

Independent Assurance Statement

DNV Business Assurance USA, Inc. (DNV) was commissioned by Lockheed Martin Corporation (Lockheed Martin) to conduct independent assurance of its 2023 Sustainability Performance Report, Sustainability Website (last updated April 2024), and specified performance indicators in its Performance Index ('the Report'), as published on the [company's website](#) for the year ended 31 December, 2023 (except for environmental footprint indicators which were verified for the period of 1 November, 2022 – 31 October, 2023).



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.

Lockheed Martin demonstrates an ongoing commitment to engaging with a wide range of internal and external stakeholders through various mechanisms across its business operations. In 2023, the company continued to leverage its internal training program and communication channels to increase employee awareness and engagement around material and emerging topics such as Artificial Intelligence, Product Quality and Safety, and Diversity, Equity and Inclusion (DE&I). The company actively engages with external stakeholders such as its customers, investors, industry peers, and suppliers across its core issues. Throughout the reporting year, Lockheed Martin participated in industry initiatives focused on collaborating to manage critical risks and opportunities and address gaps in data and information in the aerospace and defense supply chain. It is evident that the ongoing stakeholder engagement has informed the report content and influenced decision-making within the company.

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 topics for the company and its stakeholders. Lockheed Martin continues to refine its process for systematically integrating non-financial risks and opportunities into decision-making throughout the business and reporting of management and performance of topics of importance to its stakeholders. The 2025 Sustainability Management Plan (SMP) provides the framework for Lockheed Martin's sustainability approach in the reporting year. In addition, the importance of specific emerging topics to stakeholders and business is assessed on an ongoing basis and is informed by stakeholder feedback and the company's enterprise risk management framework within the reporting year. We understand that the company intends to undertake its formal Core Issues Assessment throughout 2024 and 2025 during which external stakeholders will be engaged.

Responsiveness

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

Stakeholder concerns and priorities influence decision-making throughout the business. In 2023, Lockheed Martin's sustainability disclosures included added focus on core issues such as ethical use of AI and harassment-free workplace. The company also expanded disclosures on topics included within "Other Sustainability Topics" such as product quality and safety, biodiversity, and human rights which continue to increase in importance for the aerospace and defense sector. Lockheed Martin continues to develop its management approach and reporting through conducting risk assessments, stakeholder engagement, and benchmarking exercises. The company has a 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.

Lockheed Martin has continued to make progress towards the 2025 SMP goal. 2023 marked the first year of Lockheed Martin's accelerated carbon reduction goal. Additionally, the Executive Leadership team and Board of Directors recognize the investment required to achieve these accelerated goals and establish programs and governance structures to monitor performance and continue evolve carbon strategy and carbon reduction efforts.

Towards year-end 2023, the company completed a human rights benchmarking assessment which has identified opportunities to strengthen its related policies and procedures. DNV understands that the company will use the findings to further develop its approach to disclosures in this area. In our opinion, the company has effectively noted the process undertaken to establish the metrics and performance target for accelerated goals as well as included discussions on the SMP goals where it faced challenges in the reporting year.

Reliability and quality

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

Based on the evidence given in the limited assurance processes, we have no reason to question the accuracy of the information and data presented in the report and its data management system. Goals and performance data are presented clearly and in an objective manner.

Overall, there is no evidence that the GHG assertions and environmental footprint data are not materially correct, not a fair representation of GHG and environmental data, and has not been prepared with the calculation method referenced.

Scope and approach

This assurance engagement was planned and has been carried out in accordance with AA1000 Assurance Standard (AA1000AS) v3, Type 2 engagement, and the International Standard on Assurance Engagements 3000 (“ISAE 3000 – July 2020”). DNV has verified Greenhouse Gas Emissions Scope 1, 2, and 3 (Selected Categories) in accordance with ISAE 3000.

These standards require that we comply with ethical requirements and plan and perform the assurance engagement.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 – Conformity assessment – General principles are requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We evaluated the Report for adherence to the AA1000 Principles (the “Principles”) of inclusivity, materiality, responsiveness, and impact. We used the Global Reporting Initiative (GRI) Quality of Information Principles (Balance, Clarity, Accuracy, Reliability, Timeliness and Comparability) as criteria for evaluating performance information. The reporting criteria against which the GHG verification was conducted are as follows:

- World Business Council for Sustainable Development (WBSCD)/World Resources Institute (WRI) Greenhouse Gas – A Corporate Accounting Standard.
- WBSCD/WRI Corporate Value Chain (Scope 3) Accounting and Reporting Standard

The boundary of our work is restricted to global facilities for which LMCO has operational control. This included 77 facilities within Australia, United States, Canada, Mexico, Poland and the United Kingdom, as well as estimated data from 5 smaller facilities within the United States. Errors/omissions identified in the course of this audit which represent, single or aggregated, the 5% of total emissions were considered material, and were required to be corrected.

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. This includes, but is not limited to, sales and acquisitions, and financial/operational control. Financial data, including financial data that feeds into the calculation of the Specified Performance Indicators, is outside of the scope of the assurance.

We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Lockheed Martin’s website for the current reporting period.

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.

DNV’s responsibility is to plan and perform the work to obtain assurance about whether the Report has been prepared in accordance with the reporting requirements. 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.

Competence, Independence and Quality Control

This engagement work was carried out by an independent team of sustainability assurance professionals. Our multi-disciplinary team consisted of professionals with a combination of sustainability assurance experiences.

This is our ninth year of providing assurance for Lockheed Martin.

Level of Assurance

For AA1000AS v3, we are providing a **‘moderate level’ (limited)** of assurance.

For ISAE 3000, we are providing a **limited level** of assurance.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion so that the risk of this conclusion being in error is reduced but not reduced to very low. of A ‘high level’ (reasonable) of assurance would have required additional work at headquarters and site level to gain further evidence to support the basis of our assurance opinion.

2025 SMP:

- Twenty-three 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

Environmental Data Verified for January 1st to December 31st, 2023 (except for environmental footprint indicators which were verified for the period of 1 November, 2022 – 31 October, 2023)

2023 GHG Emissions:

- Scope 1 – Direct Emissions
- Scope 2 – Electricity (indirect emissions only)
- Scope 3 – Other indirect GHG Emissions
 - Purchased Goods and Services;
 - Capital Goods;
 - Fuel and Energy Related Activities (not included in Scope 1 and 2);
 - Waste Generated in Operations;
 - Business Travel;
 - Upstream Transmissions and Distribution
 - Employee Commute;
 - Use of Sold Products

- Renewable Energy Certificates (RECs)

SASB Indicators:

- 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:

- GRI 2 - General Disclosures (2021)
 - 2-29: Approach to stakeholder engagement
- GRI 3 – Material Topics (2021)
 - 3-1: Process to determine material topics; 3-2: List of material topics; 3-3 a-f: Management of Material Topics (for Topic Specific Standards below)
- GRI 205: Anti-Corruption (2016)
 - 205-2: Communication and training about anti-corruption policies and procedures
- GRI 302: Energy (2016)
 - 302-1: Energy consumption within the organization; 302-4: Reduction of energy consumption
- GRI 305 – Emissions(2016)
 - 305-1: Direct (Scope 1) GHG emissions; 305-2: Energy indirect (Scope 2) GHG emissions; 305-3: Other indirect (Scope 3) GHG emissions; 305-5: Reduction of GHG Emissions
- GRI 306: Waste (2020)
 - 306-5a: Total weight of waste directed to disposal (excludes construction, demolition, and remediation waste); 306-5b: Total weight of hazardous waste directed to disposal (excludes breakdown by disposal operations)
- GRI 401: Employment
 - 401-1a: New employee hires (total and %); 401-1b: Employee turnover (total, voluntary, involuntary and %); 401-3a-e: Parental leave
- GRI 403: Occupational Health and Safety (2018)
 - 403-2: Hazard identification, risk assessment, and incident investigation

Inherent Limitations

DNV’s assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and is free from material misstatements. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected.

The engagement excludes the sustainability management, performance, and reporting practices of the Company’s suppliers, contractors, and any third parties mentioned in the Report. We did not interview external stakeholders as part of this assurance engagement.

We understand that the reported financial data, governance and related information are based on statutory disclosures and Audited Financial Statements, which are subject to a separate independent statutory audit process. We did not review financial disclosures and data as they are not within the scope of our assurance engagement.

The assessment is limited to data and information within the defined reporting period. Any data outside this period is not considered within the scope of assurance.

DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

GRI Indicators Continue:

- GRI 404: Training and Education
 - 404-1a: Average hours of training during the reporting period ; 404-3: Employees receiving regular performance and career development reviews (% of total employees)
- GRI 405: Diversity and Equal Opportunity
 - 405-1: Diversity of governance bodies and employees
- GRI 406: Non-Discrimination
 - 406-1a: Number of incidents of discrimination
- GRI 412: Human Rights Assessment
 - 412-2 a-b: Employee training on human rights policies or procedures
- GRI 414: Supplier Social Assessment
 - 414-1: New suppliers that were screened using social criteria; 414-2a: Number of suppliers assessed for social impacts; 414-2b: Number of suppliers identified as having significant actual and potential negative social impacts

Data Verified

Greenhouse Gas Emissions¹

▪ 2023 Scope 1 Emissions	308,980 MtCO ₂ e
▪ 2023 Scope 2 Emissions (Location-Based)	525,614 MtCO ₂ e ²
▪ 2023 Scope 2 Emissions (Market-Based)	371,232 MtCO ₂ e ³
▪ 2023 Scope 3 Emissions	
○ Purchased Goods	5,872,475 MtCO ₂ e
○ Fuel and Energy Related Activities (not included in Scope 1 and 2)	80,098 MtCO ₂ e
○ Capital Goods	711,402 MtCO ₂ e
○ Waste Generated in Operations	6,555 MtCO ₂ e
○ Business Travel	83,855 MtCO ₂ e
○ Upstream Transmissions and Distribution	4,067 MtCO ₂ e
○ Employee Commuting	120,258 MtCO ₂ e
○ Use of Sold Products	21,076,687 MtCO ₂ e

Energy

▪ 2023 Total Energy Consumption	3,125,838 MWh
▪ Energy Intensity Ratio:	158 MMBTU per \$M USD Revenue

Renewable Electricity

▪ 2023 Total Renewable Electricity	445,074 MWh
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Waste

▪ 2023 Waste Generated (excluding construction, demolition, and remediation waste)	58,973,129 lbs
▪ 2023 Total Hazardous Waste Generated	5,156,020 lbs

Water

▪ 2023 Water Used	1,231 Million gallons
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1. GHGs are reported in metric tonnes of carbon dioxide equivalent (MtCO₂e)

2. US based scope 2 emissions are calculated using eGRID 2021, as these were the values available during the GHG reporting period.

Basis of our opinion

We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company’s business and its key stakeholders. Our assurance procedures included, but were not limited to, the following activities:

- Review of the disclosures according to reporting requirements. Our focus included sustainability disclosures and management processes;
- Peer and media review to identify relevant sustainability issues for Lockheed Martin in the reporting period;
- Review of Lockheed Martin’s approach to stakeholder engagement and recent outputs;
- Understanding of the key systems, processes and controls for collecting, managing and reporting disclosures and KPIs in the Report;
- Walk-through of key data sets. Understanding and testing, on a sample basis, of the processes used to adhere to and evaluate adherence to the reporting requirements;
- Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles and requirements;
- Interviews with the senior managers responsible for management of disclosures. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data consolidation and reporting of the selected information;

Basis of our Opinion Continued

- Conduct 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 the sustainability, the SMP, and Lockheed Martin's governance arrangements, stakeholder engagement activity, management priorities, and systems;
- Conducted a site visit in Syracuse, NY. We were free to chose the site location. During the site visit, we met with environmental, health, and safety representatives. The review work on site focused on GHG Emissions Scope 1 and 2, Energy Consumption, Waste Generated, and Water Consumption. We also conducted remote interviews with human resources, ethics, and health and safety representatives. The remote assessment focused on diversity and inclusion, anti-harassment, ethics, and health and safety management.
- 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.

Katy, Texas
April 23rd, 2024

D'Silva,
Natasha

Digitally signed
by D'Silva,
Natasha
Date: 2024.04.23
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Natasha D'Silva
Lead Verifier

Arias,
Paulo

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Paulo Arias
Principle Technical Reviewer