

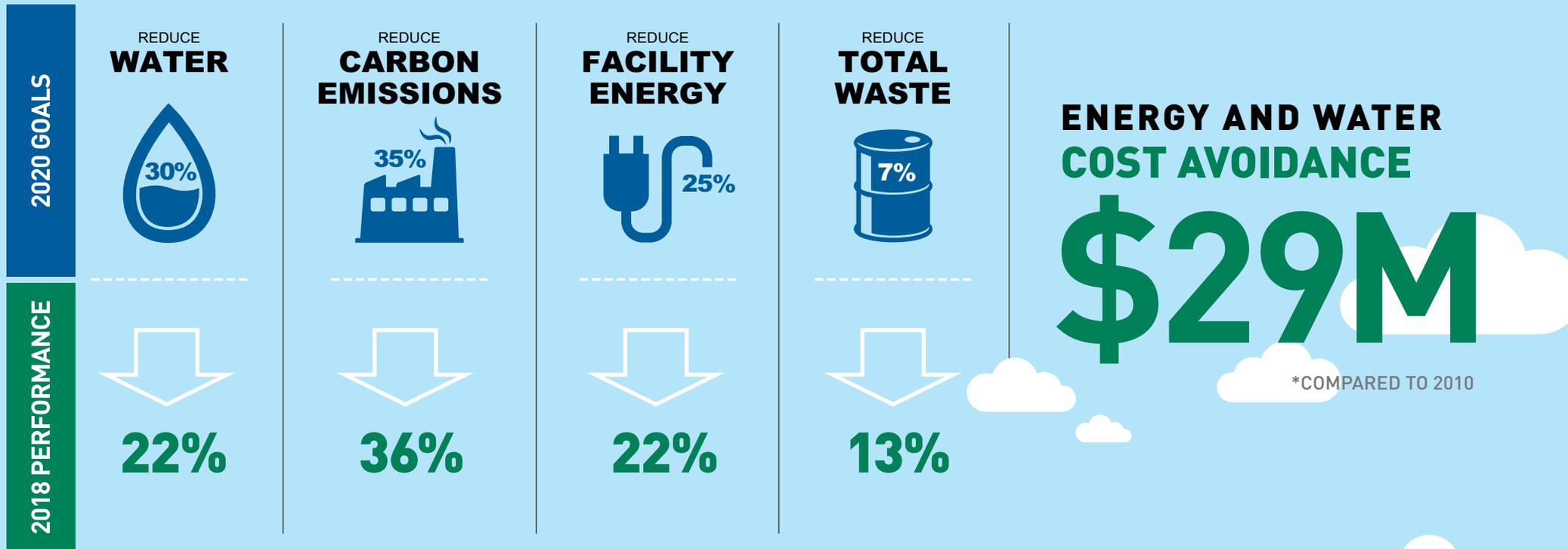
2018

ESH YEAR-END
PROGRAM SUMMARY





GO GREEN



Lockheed Martin has made a pledge to quadruple its on-site renewable generation to

10 MW



by the end of 2020 through the Environmental Protection Agency (EPA) Green Power Partnership On-Site commitment. We currently have over 9 MW capacity of on-site renewable generation and are on track to meet this commitment

Our renewable energy portfolio accounted for over 307,000,000 kWh, with approximately



of the Corporation's total electricity usage **ASSOCIATED WITH GREEN POWER**

From our 2013 baseline year to 2018, we more than

TRIPLED

OUR GREEN BUILDING FOOTPRINT THROUGH



LEED



ENERGY STAR®



BREEAM CERTIFICATION

ADVOCACY AND GOVERNANCE

ESH Management System



Understanding the complex global regulatory landscape, ESH has developed and implemented a management framework to ensure compliance for the Corporation, reduce risks related to the ESH aspects of our operations, and continually improve our ESH programs' performance.

Digital Transformation

- Executed year-1 ESH Management Information System modernization; deployed 3 completed modules to users
- Implemented 4 Robotic Process Automations (RPAs), streamlining ESH compliance and administrative processes
- Developed and released an ESH Best Practices and Lessons Learned database
- Initiated pilot of Cognitive Assistance Artificial Intelligence (AI) technology in support of ESH inquiries
- Launched improved dashboarding to simplify reporting and enhance data analytics

Assuring Compliance and Risk Management



Hosted more than 20 forums to communicate emerging ESH regulatory and compliance needs



Successfully negotiated agreement with EPA to allow commercialization of new battery chemistry



Completed Toxic Substances Control Act (TSCA) Inventory Notification/Reset Rule, reporting 41 chemicals manufactured/imported, 167 chemicals processed



Completed 23 ESH compliance peer assessments across the corporation



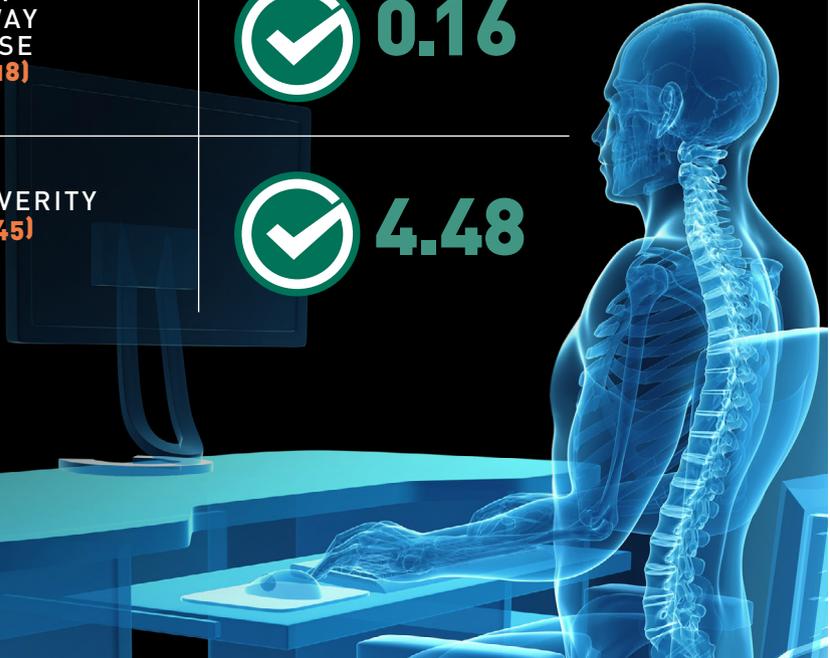
Launched an ESH Awareness e-training module for employees, hosted 5 enterprise-wide ESH professional development training courses



TARGET ZERO

Lockheed Martin's Target Zero program focuses on a risk-based management approach to promote targeted safety interventions, addresses prioritized workplace hazards and develops preventive processes to keep employees and contractors safe. Target Zero has led to significant improvements in safety performance since its introduction in 2004.

2018 GOAL	PERFORMANCE
 RECORDABLE INCIDENT	 1.11
 DAY AWAY CASE <small>(0.18)</small>	 0.16
 SEVERITY <small>(5.45)</small>	 4.48



Ergo Cup

38

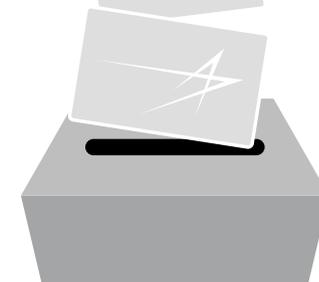


innovations submitted from all four business areas, including two from LM Poland, one from LM Canada and one from LM UK

HIGHEST NUMBER OF INNOVATIONS SUBMITTED TO DATE

1055

employees weighed in to vote for their favorite submissions



Target Zero SIAs

In 2018, we extended our signature Target Zero Structured Improvement Activities (SIA) offerings across global locations. In total, we conducted eight events across all four business areas:


EVALUATED
82
 SPECIFIC OPERATIONAL AREAS

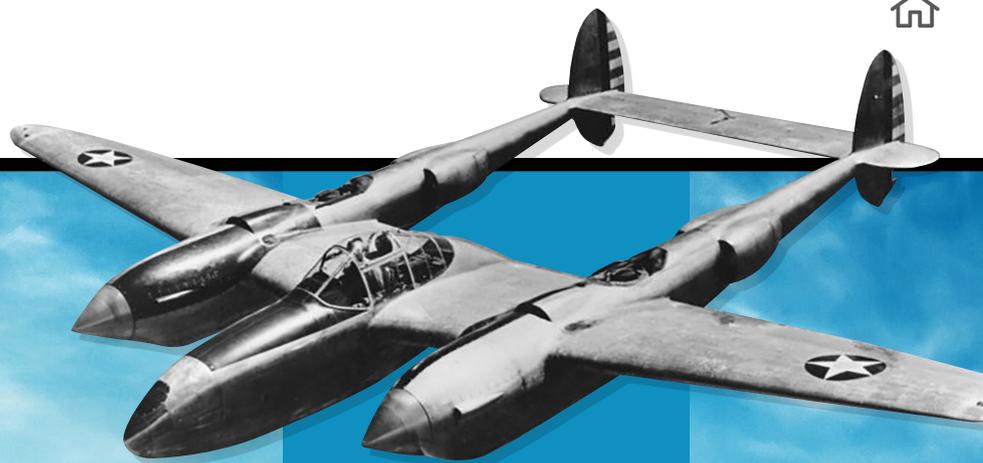

COMPLETED
59%
 OF RISK REDUCTION ACTIVITIES DURING THE EVENT


IDENTIFIED
327
 UNIQUE RISK REDUCTION ACTIVITIES

REMEDIATION



Former Lockheed Aircraft Company – Burbank, CA
Lockheed Martin has worked collaboratively with the U.S. EPA and our partners in the San Fernando Valley of California for over 20 years on effective cleanup measures for groundwater impacted by the company's World War II aircraft manufacturing operations in Burbank.



P-38 Manufactured during WWII in Burbank, CA



Burbank Operable Unit Treatment System



In coordination with the U.S. EPA, Lockheed Martin recently entered into cooperative agreements with the cities of Los Angeles and Burbank, California, to enhance the ongoing cleanup by expanding operations at the current Burbank treatment system to accept water from two existing and two new

wells which are impacted with volatile organics. This work consolidates Lockheed Martin's responsibilities previously managed in both the North Hollywood Operable Unit and the Burbank Operable Unit into the Burbank Operable Unit alone and ensures efficient and effective groundwater remediation.

In 2018, we were able to mitigate risk and reduce the Corporation's environmental liability by over

**\$50
MILLION**

In addition, we consolidated remediation projects from RMS and Space under the corporate program. We expect to complete business area consolidation in 2019.