information has not been prepared with the calculation method referenced.

Scope and approach

Our assurance engagement was planned and carried out in accordance with AA1000 Assurance Standard (AA1000AS v3), using DNV’s VeriSustain methodology. VeriSustain is based on international assurance best practice including AA1000AS, International Standard on Assurance Engagements 3000 (ISAE 3000) and the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.

We evaluated the Report for adherence to the VeriSustain™ Principles (the “Principles”) of stakeholder inclusiveness, materiality, sustainability context, completeness, and reliability. We used the Global Reporting Initiative (GRI) Quality of Information Principles (Balance, Clarity, Accuracy, Reliability, Timeliness and Comparability) as criteria for evaluating performance information, together with Lockheed Martin’s data protocols for how the data are measured, recorded and reported. The reporting criteria against which the GHG verification was conducted is the World Business Council for Sustainable Development (WBCSD)/World Resources Institute (WRI) Greenhouse Gas – Corporate Accounting Standard.

We understand that the reported financial data and information are based on data from Lockheed Martin’s 10-K, which is subject to a separate independent audit process. The review of financial data taken from the company’s Annual Report, Proxy Statement, and 10-K is not within the scope of our work.

The organizational boundaries are all global sites under Lockheed Martin’s operational control except where noted. All environmental footprint data were verified for the period between 1 November 2020 to 31 October 2021. All other data were verified for the fiscal year 1 January 2021 – 31 December 2021.

Data In Scope

- The 23 reportable performance indicators within Lockheed Martin’s Sustainability Management Plan (SMP), which is in effect 2021 to 2025, that represent its four core issues: Advancing Resource Stewardship, Elevating Digital Responsibility, Fostering Workforce Resiliency, and Modeling Business Integrity
- Energy use and greenhouse gas (GHG) Scope 1, 2, and 3 (Category 1-7 and 11) emissions, Green Power (RECs and Onsite Renewable Energy), waste generated, and water use assertions
- Sustainability Accounting Standards Board (SASB) Aerospace & Defense Sustainability Accounting Standard, version 2018-10 Disclosure Topics as aligned with the SMP:
 - RT-AE-130a.1. Total energy consumed, Total Renewable (Green) Power
 - RT-AE-150a.1. Hazardous Waste Generated
 - RT-AE-230a.2. Description of approach to identifying and addressing data security risks in (1) company operations and (2) products
 - RT-AE-250a.2. Number of counterfeit parts detected
 - RT-AE-410a.2. Description of approach and discussion of strategy to address fuel economy and greenhouse gas (GHG) emissions of products
 - RT-AE-440a.1. Description of management of risks associated with the use of critical materials
 - RT-AE-510a.3. Discussion of processes to manage business ethics risks throughout the value chain
- GRI Indicators
 - 102-40: List of Stakeholder Groups; 102-42: Identifying and Selecting Stakeholders; 102-43: Approach to Stakeholder Engagement; 102-46: Report Content & Boundaries; 102-47: Material Topics
 - 205-2: Communication and training about anti-corruption policies and procedures
 - 302-1: Energy Consumption; 302-4: Reduction of Energy Consumption
 - 305-1: Direct (Scope 1) GHG Emissions; 305-2: Indirect (Scope 2) GHG Emissions; 305-3: Other Indirect (Scope 3) GHG Emissions; 305-5: Reduction of GHG Emissions
 - 306-2b: Total Weight of Non-Hazardous Waste
 - 403-2: Occupational Health and Safety
 - 405-1: Diversity and Equal Opportunity

Responsibilities of Lockheed Martin Corporation and of the Assurance Providers

Lockheed Martin has sole responsibility for preparation of the Report and selected performance indicators in accordance with the reporting criteria.

In performing our assurance work, our responsibility is to the management of Lockheed Martin. Our statement, however, represents our independent opinion and is intended to inform all Lockheed Martin’s stakeholders. DNV was not involved in the preparation of any statements or data included in the Report, except for this Assurance Statement.

Level of Assurance

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. We are providing a **‘Type 2, moderate level’** of assurance. A ‘high level’ of assurance would have required additional work at headquarters and site level to gain further evidence to support the basis of our assurance opinion.

Independence

DNV’s established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. This is our seventh year of providing assurance for Lockheed Martin. We adopt a balanced approach towards all stakeholders when performing our evaluation.

Data Verified

Greenhouse Gas Emissions

▪ 2021 Scope 1 Emissions	297,630 MtCO ₂ e
▪ 2021 Scope 2 Emissions (Location-Based)	554,643 MtCO ₂ e
▪ 2021 Scope 2 Emissions (Market-Based)	391,320 MtCO ₂ e
▪ 2021 Scope 3 Emissions	
○ Purchased Goods	12,944,956 MtCO ₂ e
○ Fuel and Energy Related Activities (not included in Scope 1 and 2)	100,786 MtCO ₂ e
○ Capital Goods	519,873 MtCO ₂ e
○ Waste Generated in Operations	5,600 MtCO ₂ e
○ Business Travel	124,054 MtCO ₂ e
○ Employee Commuting	148,755 MtCO ₂ e
○ Use of Sold Products	23,044,286 MtCO ₂ e

Energy

▪ 2021 Total Energy Consumption	3,023,608 MWh
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Green Power

▪ 2021 Total Green Power	416,356 MWh
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Waste

• 2021 Waste Generated (excluding construction, demolition, and remediation waste)	55,574,967 lbs
• 2021 Total Hazardous Waste	6,323,483 lbs

Water

• 2021 Water Used	1,244 Million gallons
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Science Based Target

• SBT Context Based Score	0.521
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Inherent Limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities.

DNV’s assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Basis of our opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at headquarters and site level. We undertook the following activities:

- Review of the current corporate responsibility issues that could affect Lockheed Martin and are of interest to stakeholders;
- Review of Lockheed Martin’s approach to stakeholder engagement and recent outputs;
- Review of information provided to us by Lockheed Martin on its reporting and management processes relating to the Principles;
- Conducted phone interviews with a selection of the senior directors and managers who are responsible for areas of management and stakeholder relationships covered by the Report. The objective of these discussions was to understand top level commitment and strategy related to corporate responsibility and Lockheed Martin’s governance arrangements, stakeholder engagement activity, management priorities, and systems;
- Conducted a remote site assessment of Ocala, FL. We were free to choose the site location. During the site assessment, we met with ethics, human resources, and environmental, health and safety representatives. The review work on site focused on ethics, diversity and inclusion, energy consumption, GHG emissions, waste generated, water consumption, and health and safety management;
- Assessed documentation and evidence that supported and substantiated claims made in the Report;
- Reviewed the specified data collated at the corporate level, including that gathered by other parties, and statements made in the Report. We interviewed managers responsible for internal data validation, reviewed their work processes, and undertook sample-based audits of the processes for generating, gathering, and managing the quantitative and qualitative sustainability data;
- Examined data and information to support the reported energy use, GHG, waste generated and water use assertions;
- Evaluated whether the evidence and data are sufficient to support our opinion and Lockheed Martin’s assertions.
- Provided feedback on a draft of the report based on our assurance scope.

In addition, the following methods were applied during the verification of Lockheed Martin's environmental footprint inventories and management processes:

- Review of documentation, data records and sources relating to the corporate environmental data claims and GHG emission assertions;
- Review of the processes and tools used to collect, aggregate and report on all environmental data and metrics;
- Assessment of environmental information systems and controls, including:
 - Selection and management of all relevant environmental data and information;
 - Processes for collecting, processing, consolidating, and reporting the relevant environmental data and information;
 - Design and maintenance of the environmental information system;
 - Systems and processes that support the environmental information system.
- Performed sample-based audits of the processes for generating, gathering and managing the quantitative and qualitative environmental data;
- Examination of all relevant environmental data and information to develop evidence for the assessment of the environmental claims and assertions made;
- Confirmation of whether the organization conforms to the verification criteria

DNV Business Assurance

DNV Business Assurance is a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance.

<https://www.dnv.us/assurance/>

For and on behalf of DNV Business Assurance USA, Inc.
Oakland, CA
August 22, 2022



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