

LOCKHEED MARTIN



100 YEARS OF
ACCELERATING
TOMORROW

2011 Lockheed Martin Corporate Sustainability Report

Sustainability for Growth

unlocking potential,
securing our future



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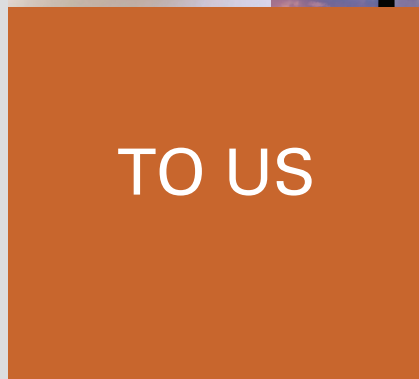
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WHAT

SUSTAINABILITY

MEANS

TO US





Lockheed Martin has long been driven by the concept of sustainability – well before it emerged as a paradigm of corporate citizenship. The founders of our legacy companies were aviators who studied complex questions of fuel and flight sustainability to ultimately answer not only whether we can fly farther and faster, but also how we will arrive safely at our destination. Since the dawn of space-age Earth observation more than 60 years ago, our weather satellites have awakened scientists and meteorologists to more vivid imagery of cloud cover, ozone, radiation and temperature profiles. Our high standards for ethics, corporate governance and performance excellence distinguish our contributions to global security when it matters most.

Over generations we've unlocked ingenuity to improve our economic, environmental and social performance. Today, we work with strategic business partners, non-governmental organizations and other key stakeholders to make responsible business decisions that generate value for customers, shareholders and in locations where we operate. In fact, strategically positioning the long-term sustainability of our core business is one of three individual performance considerations used to determine the executive compensation of our chairman and chief executive officer.

We began reporting voluntarily on our environmental, safety and health performance in 2007. In this edition, our reporting continues to focus on the environmental and social responsibilities most critical to our key stakeholders, based on performance in the calendar year 2011. For the first time, we include a section devoted to detailing a number of "Performance Indicators" that are customary in third-party reporting frameworks followed by many companies. This is another step in our ongoing efforts to improve transparency and accountability in all we do.

Our approach to sustainability strengthens the Corporation by:

- Empowering our employees to commit to building diverse, inclusive and safe work environments and maintaining the highest ethical practices.
- Working from within to use resources wisely to preserve our planet and ensure our operations support social and physical environments in local communities.
- Unleashing our excellence to develop innovative and safe products that minimize impacts on the environment.

A better future for our company and all those we serve depends on it.

To find out more about Lockheed Martin, visit www.lockheedmartin.com.

A Dimension of Leadership

How a corporation conducts business is not only a consideration for shareholders and customers, but also for the communities in which we work and all Lockheed Martin employees. We work hard to deliver lasting solutions for our customers, while ensuring strong returns for our shareholders.

We also believe we must account to a larger and broader group of stakeholders. Simply put, for Lockheed Martin, success depends on how well we recognize and fulfill our responsibilities to our employees, customers, shareholders, communities, the environment, a safe workplace and the stewardship of natural resources critical to global security.

In everything we do, we manage our business for growth and do so with an unwavering commitment to meeting the highest ethical standards in the governance of our company. Our business is built on integrity, and we will not risk compromising it. No matter the mission, our stakeholders expect this trust in every part of our business operations, wherever and whenever we serve.

We are proud of our history of responsible business practices, but we also recognize opportunities to further integrate sustainability into our everyday operations. That we are focused on achieving progress doesn't make us unique among global corporations. However, as customers and employees around the world express a growing interest in the impact of business beyond their immediate surroundings, we know providing a transparent accounting of our operations in this context is the right thing to do.

Lockheed Martin is committed to delivering superior shareholder returns while pursuing leading sustainability performance and good citizenship. Our sustainability report provides details on how Lockheed Martin delivers on this dimension of full spectrum leadership.



Robert J. Stevens
Chairman and
Chief Executive Officer

Christopher E. Kubasik
President and
Chief Operating Officer

WHAT WE DO

We are a global security and aerospace company that employs about 123,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. The Corporation's net sales for 2011 were \$46.5 billion. We serve both domestic and international customers with products and services that have defense, civil and commercial applications, with our principal customers being agencies of the U.S. Government. In 2011, 82 percent of our \$46.5 billion in net sales were from the U.S. Government, either as a prime contractor or as a subcontractor (including 61 percent from the Department of Defense (DoD)), 17 percent were from international customers (including foreign military sales funded, in whole or in part, by the U.S. Government) and 1 percent was from U.S. commercial and other customers in the U.S. Our main areas of focus are in defense, space, intelligence, homeland security and information technology, including cyber.

Corporate Values

Lockheed Martin has a culture dedicated to ethical behavior and responsible corporate activity. This commitment is reflected in our core values: "Do What's Right;" "Respect Others;" and "Perform with Excellence." These values are shared across the 123,000 employees of Lockheed Martin and are the foundation of our dedication to the highest standards of ethical conduct, conscientious global philanthropic support and proactive efforts to protect the environment.

Accountability and Governance

Lockheed Martin's code of conduct has been in place since the Corporation was formed in 1995, well before codes were required for stock exchange listing. We and our heritage companies were among the first in the aerospace and defense industry to adopt an ethics code.

Our Code of Ethics and Business Conduct, "Setting the Standard," applies to all employees. It provides our policies and expectations on a number of topics, including our commitments to good citizenship, promoting a positive and safe work environment, transparency in our public disclosures, avoiding conflicts of interest, honoring the confidentiality of sensitive information, preservation and use of company assets, compliance with all laws and operating with integrity in all that we do. All employees participate in ethics training annually. "Setting the Standard" is posted on our website at <http://www.lockheedmartin.com/corporate-governance>.

Printed copies of our Code may be obtained, without charge, by writing to Investor Relations, Lockheed Martin Corporation, 6801 Rockledge Drive, Bethesda, MD 20817.

2011 Activity

- We revised the code to reflect updates in policy, law and regulation, and reinforce the obligation to take proper action whenever faced with an ethical or compliance question or concern.
- We amended the Charter for the Ethics and Corporate Responsibility Committee of the Board to provide for Board-level oversight of human rights and other corporate responsibility issues. A copy is posted at <http://www.lockheedmartin.com/us/who-we-are/corporate-governance/board/board-committees/ethics-corp-charter.html>
- Held three meetings of the Ethics and Corporate Responsibility Committee, one of seven Lockheed Martin Board committees, to monitor compliance and recommend changes to our Code of Ethics and Business Conduct. The committee reviews our policies, procedures, and compliance with respect to corporate responsibility, including human rights, environmental, health and safety, diversity and equal opportunity. It oversees matters pertaining to community and public relations, including government relations, political contributions and charitable contributions.
- Adopted a Corporate Policy Statement on Human Rights in which we committed to:
 - uphold the laws applying to our business, wherever we operate;
 - seek to minimize the negative consequences of by minimizing harm to the environment and conserving natural resources, and promoting workplace safety;
 - balance appropriately the sale and use of our technology against national and international
 - promote efforts to stop corrupt practices that interfere with markets, or inhibit economic development; and
 - promote fair employment practices and prohibit harassment, bullying and discrimination, use of child or forced labor, or trafficking in persons for any purpose.
- Implemented enhanced supplier incident management tools, which assist in mitigation and rapid communication with suppliers who could be impacted by natural disasters, political turmoil, labor strikes, fires, terrorist threats and the like.
- Engaged with the U.S. Defense Department on a multitude of activities ranging from titanium non-conformance concerns to counterfeit parts and supply chain visibility.
- Worked closely with industry groups and the Securities and Exchange Commission (SEC) to comply with pending rules regarding use of conflict

WHAT WE DO

minerals derived from the Democratic Republic of the Congo.

- Issued a public statement regarding our efforts to eradicate human trafficking and slavery within the supply chain.
- Participated in a U.S. Government Defense Logistics Agency report to Congress to help determine the impact of potential shortages and price increases, which would arise from a Chinese export restriction on rare earth elements.
- Worked with our suppliers to ensure compliance with the Registration, Evaluation, Authorization (and restriction) of Chemicals (REACH) legislation, a European Union (EU) law that requires all companies that import, manufacture or use products in the EU to take responsibility for evaluating the chemical hazards and risks associated with their products.
- Completed eighteen annual Environmental, Safety and Health (ESH) audit engagements according to a risk-based audit plan approved by our Board of Directors. Our engagements consist of executing a robust ESH audit program to test for compliance to our ESH management system, internal policies and procedures and external regulations. All identified findings are documented, communicated to senior management (including our COO) and tracked to closure.
- Performed risk and self-assessments on a variety of ESH aspects. These risk and self-assessments are conducted at regular intervals to ensure local compliance to internal policies and procedures and external regulations.
- Commissioned Bureau Veritas to review our 2010 greenhouse gas emissions reported to the Carbon Disclosure Project and provide a limited level of assurance. Bureau Veritas determined that our reported emissions are a "fair

representation of Lockheed Martin's greenhouse gas (GHG) emissions."

- Instituted ESH management systems requirements based upon the International Organization for Standardization (ISO) standards. We continue to improve our management systems and have achieved the following safety and environmental certifications:
 - 43 facilities operate to ISO 14001 Environmental Management System standards, comprising 64 percent of our global facility footprint.
 - 12 facilities are members of the Occupational Safety and Health Administration's (OSHA) Voluntary Protection Program (VPP), comprising 15 percent of our U.S. facility footprint.
 - 25 facilities operate under the Occupational Health and Safety Assessment Series 18001, comprising 31 percent of our U.S. facility footprint.
- Developed and maintained a Quality Management System commensurate with their contractual requirements and the complexity of the systems and/or services to be developed, acquired or performed. All business areas and business units have achieved or maintained the AS9100 Quality Management System certification. In addition, all business areas have achieved and maintain at least Level 3 CMMI certification. Our Information Systems & Global Solutions business area has achieved the ISO 27001, Information Security Management System certification.

Public Advocacy

We expanded our disclosure of political contributions, a copy of which is posted at <http://www.lockheedmartin.com/corporategovernance>.

A GLOBAL REACHING ENTERPRISE

We are committed to sustainability efforts throughout the Corporation, across all seven continents.



PURCHASED 274 MILLION KWH OF GREEN POWER – THE MOST AMONG FORTUNE 500 COMPANIES IN THE INDUSTRIAL GOODS AND SERVICES CATEGORY

14% GROWTH FROM 2010-2011 IN NUMBER OF SITES EARNING LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN (LEED) GREEN BUILDING CERTIFICATION; 39 SITES ARE SEEKING OR HAVE ACHIEVED THE CERTIFICATION.



1,810,597,837

**GALLONS OF WATER USED –
A NUMBER THAT WE CONTINUALLY REDUCE.**



77 MILLION SQUARE FEET OF FACILITY SPACE (INCLUDING GOVERNMENT-OWNED AND COMPANY-OPERATED SITES)

\$1 BILLION AWARDED TO VETERAN-OWNED SMALL BUSINESS SUPPLIERS

WE'RE IN GOOD COMPANY...

By aligning with strategic partners, like those below, and participating in certification programs, we continuously identify ways to improve performance.



HUMAN
RIGHTS
CAMPAIGN
FOUNDATION™



Until Every One Comes Home®



U.S. Small Business Administration



Your Small Business Resource



Smithsonian
National Air and Space Museum



International
Organization for
Standardization



WHAT OUR PERFORMANCE SHOWS

During 2011, we measured sustainability performance through a variety of factors within two primary categories:

Environmental and **Social**.

As a publicly traded company, we disclose our financial and operational performance through filings with the U.S. Securities and Exchange Commission. Generally, in addition to internal assessments to set performance objectives, we align our policies and targets with goals established by our customer stakeholders under multiple U.S. Executive Orders.

More information about Lockheed Martin's environmental and social efforts can be found at www.lockheedmartin.com/sustainability.



LOCKHEED MARTIN 2011 SUSTAINABILITY PERFORMANCE INDICATORS






Environmental

 **Achieved**

 **Partial**

 **Ongoing**

Objective	2011 Performance	Status
Reduce absolute carbon emissions, water use and waste-to-landfill by 25 percent by 2012, against 2007 baseline performance.	Reduced absolute carbon emissions by 30 percent, water use by 23 percent and waste-to-landfill by 39 percent.	
Commission an independent reviewer to provide a limited level of assurance for our 2010 greenhouse gas emissions reported to the Carbon Disclosure Project.	Bureau Veritas determined that our reported emissions are a "fair representation of Lockheed Martin's GHG emissions"	
Complete 18 annual Environmental, Safety and Health (ESH) audit engagements according to a risk-based audit plan approved by our Board of Directors.	Completed all 18 engagements; identified findings were documented, communicated to senior management (including our COO) and tracked to closure.	



LOCKHEED MARTIN 2011 SUSTAINABILITY PERFORMANCE INDICATORS



Social



Achieved



Partial



Ongoing

Objective	2011 Performance	Status
Commit 50 percent of our philanthropic contributions to Science, Technology, Engineering and Math (STEM) education; 30 percent to our customer- and constituent-valued causes; and 20 percent to local community programs.	Contributed 50 percent of philanthropic contributions to organizations that focus on STEM education; 29 percent to customer- and constituent-valued causes; 21 percent to local community programs.	
Foster a workplace environment in which employees speak up when they see workplace ethical misconduct and do not fear retaliation for reporting it.	Logged an 11 percent decrease in observed misconduct, when normalized per 1,000 employees, based on an increase in reported misconduct.	
Increase annual employee survey participation from 2010 baseline and require 80 percent of leaders to create customized action plans based on survey feedback.	Recorded 40 percent increase in employee survey participation rate; 100 percent of leaders subsequently created and registered customized action plans.	
Award in excess of 19 percent of total U.S. Department of Defense (DoD) subcontractor/supplier awards to small businesses classified by the Small Business Administration	Subcontracted 23 percent of total awards for DoD contracts, valued at \$4.3 billion, to small business suppliers.	
Achieve year-over-year reductions in recordable workplace injuries, as classified by the U.S. Occupational Safety & Health Administration.	Documented a slight increase in injuries or illnesses that required medical treatment beyond basic first aid and must be reported. We will continue to evaluate our performance through 2013 against this performance objective.	

ENVIRONMENTAL PERFORMANCE



To achieve and maintain global, sustainable business growth, Lockheed Martin works from the inside out. We conserve to preserve. We will achieve our goal of 25 percent absolute reduction in landfill waste, water and carbon emissions from 2007 to 2012. We are making infrastructure improvements, procuring energy strategically and rethinking our processes. Our **Blueprint for Tomorrow*** shows how we are making that happen through Leadership in Energy and Environmental Design (LEED) certified facilities, safety performance awards and green power purchases.

We have initiated the use of a hybrid life-cycle assessment to estimate “cradle-to-gate” environmental impacts across our supply chain and operations. We strive to fully assess the types and quantities of materials and resources we use, how these materials are sourced and the path they follow into our facilities, products and services — as well as product use and end-of-life considerations.

**<http://www.lockheedmartin.com/us/who-we-are/sustainability/from-inside/blueprint.html>*



29 percent of employees at Lockheed Martin's Space Systems Company in the Bay Area participate in the Commute Alternatives Program. Together, these 2,325 employees save approximately 772,000 gallons of fuel, thereby reducing 6900 tons of CO2 emissions.



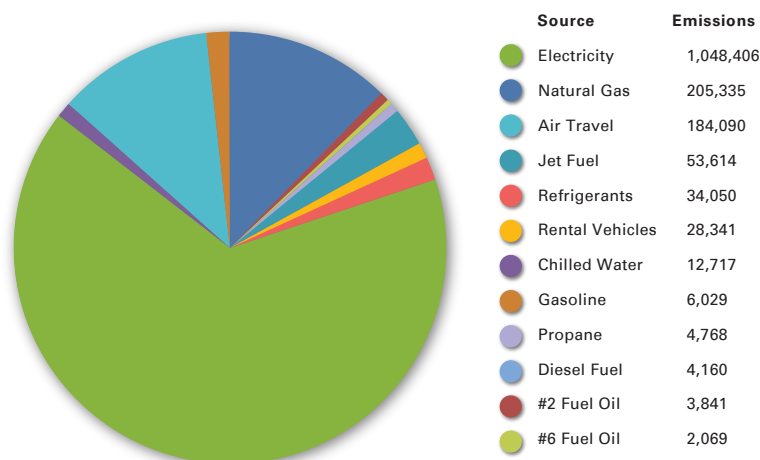
Cutting Carbon Emissions

We are committed to continually reducing our carbon footprint. In fact, from 2007 through 2011, we reduced absolute carbon emissions by 30 percent (including 23 percent reduction through purchasing green power). We continue to cut our carbon emissions by championing energy conservation and efficiency measures in our facilities through lighting and equipment upgrades, operational assessments, green power purchase requirements in our contracts with utility providers, strategic energy management and the use of renewable energy technology.

- In 2011, we completed an initiative to conduct Energy Reduction Structured Improvement Activities (SIAs) at our top energy-consuming sites. From 2010 through 2011, we hosted SIAs at 17 sites that collectively account for over 80 percent of the Corporation's energy usage. We identified hundreds of energy reduction projects that, if implemented, could potentially save over \$25 million in annual costs and 161,000 metric tons of carbon dioxide emissions. More than 60 percent of these identified projects are either complete or underway.
- We are implementing on-site renewable energy technology at locations where we achieve a high return on investment. For example, Lockheed Martin's Orlando, Fla., facility installed a solar light-emitting diode (LED) outdoor lighting system throughout the campus — the largest outdoor lighting system in Florida. The system is also 40 percent less expensive than conventional electrical lighting. In 2011, construction was complete on a fuel cell power generation system at our Sunnyvale, Calif., facility. Additionally, we are piloting wind power technology at our campus in Denver, Colo.

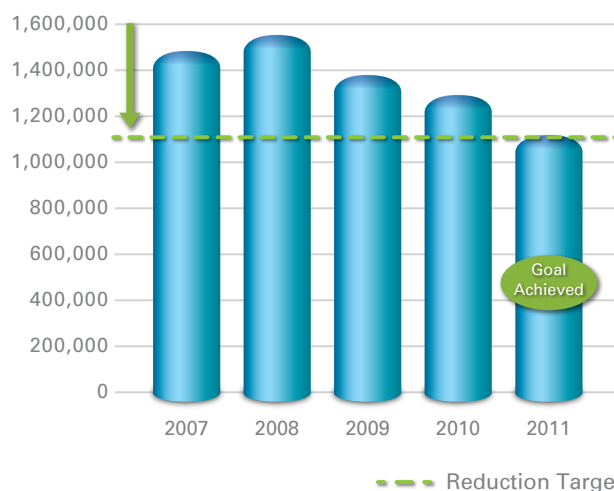
- Numerous Lockheed Martin facilities participate in commuter alternative programs to reduce the number of vehicles on the road, saving employees time and money while reducing carbon emissions. These include transit reimbursement programs, Emergency Ride Home, StarShuttle, the Yellow Bike Program and on-site fitness centers and cafeterias to limit travel during the workday.

Key Sources of Lockheed Martin Greenhouse Gas Emissions



Lockheed Martin Carbon Emissions

(Metric Tons of Carbon Dioxide Equivalents:
Total Emissions-Green Energy Purchases)



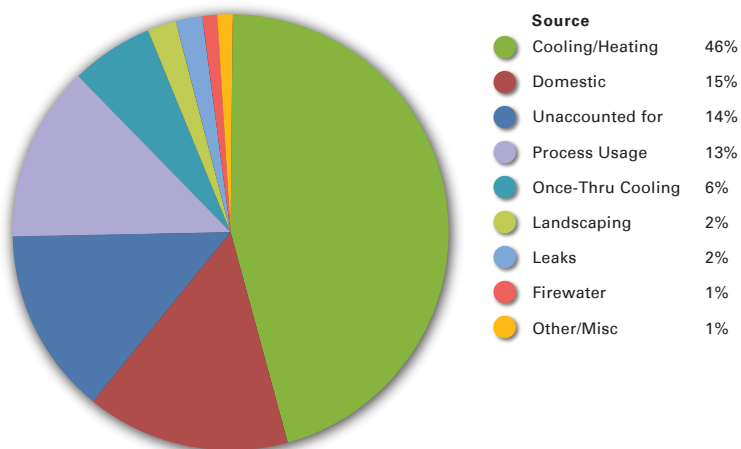
ENVIRONMENTAL PERFORMANCE

Conserving Water

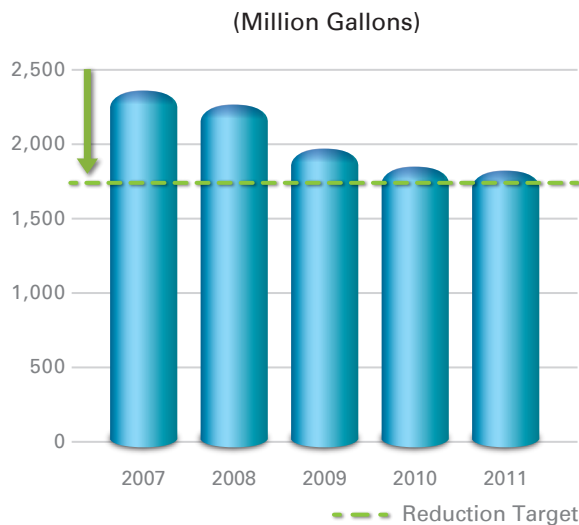
From 2007 through 2011, we reduced our water usage by 23 percent (or 555 million gallons) through facility upgrade projects:

- Our Data Center in Denver, Colo., completed a xeriscaping project to eliminate irrigation on two acres of the site. This facility is also currently replacing the water-intensive grass on its parking lot island with native vegetation.
- Many of our facilities have upgraded restrooms with low-flow toilets and faucets and waterless urinals. Our Orlando, Fla., facility saves 1.4 million gallons of water annually through faucet aerators and automatic fixtures at an installation cost of only \$5,000.
- Changing cooling tower treatment chemicals and repairing a significant cooling tower leak helped contribute to Mission Systems and Sensors' overall 22 percent water usage reduction in Syracuse, N.Y.
- Our Palmdale, Calif., plant installed upgraded cooling towers and low-flow fixtures, thereby reducing its water consumption by 18 percent.
- Missiles and Fire Control in Grand Prairie, Texas, inexpensively replaced a malfunctioning process chiller that now saves approximately 10 million gallons of water annually.

Lockheed Martin Water Consumption



Lockheed Martin Water Consumption





Reducing Waste

By partnering with our waste and resource recovery suppliers, we have successfully identified several non-landfill options for our waste streams. Through 2011, this resulted in a 39 percent waste-to-landfill decrease over the course of four years.

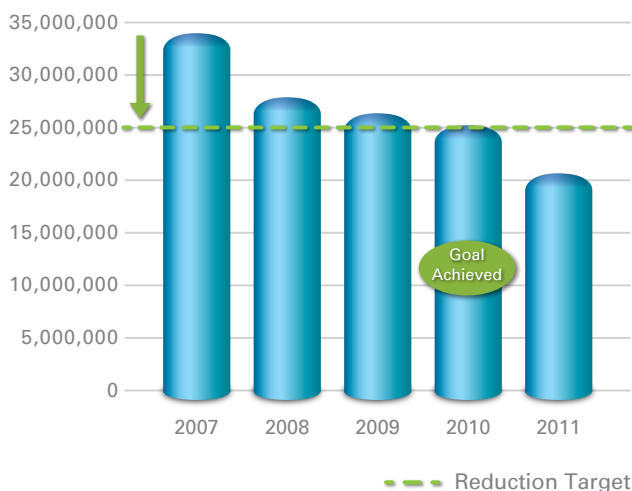
- Single-stream recycling programs allow employees to commingle all recyclable materials into one desk-side collection bin. At our facilities, such programs have increased recycling by as much as 29 percent.
- In 2011, multiple company sites explored recycling and composting options to divert biodegradable waste from landfills. Our Space Systems Company in Sunnyvale, Calif., has recycled nearly 50 tons of paper towel waste from facility restrooms. The Center for Leadership Excellence in Bethesda, Md., composted food waste and paper products, achieving a 95 percent recycling rate for the building. Other sites are recycling yard waste into mulch/compost to be used on or off-site.

Lockheed Martin employees in Palmdale, Calif. played an interactive game to learn about materials that can and cannot be recycled in their new single-stream recycling program.

Lockheed Martin partnered with an IT supplier to eliminate extra packaging by redesigning a multipack shipping container for computers.

**Lockheed Martin
Waste Sent to Landfills**

(Pounds)



ENVIRONMENTAL PERFORMANCE

Remediating Sites

Lockheed Martin is committed to mitigating the Corporation's environmental liabilities that have resulted from legacy Lockheed Martin and heritage company operations. Many remediation projects date back to the 1940s and 1950s when a company followed the letter of the law, only to find out decades later that a common business or manufacturing process impacted the environment negatively. Our goal is to protect human health and the environment and to perform environmental remediation in the most effective, efficient and affordable manner possible.

In New Hartford, N.Y.

We recently completed remediation and restoration work at aseptic tank service company site where industrial waste from a Lockheed Martin heritage company was disposed in the late 1960s and early 1970s. We removed more than 115,000 tons (or 3,200 truckloads) of contaminated soil from a three-acre area. During cleanup, 300 trees were removed and 1,000 were planted increasing native vegetation and biodiversity at the site.

In Akron, Ohio

We cleaned up soil and sediment in a public area called Haley's Run after it was determined that polychlorinated biphenyls (PCBs) had been carried there in rainwater from a heritage manufacturing facility for lighter-than-air aircraft. The area has been restored to include a natural stream, native vegetation and a public walking trail.

For a full list of remediation sites visit www.lockheedmartin.com/us/who-we-are/sustainability/remediation.html.



Photo taken in 1986 shows drums dumped at the former septic tank service site, which may have included liquid waste from the GE French Road plant in New Hartford, N.Y. Lockheed Martin acquired the GE aerospace business and has the environmental responsibility for past operations, which included cleanup of the disposal site.



All active remediation efforts were completed in 2009, followed by one year of groundwater monitoring to confirm all cleanup goals had been met. The site is currently in the process of being delisted from the New York State Registry of Inactive Hazardous Waste Disposal Sites.

GO GREEN INITIATIVES



Launched in 2008, our “Go Green” program strives to reduce adverse environmental impacts from our operations. We’ve already surpassed our goal for reducing carbon emissions and waste sent to landfills. We have also implemented a rigorous and systematic approach to improve energy efficiency and resource conservation.

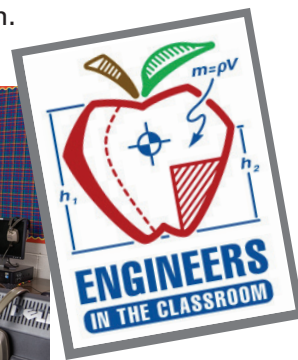
2011 Employee Action

Volunteer-led “Go Green” teams promote environmental awareness and employee engagement at our facilities and in the surrounding communities. Teams lead site-level initiatives ranging from purchasing bike racks made of recycled plastic to organizing stream cleanups and community volunteer efforts.

1. Lockheed Martin employees in Lufkin, Texas, participated in the Angelina County Household Hazardous Waste Collection Day on March 26, 2011, where they helped the community recycle or safely dispose of 18 tons of hazardous household materials, including 140 gallons of motor oil, 8,000 pounds of automobile batteries and scrap metal, 6,000 pounds of electronic waste and 5 tons of paint.
2. For the second year in a row, our Waterton, Colo., Energy Management Team of Space Systems Company employees has received the Xcel Energy Process Efficiency Achievement Award for energy saving efforts in 2011. We achieved this award by having energy savings totaling 4,414,405 Kwh and a CO2 reduction of 2,510 tons. Xcel Energy has awarded Lockheed Martin \$420,854 in rebates since we first joined their Process Efficiency Program in 2010. Some of the money has already been used to fund energy projects and the remaining funds will be used to fund additional projects in 2012.
3. Lockheed Martin recognized National Environmental Education (EE) Week and the 40th anniversary of Earth Day, with on-site celebrations, community clean-up events,

school visits and a host of green activities across the Corporation. The EE Week theme of “Be Water and Energy Wise” asked employees to recognize daily habits (both at work and at home) that collectively impact the environment by participating in the following Corporate-wide activities:

- Lockheed Martin became a pledge driver for the 2010-2011 “Change the World, Start with ENERGY STAR” campaign, a U.S. Environmental Protection Agency-organized effort encouraging Americans to preserve the environment by making small changes to daily habits and purchasing decisions. In the first month of the year-long pledge drive, more than 1,000 employees vowed to collectively reduce their greenhouse gas emissions by more than 46 million pounds. We ranked 4th in total pledged carbon reduction among all participating organizations in the 2010-2011 campaign.
- We established dozens more “Green Zones,” where employees in the same hallway or workstation commit to an energy-saving task such as turning off computers and lights when leaving for the day. To date, there are more than 150 Green Zones throughout the Corporation.
- We added environment-focused curricula to “Engineers in the Classroom”, our corporate education initiative that encourages K-12 students to choose careers in science, technology, engineering and math.



ENVIRONMENTAL PERFORMANCE

Champions for the Planet

For Lockheed Martin environmental engineer **Ashley Bejger**, “going green” is a personal matter. Every mile driven on a road to each piece of paper not recycled means a detrimental impact to precious wildlife and endangered species, which hold a special place in her heart.

Bejger works for our Marietta, Ga., operation – a 2.6-million-square-foot facility with 200 buildings. As our on-site pollution prevention coordinator, she leads numerous “go green” initiatives. Her recycling and composting program has kept 22 tons of food from landfills and properly recycled 320 tons of commingled materials. She also manages an employee-run E-SAFTE (Environment and Safety Actions for Team Excellence) program that creates safety and environmental improvements throughout the Marietta plant, including ergonomics, energy efficiencies and more. Her “household hazard waste collection event” was a success, inspiring several co-workers to make a difference.

“People were thrilled to finally get rid of stuff they’d been harboring at home for years, such as old paint, motor oil and televisions,” Bejger says. “It also got people thinking about filling it back up with ‘green’ home goods, and that’s exactly what makes the difference.”



Ashley Bejger participates in a Lockheed Martin Aeronautics “Adopt-A-Mile” clean up, which occurs four times a year in Georgia’s Cobb County.

Building Efficiency

Through 2011, Lockheed Martin has a total of 25 Leadership in Energy and Environmental Design (LEED) certified facilities, including seven Sandia National Laboratory facilities. An additional 14 Lockheed Martin facilities are working to achieve various levels of LEED certification. LEED certification is now required for all new construction, retrofits and future renovations.

Seven Lockheed Martin buildings received an Energy Star Label from the Environmental Protection Agency, signifying that they rank in the top 25 percent of all buildings across the United States in a similar class.

As part of our building modernization process, we are using On Demand Variable Volume technology, which can potentially save millions of dollars in annual energy costs. We are also partnering with the U.S. Department of Energy’s Save Energy Now program to share our experiences and best practices.

Sustainable Supply Chains

Our Global Supply Chain Operations team works directly with suppliers to re-architect our supply chains to meet all customer requirements in a way that also reduces waste in parts manufacturing, packaging and transportation. We released Sustainable Packaging Guidelines to assist our suppliers with proper packaging techniques to prevent product damage and reduce packaging waste. Improper packaging can lead to costly problems for both the shipper and the customer, and excessive packaging leads to increases in the flow of waste to landfills. Our objective is to encourage preferred packaging techniques aimed to reduce packaging waste and minimize environmental impacts whenever feasible.

2011 Progress:

- We continually look to raise the minimum purchase order dollar value with key corporate agreement suppliers, thereby reducing the number of deliveries that come into Lockheed Martin facilities.

GO GREEN INITIATIVES



- We use 57 corporate agreements with suppliers that provide environmentally preferable products, and we are working to make such products a requirement in the future.
- In partnership with Staples, we kicked off a pilot project at several sites focusing on the procurement of office supplies. We identify, track and measure the number of purchases and dollars spent on environmentally preferable office supplies versus conventional items and continually work with our supplier on competitive pricing for these green products. Our electronic catalog now displays the green alternative when a buyer selects conventional items.
- Global Supply Chain Operations created a corporate-wide team of cafeteria managers who meet on a quarterly basis to discuss best practices and trends in environmentally friendly cafeterias for our on-site food service facilities. Through this sharing of best practices, Lockheed Martin cafeteria managers have implemented local partnerships with recycling vendors and service providers to significantly reduce waste. In 2011, the greenest cafeterias across Lockheed Martin were recognized and awarded with plaques that hang high at their entrances as a reminder to employees of the enhanced programs that support environmental sustainability.
- Registration, Evaluation, Authorization (and restriction) of Chemicals (REACH) – A European legislation with global impact, REACH requires us to provide hazardous chemical data to our EU customers. In response, we are working with our supply chain to develop a comprehensive inventory of substances used in our products.
- Scarce Rare Earth Elements – These substances are used in many of our products, including defense systems, communication devices, missile guidance and more. We are developing mitigation strategies to keep rare earth elements in a closed-loop process, reuse materials wherever possible, cut costs and extend the life of the resource.

Green IT

Our Green IT Team has made great strides toward reducing CO2 emissions by evaluating computer programs, completing a power analysis and changing desktop power settings.

Through 2011, our Enterprise Operations organization consolidated 4,000 of 9,225 data servers that resulted in saving 26 million kWh of electricity consumption and \$2.6 million in costs. Enterprise Operations and Information Systems & Global Solutions businesses' "Print Green" initiative eliminated more than half of personal printers, scanners and fax machines at headquarters, reducing energy usage and greenhouse gas emissions by more than 50 percent. Employees are printing more black-and-white, double-sided documents as a result of the program.

Download our *greening the supply chain brochure* at <http://www.lockheedmartin.com/content/dam/lockheed/data/corporate/documents/greening-supply-chain.pdf>.

Resource Stewardship

With tens of thousands of suppliers worldwide, Lockheed Martin continually works to understand the impacts of the regulatory environment throughout our value chain. Additionally, rising commodity costs and resource limitations encourage us to further assess the decisions we make related to material selection and total product life-cycle costs.

PRODUCT INNOVATION

We consider operational and design decisions every step of the way to improve long-term durability and affordability of our products and services. Our quest is to reduce total life-cycle costs without affecting product quality, while minimizing human health and environmental impacts. We continue to evolve our processes in order to make the most efficient decisions early on – from material selection and manufacture through our customers' use phase and end-of-product life.

Carefully Managing Chemicals

Lockheed Martin participates in the Chemical Strategies Partnership (CSP), a non-profit organization that seeks to reduce chemical use, risks and costs through the transformation of the chemical supply chain. Through 2011, 17 of our larger sites have implemented chemical service provider systems, comprising approximately 50 percent of the Corporation's total chemical expenditures. Through these systems, sites can track chemicals purchased with just-in-time delivery to reduce on-site, chemical bulk storage and waste associated with over-ordering.

In response to customer demand, we launched a corporate initiative to reduce toxic hexavalent chromium in our products and processes and seek out alternative painting primers. Our initiative aligns with the requirements of U.S. Executive Order 13514 ("Federal Leadership in Environmental, Energy, and Economic Performance") and U.S. Executive Order 13423 ("Strengthening Federal Environmental, Energy, and Transportation Management"), requiring all federal agencies to increase usage of acceptable alternative chemicals and encourage processes to minimize waste

generation. A Corporate policy dictates the incremental elimination of hexavalent chromium in our products as suitable replacement materials become available for corrosion protection. The policy requires written concurrence of the Vice President of Engineering at the affected business unit and approval of the Senior Vice President and Chief Technology Officer for any reversion to hexavalent chromium products in an existing Lockheed Martin product and the introduction of new applications of hexavalent chromium products.

Design for Advanced Environment, Safety and Health Training

Every two years, our aeronautics materials engineers participate in this training, which covers hazardous material management and recordkeeping, identifying alternatives for restricted materials, properly classifying cleaners and coatings, and updates on Lockheed Martin's technical policy on expanding the use of non-chromate containing products.

Aeronautics Breakthroughs

F-35 Lightning II

A strong example of our commitment to reducing the life-cycle costs and environmental impact associated with our products is the F-35 Lightning II, the world's largest defense procurement program.

The U.S. Defense Department included certain life-cycle sustainability requirements in the F-35 acquisition contract, thereby setting the stage for a far-reaching effort to reduce financial and environmental impacts before, during and after aircraft construction.

See how we responded in 2011:

- We required vendors and subcontractors to avoid restricted materials unless they received permission from the Lockheed Martin F-35 program team, which resulted in evaluation of alternatives during the development process.



The F-35 Lightning II Environmental, Safety and Occupational Health Team is made up of Lockheed Martin consultants and members of the U.S. Navy. The team won the Fiscal Year 2009 Chief of Naval Operations Environmental Awards for Environmental Excellence in Weapons System Acquisition, partly for efforts in reducing the use of chromate-containing primers on our aircraft.

- Maintenance chemicals, such as cleaners and solvents, must be approved by the F-35 team. While some replacements might be more costly up front, they potentially lower the total cost of a product by reducing such things as training and recordkeeping requirements, future liabilities and worker/user exposure. For example, the team replaced hard chrome plating on landing gear and actuators with a more durable coating process called high-velocity oxygen fuel that is more durable than chrome and could last for the life of the aircraft.
- The F-35 team eliminated a hazardous, chromate-containing structural primer used to prevent corrosion and replaced it with a new, chromate-free primer that is outperforming the old coating in many tests.
- Many instances of copper-beryllium use on the F-35 Lightning II were replaced with a super-durable stainless steel alloy. This is preventing production

line delays associated with cleaning up the hazardous alloy, as well as avoiding costly worker exposure, maintenance and disposal issues down the road.

Aeronautics C-130 Program

Our Aeronautics C-130 Program is pioneering key technologies that provide fuel savings for the aircraft fleet. By incorporating micro-vanes into the fuselage, our engineers improved system performance by reducing drag by 3.7 percent and reducing fuel consumption by 2-3 percent. These modifications could save approximately 20 gallons of fuel per aircraft flight hour. With the U.S. Defense Department operating 355 C-130 aircraft, each with approximately 600 flight hours per year, this could equate to an annual savings of over \$10 million in fuel costs.

PRODUCT INNOVATION



We set our sustainability program and reduction goals to align with government, industry and societal expectations. Many of our clients are required to meet the goals established in U.S. Executive Order 13423 and Executive Order 13514. We orient our policies and targets with these executive orders to enable our customers to achieve compliance.

We offer an entire portfolio of solutions and systems integration capabilities to agencies, cities and countries who might be facing energy and resource challenges related to energy, climate change, land use, water conservation, waste reduction, and other environmental and safety aspects.

For details on these products, programs and services, browse this section or visit **Supporting Our Nation's Energy and Climate Challenges***.

**<http://www.lockheedmartin.com/us/products/energy-efficiency-services/femp.html>*



Renewable Energy Technology



Wind

Our WindTracer® is a Doppler lidar sensor used to characterize wind resources over large spatial areas from a single location. Its reliable data lowers investment risk and improves the accuracy of wind energy production predictions.

<http://www.lockheedmartin.com/us/products/windtracer.html>



Ocean Thermal

Ocean Thermal Energy Conversion (OTEC) technology leverages the ocean's natural thermal gradient to generate power. This process can serve as a baseload power generation system that produces renewable, non-polluting power that is available 24/7 ... an ideal solution for shore-side military bases and tropical communities.

<http://www.lockheedmartin.com/us/ms2/features/2010/100502-otec--harnessing-ocean-power.html>



Wave and Tidal Energy

We are leveraging decades of experience in designing and developing maritime systems into wave and tidal power systems. Through strategic relationships with key wave and tidal power technology providers, we are providing the expertise to help make the systems work in harsh ocean environments and large-scale projects.

<http://www.lockheedmartin.com/us/products/wave-tidal-energy.html>



Fuel Cells

Generator sets (gensets) are the largest consumer of fuel on the battlefield. Delivering fuel in forward areas is both expensive and dangerous. Our Solid Oxide Fuel Cell (SOFC), directly compatible with standard DoD logistic fuels like JP-8 and Jet-A, is an alternative solution that efficiently converts fuel into electricity using a chemical reaction, unlike the combustion engines in today's diesel gensets. Our SOFC genset is cleaner, more efficient and more cost effective than existing military gensets.

<http://www.lockheedmartin.com/us/products/solid-oxide-fuel-cells.html>



Bio Energy

Lockheed Martin offers solutions for biomass, biofuel and waste to energy applications that utilize non-food biomass feedstock and waste. We help our own operating sites and customers produce responsible and secure power, fuel and heat on land and at sea through technologies such as conventional boilers, mobile waste to energy systems and advanced thermo-chemical gasification.

<http://www.lockheedmartin.com/us/products/biomass.html>

PRODUCT INNOVATION

Power Management



Microgrid Solutions

Intelligent Microgrid Solutions provide an efficient, reliable and secure energy system that integrates existing power generation assets with new or existing renewable power sources and manages energy demands, whether connected to or independent of a utility power grid. This power system supports mandates to improve energy efficiency, reduce greenhouse gas emissions and increase the use of renewable energy, while reducing energy costs.

<http://www.lockheedmartin.com/us/products/intelligentmicrogridsolutions.html>



Energy Storage

Energy storage is a key enabling technology that will allow a variety of benefits from increasing cell phone capability to better integration of renewable energy into the grid. Lockheed Martin is working to develop advanced energy storage materials and nanotechnologies to accelerate these industries, while at the same time reducing costs. Examples range from improving flow battery electrodes to porous silicon battery anodes that increase energy density of lithium-ion batteries.

<http://www.lockheedmartin.com/us/what-we-do/emerging/energy-management.html>

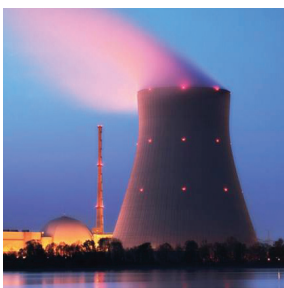


Smart Grid Solutions

Our Smart Energy Enterprise Suite (SEEsuite™) and smart grid implementation services provide our customers with readily available data to better understand and respond to rising energy demands at their facilities and across the smart grid. One tool in the suite, SEEview™, provides real-time energy awareness by integrating key operations and business systems, thereby enabling facility managers to effectively manage assets. SEEview™ has been rolled out to our top 21 energy consuming sites, enabling us to better control energy usage and costs within our own operations, as well as creating a learning opportunity to share with our customers.

<http://www.lockheedmartin.com/us/products/energy-solutions/seesuite.html>

<http://www.lockheedmartin.com/us/products/energy-solutions/seesuite/seeview.html>



Nuclear Instrumentation and Control

For more than 50 years, Lockheed Martin has provided the nuclear energy industry with proven technology, qualified products and safety-critical systems, that support affordability and reliability. We are a leading provider of nuclear instrumentation and control systems for the U.S. Navy.

<http://www.lockheedmartin.com/us/products/nuclearsands.html>



Federal Government and Utility Energy Efficiency

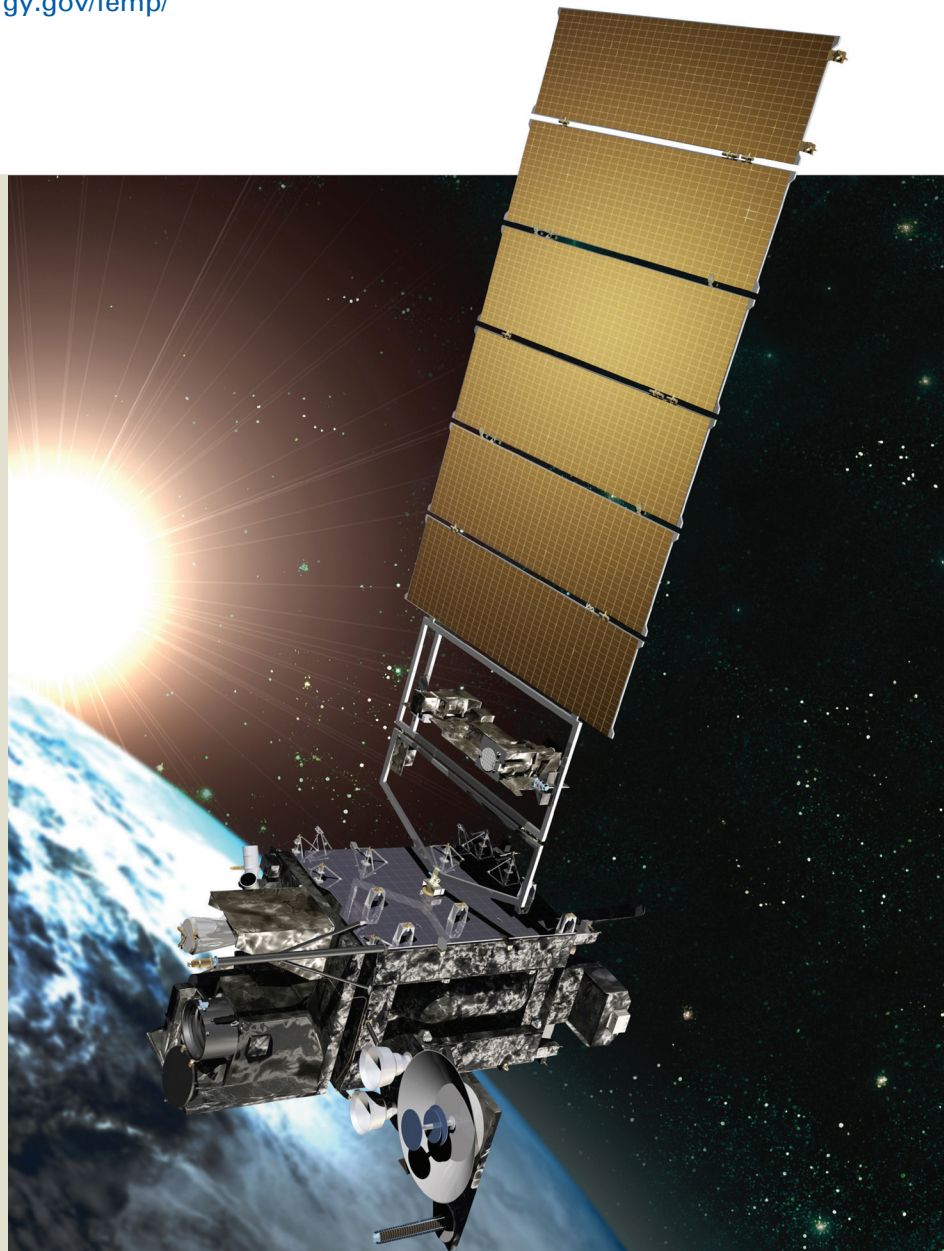
Lockheed Martin is helping the federal government reduce its energy costs and environmental impact through increased energy efficiency, additional use of renewable energy and improved utility management decisions at federal sites. Under the Department of Energy (DOE) Federal Energy Management Program (FEMP), the U.S. Air Force selected Lockheed Martin as a partner in the development of Ogden Air Logistics Center at Hill Air Force Base, Utah. As one of the nation's largest implementers of energy efficiency programs for utility customers, our team saved this project more than 550 million kWh and 5 million therms of natural gas, which is equivalent to the energy used in 52,000 homes.

<http://www.lockheedmartin.com/us/products/energy-efficiency-services/femp.html>

<http://www1.eere.energy.gov/femp/>

Space-Based Climate Monitoring

Lockheed Martin is designing and building the next-generation Geostationary Operational Environmental Satellite R-Series (GOES-R) for the National Oceanic and Atmospheric Administration (NOAA). GOES-R system data will improve weather forecasting quality and timeliness, thereby generating national economic benefits related to climate monitoring, ecosystems management, commerce and transportation.



GLOBAL COMMUNITY OUTREACH



We strive to be a valued partner to our neighbors, our nation and our ally countries through our philanthropic contributions, employee volunteerism and disaster relief assistance. Our partnerships with non-profit organizations focus on STEM (Science, Technology, Engineering and Mathematics) education, customer and constituent priorities, and community involvement. These community outreach activities reflect the values that are intrinsic to the Lockheed Martin culture.

We commit 50 percent of our philanthropic contributions to STEM education; 30 percent to our customer- and constituent-valued causes; and 20 percent to local community programs. We seek quality partnerships leading to direct and measurable impact.

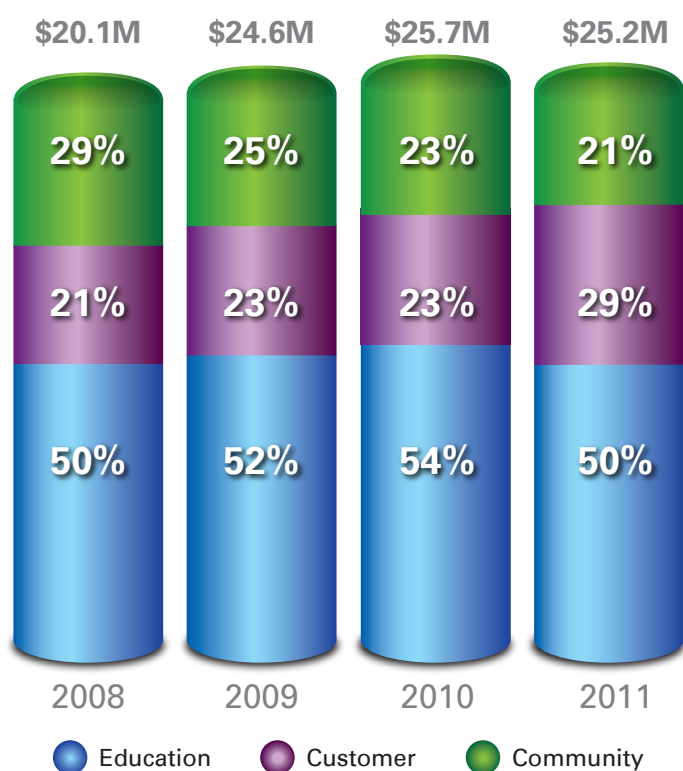
For more information on our Global Community Outreach, visit www.lockheedmartin.com/us/who-we-are/community.html.



"At Lockheed Martin, we know firsthand the importance of educating our young people in math and science. Our future success and our nation's technological advantage depends on a constant supply of highly trained, highly capable technical talent."

*Robert J. Stevens,
Chairman and CEO*

Lockheed Martin Contributions by Focus Area



STEM Education

Never have the global economic and security challenges been greater, and never have we needed a Science, Technology, Engineering and Math-educated workforce in the U.S. more than we do today. More than 80 percent of our talent and skill needs are for technical talent in engineering and IT, specifically systems engineering, computer science, electrical/mechanical engineering and aerospace engineering. We recognize the imperative for our country to invest in developing a future workforce that will maintain U.S. technology leadership and a competitive manufacturing base, and thus Lockheed Martin remains committed to supporting STEM for our youth.

We aim to improve the quality of STEM education, enhance academic performance, train and recruit qualified teachers, and engage students with hands-on activities and inquiry-based learning opportunities. In 2011, we supported more than 500 STEM-focused activities.

Project Lead the Way

Our support of Project Lead The Way Inc. (PLTW) includes supporting PLTW schools near our work sites, scholarships to PLTW students who major in related engineering majors and underwriting of PLTW curriculum revision in its aerospace curricula. PLTW is an integral part of Lockheed Martin's Engineers in the Classroom initiative.

USA Science and Engineering Festival

Lockheed Martin was the presenting host of the inaugural festival, drawing more than one million visitors to the National Mall. Lockheed Martin is the presenting host of the April 2012 USA Science and Engineering Festival.

FIRST®

With the commitment of more than 250 Lockheed Martin mentors and volunteers, the Corporation supported 95 robotics teams across the U.S. Twelve of

GLOBAL COMMUNITY OUTREACH

our *FIRST*® Robotics Challenge teams and two *FIRST*® Tech Challenge teams competed at the 2011 National Championships.

National Math & Science Initiative

The *Initiative for Military Families* received inaugural funding from Lockheed Martin, and is in partnership with the Military Child Education Coalition (MCEC). It provides Advanced Placement courses in math and science to children from military families. The first high schools to benefit from the initiative are in Fort Campbell, Ky., and Fort Hood, Texas. This is tied to the STEM-focused Military Families Initiative/Joining Forces Initiative, a national initiative to support America's service members and their families.

National Science Olympiad

Lockheed Martin supports Science Olympiad high school competitions, which are like academic track meets, consisting of a series of 23 team events. Each year a portion of the events are rotated to reflect the changing nature of genetics, earth science, chemistry, anatomy, physics, geology, mechanical engineering and technology. By combining events from all disciplines, Science Olympiad encourages a wide cross-section of students to get involved with emphasis placed on active, hands-on group participation.

Conrad Foundation, Spirit of Innovation

Lockheed Martin sponsors The Spirit of Innovation Challenge, which is an annual competition that challenges high school student teams to use STEM skills to develop the products of tomorrow. Along the way, coaches, world-renowned scientists, engineers and entrepreneurs are there to mentor you and help turn your idea into your reality. The Conrad Foundation is dedicated to fundamentally shifting how STEM is taught in K-12 schools and across socioeconomic levels.

Supporting Our Constituents

Our objective is to promote quality solutions with measurable impact for our customers' and constituents' priorities in global security and military service member aid. Twenty-three percent of Lockheed Martin's current workforce are veterans, and we focus on developing and implementing programs that enable us to attract, develop and retain this workforce. Additionally, Lockheed Martin provides funding that touches service members at every stage of their careers from military academies to scholarships for their children. In step with the growing need, we are increasing focus on wounded warriors and job transition programs to help reintegrate those who have served.

In 2011, we supported the programs of more than 200 organizations important to our constituents.

Marine Corps Scholarship Foundation

We support scholarships for post-high school education to deserving children of Marines with particular attention given to those whose parent has been killed or wounded in action. The Lockheed Martin Severely Wounded Warriors Fund also offers scholarships to children of permanently disabled Marines.

Operation Mend

We are the lead corporate sponsor of this special military-focused program of the UCLA Hospital System, Operation Mend, providing reconstructive plastic surgery for the most severely burned and disfigured soldiers who have returned home from service in Iraq and Afghanistan.

Our Military Kids

As America's National Guard and Reserves are deployed, their children face uncertainties. Through our support, these children earn scholarships to participate in extra-curricular activities from tutoring to sports,



bringing a sense of normalcy and financial relief to families.

Military Relations outreach

Since 2005, Lockheed Martin has had a dedicated military employment outreach team who are all veterans. Highlights of this program include hiring 900-1,000 transitioning veterans yearly, attending over 200 transitioning military hiring events annually, maintaining a website for transitioning military career resources and hosting an online chat room to directly connect veterans with Lockheed Martin military recruiters. These efforts are paying off – in the last five years alone, the Corporation has hired nearly 18,000 veterans.

Community Partnerships

One of our core values is investing directly in local communities where our employees live and work. Through direct financial resources, board leadership and skills, and knowledge transfer, we strengthen our communities through their civic, cultural, environmental, or health and human services programs.

- In 2011, over \$4 million was allocated to community-based health and human services, community revitalization, arts and culture organizations, the Red Cross and local United Way locations.
- Our largest community partner is the National Air and Space Museum, which attracted over 350,000 public visitors in 2011.
- On the morning of Nov. 22, 2011, Santa Claus received help from Lockheed Martin Aeronautic employees, the Blue Angels and the team's C-130 Hercules, known as Fat Albert, for the second year in a row. The Blue Angels kicked-off the holiday season by partnering with employees to deliver almost four pallets of toys to Birmingham, Ala., where the toys were distributed to families living in communities impacted by the devastating tornadoes in April 2011.

Volunteerism

At Lockheed Martin, volunteerism is an important quality of our company and our people, and helps attract and retain our workforce. We feel that volunteering time and energy makes a difference in local communities.

- Our employees volunteered nearly 1.3 million hours in 2011, marking the seventh consecutive year above the one-million-hour mark. Additionally, 3,500 employees earned the Presidential Volunteer Service Award for completing a minimum 100 volunteer hours in 2011.
- Nearly 100 volunteers from across the Corporation volunteered their time at the AT&T National Professional Golf Association event, held June 28 - July 3 at Aronimink Golf Club in Newtown Square, Pa. Our volunteers hosted approximately 30,000 guests at the Lockheed Martin Military Pavilion, where military service personnel and their families were treated to snacks, refreshments and some of the best views of the golf course during the event. Additionally, volunteers helped tournament attendees stuff 7,000 care packages at the USO care package tent. Professional golfer and tournament host, Tiger Woods, joined Major General Wesley Craig, adjutant general and commander of the Pennsylvania National Guard, and Information Systems & Global Solutions (IS&GS)-Defense President Gerry Fasano in the care package efforts, and also spent time with military guests and Lockheed Martin volunteers during the tournament's opening activities. Proceeds from the tournament benefit the Tiger Woods Foundation, which delivers "unique experiences and innovative educational opportunities for youth worldwide."

**SINCE 2004, LOCKHEED MARTIN
EMPLOYEES HAVE STUFFED OVER
300,000 USO CARE PACKAGES FOR
DEPLOYED TROOPS.**

GLOBAL COMMUNITY OUTREACH

Lockheed Martin Employee Volunteer Activity			
Year	Employee Giving (in millions)	Employee Volunteer Hours (in millions)	Presidential Volunteer Service Awards
2008	\$22.3	1.4	3,944
2009	\$22.6	1.4	4,528
2010	\$20.4	1.3	4,250
2011	\$21.0	1.3	3,538

Employee Giving

Our employees share our company's interest in strengthening communities through their passion and commitment. Our employees have generously impacted thousands of charities by providing resources to support the needs of local communities every year.

- Employees contributed over \$21.0 million in 2011 and \$20.4 million in 2010 to local charities.
- Most notably, employees contributed to disaster relief, American Cancer Society, Wounded Warriors and the USO Care Package program. Employees contributed to over 7,000 community organizations through our annual giving campaign.

Disaster Relief

Our goal is to focus on our employees' well-being, particularly when they are impacted by natural disasters. In 2011, we also responded in global communities impacted by natural disasters.

Hurricane Irene/Tropical Storm Lee

Hurricane Irene and Tropical Storm Lee left parts of the Northeast flooded, including Owego, N.Y., the home of one of our facilities and many employees. Using our Lockheed Martin Employee Disaster Relief Fund, impacted employees received financial relief in less than a week. Employees banded together with community members to remove debris and mold from homes.

Japanese Tsunami

When our ally, Japan, faced the aftermath of the earthquake and tsunami, we provided more than \$1.5 million in support. In addition to a corporate donation to the Japanese Red Cross, our employees voluntarily made donations that the company matched dollar for dollar.



The Lockheed Martin Ethics & Business Conduct office enhanced awareness of its ethics program in 2011 with a refreshed internal website, new program graphics and distribution of an updated copy of the “Setting the Standard,” Lockheed Martin’s Code of Conduct, to each of our 123,000 employees. The update includes an added section on “Citizenship and Human Rights” in which we specifically mention the prohibition of child labor and forced labor. We maintain a toll-free ethics help line available worldwide, seven days a week, 24 hours a day, as a means of raising concerns or seeking advice. Persons using the help line may choose to remain anonymous. Our help line accommodates the hearing impaired and we maintain an electronic inbox for those who prefer to communicate with our office via email.

Our ethics policy statement goes on each purchase order we issue. To clearly address human rights matters, we note our compliance with U.S. Government regulations on trafficking in persons (e.g., FAR 52.222-50) and child labor. With respect to collective bargaining, we also include FAR 52.222-40 Notification of Employee Rights Under the National Labor Relations Act in our corporate terms and conditions. We are committed to ensuring that our employees and suppliers take appropriate steps to mitigate the risk of human trafficking and slavery from occurring in any aspects of the supply chain. We send an annual letter to our suppliers stating that we will always hold constant the core values of ethics and integrity on which Lockheed Martin’s reputation has been built.

ETHICS

Lockheed Martin has seen several shifts in ethics outcomes in 2011. Results from our annual employee survey indicate that employees are speaking up more than ever, as indicated by a decrease in observed misconduct combined with an increase in reported misconduct. Additionally, Lockheed Martin employees have indicated they feel a significant reduction in fear of retaliation for reporting misconduct.

In 2011, there were 4,394 contacts with the ethics office of which 82 percent were for guidance. This figure represents an 11 percent decrease in total cases. In cases where misconduct was substantiated, discipline up to and including termination was enforced. Lockheed Martin's annual employee survey cited the Ethics Culture Index Score at 75, approximately 1.5 points higher than prior years.

Setting the Standard

Lockheed Martin has had a written code of ethics in place since its formation in 1995. "Setting the Standard," our Code of Ethics and Business Conduct, applies to all our employees, including our principal executive officer, principal financial officer, principal accounting officer and controller, and to members of our Board of Directors.

Our Ethics Office is headed by our Vice President – Ethics and Business Conduct, who reports directly to the Chief Executive Officer and the Ethics and Corporate Responsibility Committee. Any matters reported to our Ethics Office, whether through the help line or otherwise, involving accounting, internal control or audit matters, or any allegation of fraud involving management or persons who have a significant role in the Corporation's internal controls, are reported directly to the Audit Committee.

Education

Our directors and employees, including international locations, participate in an annual ethics live training session. We devote significant resources to our business conduct compliance training program.

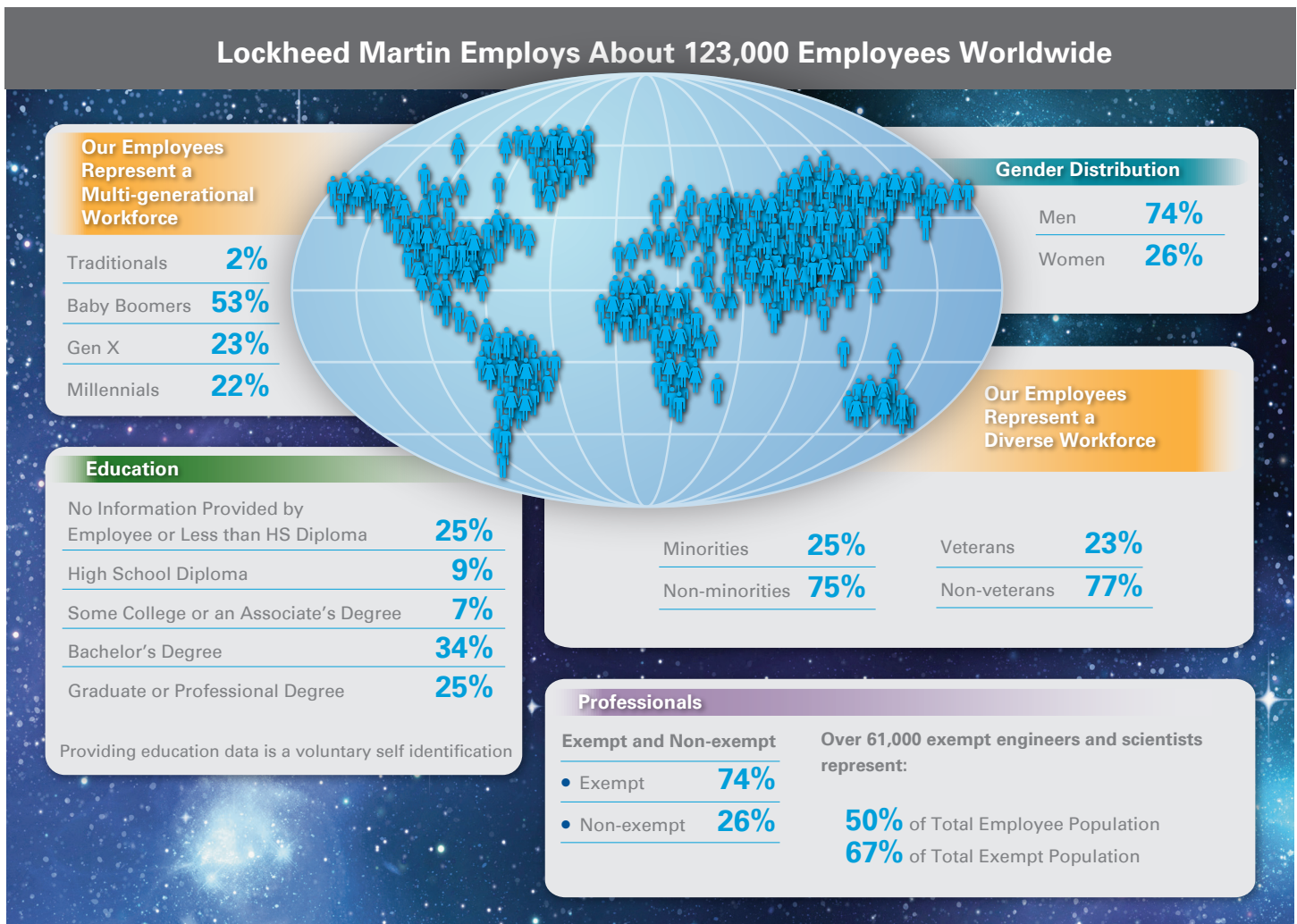
- In 2011, our employees completed more than 600,000 on-line business conduct compliance training modules. Each of our more than 29,000 suppliers have access to our Code, our help line and information on resources to help them establish and improve their own ethics program <http://www.lockheedmartin.com/us/who-we-are/ethics/resources.html>.
- We initiated a new supplier mentoring pilot program across the Corporation in which suppliers are matched with the Ethics office of the respective Business Area to help increase the robustness of the supplier's in-house ethics program.
- Each quarter, all employees receive a link via email to view "Integrity Minute," the episodic video series presented over a three-week period. It provides employees with a front-row seat in an ethical dilemma. Scripts are drawn from case histories to include actual events in which employees may find themselves. The web series has a steady viewership of more than 30 percent of the total employee population. "Integrity Minute" enables employees to experience an ethical dilemma and learn from the experience without jeopardizing their career or the Corporation.
- We honor employees for stellar achievement in ethics, as part of the Corporation's NOVA Awards. The award recognizes an employee for extraordinary actions or behavior that exemplify the Corporation's commitment to "setting the standard" for ethical business conduct and integrity. Lockheed Martin's Chairman and CEO selects the award recipient.



We recognize that diversity and inclusion are business imperatives. It's about creating an environment that welcomes, respects and leverages our individual differences as a competitive strength. Diversity goes beyond legal requirements such as Affirmative Action and Equal Employment Opportunity. We recognize that there are infinite qualities that make people unique. We are dedicated to creating an environment that listens to the voices of our employees and engages them to help shape our course. In our increasingly demanding Aerospace and Global Security environment, building inclusive, innovative teams where everyone feels respected and empowered, is critical to mission success.

Commitment to diversity and inclusion starts at the top and is guided by Lockheed Martin's Executive Diversity Council (EDC). Chaired by President and Chief Operating Officer Chris Kubasik, the council includes executive leaders from across the Corporation. Annually, the EDC sets strategic objectives with the Vice President of Diversity, Inclusion and Equal Opportunity Programs who is accountable for successful implementation.

DIVERSITY AND INCLUSION



"As a leadership team, we take our role on the EDC very seriously. Embedding diversity and inclusion into everything we do at Lockheed Martin and cascading it down is our priority. Not only is it important for our employees, but it is also essential for our customers, suppliers, partners and the communities we serve."

*Christopher E. Kubasik
President and Chief Operating Officer*



Employee Survey Findings

Lockheed Martin's comprehensive employee opinion survey, LM Voice, was launched in the second quarter of 2011. It combined the employee perspectives, ethics and diversity surveys into one view of our company's organizational climate. The survey results from approximately 68 percent of employees generated an Organization Health Index (OHI) based on four components: Employee Experience, Ethics and Integrity, Diversity and Inclusion, and Leadership Excellence. Following the survey results, 100 percent of leaders created action plans by Aug. 31, 2011, to respond to employee feedback. The OHI scores from the survey are used as a diversity and inclusion baseline for metrics.

Employee and Leadership Development

Our talent management strategy is to ensure that we have the right talent in the right place to execute our business strategy now and in the future. For talent management to truly be effective, it must be institutionalized as an ongoing business process. We have established quarterly and annual talent reviews that coincide with our business rhythms. During these reviews, the executive leadership team discusses succession plans for key positions and identifies top talent so that we can actively develop them for future leadership roles. Annually the Board of Directors evaluates the company's succession strategy and leadership pipeline for key roles. Board members also are active partners, engaging and spending time with our top leaders throughout the year.

In 2011, we focused on providing leaders with tools and resources for creating an inclusive environment by continuing to offer Effective Leadership of Inclusive Teams (ELOIT) learning labs. These labs were implemented in 2007 as a result of employee survey feedback, which indicated that white males felt disconnected from company diversity efforts while non-white male employees wanted greater engagement

from their white male peers in diversity efforts. Efforts included:

- Conducting 11 learning labs for vice presidents and above
- Sponsoring a one-day event with Space Systems Company leaders and their Diversity and Inclusion Council members to pilot an approach for conveying key ELOIT messages to a broader audience
- Holding a pilot White Men's Caucus (WMC) for early to mid-career leaders to augment the ELOIT labs

During late 2011, a new training module was added called, "Promoting Fairness: Avoiding Bias."

This module provides tools and techniques to help ensure fairness in employment decisions. The training was conducted online and reached over 19,500 managers, team leads and human resources professionals.

Leadership Forums & Resource Groups

Beginning in 2002, Lockheed Martin established four leadership forums to promote professional development and retention. These included the African American Leadership Forum, Hispanic Leadership Council, Council of Asian American Leaders and Women's Leadership Forum. Each forum is chaired by a Lockheed Martin executive vice president or senior vice president and provides a valuable mechanism for networking, mentoring and leadership development.

In 2011, the EDC approved three new Leadership Forums:

- Military and Veterans
- People with Disabilities
- Lesbian, Gay, Bisexual, Transgender (LGBT)

DIVERSITY AND INCLUSION

We launched a new framework for Employee Resource Groups (ERGs) and Employee Networks (ENs), which are open to all employees. ERGs are established based on the primary dimensions of diversity such as race, ethnicity, gender, disability status and sexual identity/orientation. They support professional development, increase awareness and education, and help advance the company's mission and business objectives. Some examples include Veteran's Employee Resource Group (VERG) and Women's Intrinsic Network (WIN). Employees voluntarily use an EN to align common interests within a business function, such as campus recruitment or environmental stewardship.

The Office of Diversity and Inclusion also launched the ERG/EN SharePoint site. This tool provides employees with internal and external resources for leadership development, discussion forums and templates for forming ERGs and ENs.

Diversity and Inclusion Communications

In the first quarter of 2011, a Diversity and Inclusion Communications Integrated Project Team was launched to create a holistic, sustainable communications campaign that highlights Lockheed Martin's emphasis on diversity and inclusion. The team's strategy and final recommendations were reviewed and approved by the EDC. The recommendations will further integrate diversity communications across all segments of the Corporation.

LGBT Benefit Offerings

In 2011, changes were made to the 2012 benefit offerings to make coverage more inclusive for LGBT employees and their families.

- Same-sex spouses will be treated as spouses, not as domestic partners, for purposes of enrolling in group insurance plans.
- LM HealthWorks, a company health plan, will cover sex reassignment services.
- Same-sex domestic partners/spouses will no longer be subject to imputed income, if the employee

certifies through the Lockheed Martin Employee Service Center that his/her same-sex dependent is considered a dependent for tax purposes.

Supplier Diversity

We are committed to supplier diversity by providing opportunities to a diverse supplier base, including small, small disadvantaged, HUBZone, women-owned, veteran-owned and service-disabled-veteran-owned businesses. When it comes to subcontracting opportunities, Lockheed Martin offers maximum exposure and advocacy for a range of small businesses. To promote opportunities to diverse suppliers, Lockheed Martin has approximately 50 small business advocates that participate and meet with diverse suppliers at more than 75 local and national outreach events and conferences annually.

In 2011, we awarded contracts to over 22,000 suppliers, of which \$6.5 billion total U.S. dollars were awarded to small businesses.

- Lockheed Martin is an active participant in government outreach programs, including Mentor-Protégé, Small Business Innovation Research (SBIR) and Indian Incentives Program. Through these programs, Lockheed Martin has developed long-term strategic partnerships with multiple small business firms.
- Lockheed Martin's Mentor-Protégé program has led to innovation in the development and advancement of new technologies at small, diverse businesses, with 13 current, active agreements. Along with these targeted agreements, Lockheed Martin offers "Protégé 101" courses, free webinar courses offered to strategic partners.
- Through the Small Business Innovation Research (SBIR) program, Lockheed Martin is currently partnering on more than 100 SBIR-related topics with small business firms and Historically Black Colleges and Universities and Minority Institutions (HBCU/MI).



- As an active participant of the Indian Incentives Program, Lockheed Martin has received approximately \$2 million in rebates on open U.S. Department of Defense contracts and subcontracts exceeding \$550,000 for procurements placed with federally recognized Indian-owned suppliers.
- Lockheed Martin has served on the National Center for American Indian Enterprise Development (NCAIED) Board of Advisors for over 20 years and is committed to working with the NCAIED to help provide opportunities and partnerships to Native American businesses.
- We won more than 15 national and local awards in 2011 associated with supplier diversity efforts, including being named a Best 10 Corporation for Veteran-Owned Businesses by National Veteran Owned Business Association (NaVOBA); recognized as the first Corporate Leadership recipient by the National Center for American Indian Enterprise Development; recognized by the National Veteran Small Business Coalition for “exceptional support” of Service-Disabled & Veteran Small Businesses and ranked #11 of the Top 50 Organizations for Supplier Diversity; as well as received the Champions of Diversity Award by Diversity Business.com.
- Lockheed Martin represents and supports many national and local boards, including the National Minority-Supplier Development Council (NMSDC) Inc., the Women’s Business Enterprise National Council (WBENC) and Billion Dollar Roundtable. Lockheed Martin professionals hold various board and leadership positions, including National Center for American Indian Enterprise Development, Regional Minority Enterprise Development (MED) Week Executive Planning Board, Veteran Summit and U.S. Pan Asian Chamber of Commerce.
- We helped launch the Veteran’s Institute for Procurement (VIP), a training program that focuses on assisting veteran-owned businesses with enhancing and accelerating their ability to win government contracts. Lockheed Martin is also a

sponsor of the National Veterans Small Business Conference and the Elite Service Disabled Veteran Owned Business Conference, as well as provides training and sponsorship at the Entrepreneurship Bootcamp for Veterans with Disabilities at Syracuse University.

To learn more about our Diversity and Inclusion efforts, visit www.lockheedmartin.com/us/who-we-are/diversity.html.

2011 Award-winning Small Businesses Nominated by Lockheed Martin

J & P Khamken

Winner of the Small Business Administration (SBA) Small Business Subcontractor of the Year - Region IV

Angeles Composite Technologies Inc.

Winner of the SBA Small Business Subcontractor of the Year - Region X

M2 Global Technology Ltd.

Winner of the SBA Small Business Subcontractor of the Year - Region VI

Evolver Inc.

Winner of the SBA Small Business Subcontractor of the Year - Region III

Innoventor

Winner of the SBA Small Business Subcontractor of the Year - Region VII and Small Business Prime Contractor of the Year

OCCUPATIONAL HEALTH AND SAFETY



At Lockheed Martin, sustainability begins with a human touch, empowering people with resources to protect and enhance their lives. From our employees and contractors to visitors and neighbors, we immerse ourselves in a culture deeply committed to uncompromising safety, health and wellness.

With a target set at zero workplace injuries, we maintain safe workplaces, stress accountability, assess and control risks beyond compliance, and require a demonstrated safety commitment at all levels of the Corporation. Our commitment to safety focuses on employee education and performance measurement, return-to-work programs, behavior-based safety processes and participation in the Occupational Safety and Health Administration's Voluntary Protection Program.

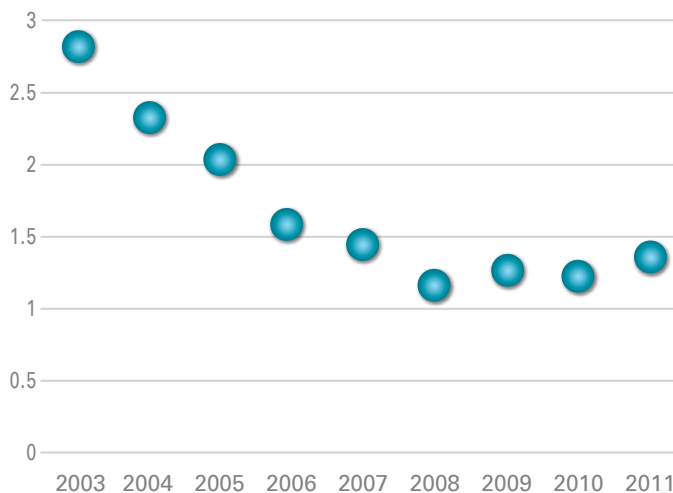


Our Target Zero program reduces injuries and improves the overall culture of safety at all Lockheed Martin sites. We continually work to decrease case rates for recordable injuries, day away cases and severity (lost days) rates. From 2003 to 2011, our recordable injury rate dropped 50 percent, while our severity (lost days) rate decreased 59 percent.

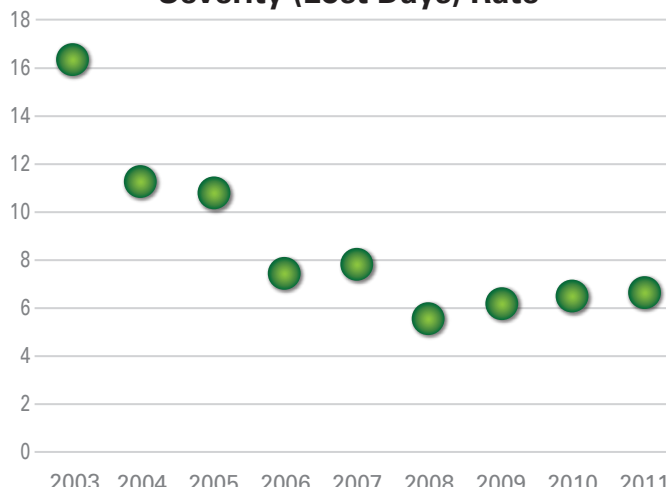
However, in 2011, our recordable injury rate stood at 1.4, a 14 percent increase from the previous year. Our day away case rate was 0.22, a four percent drop from last year; and our severity (lost days) rate was 6.71, a four percent increase from the previous year. Each case rate is calculated per 100 employees, working 40 hours per week for 50 weeks per year.

Through Target Zero, it's about personal responsibility, management accountability and safety integration throughout the entire business life-cycle.

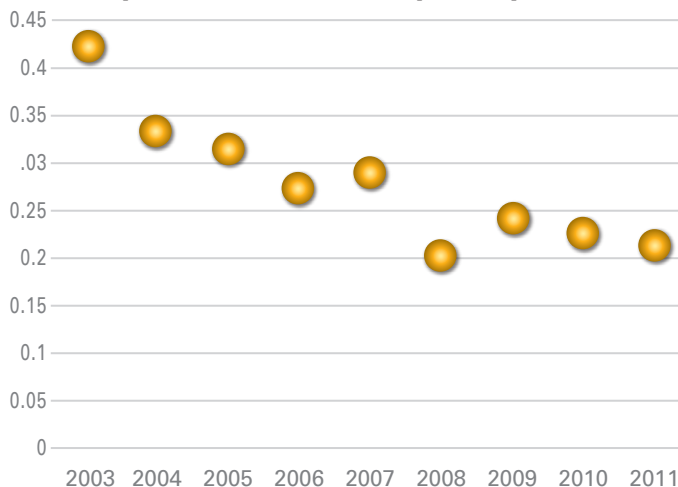
Recordable Injury Rate



Workplace Incidents - Severity (Lost Days) Rate



Workplace Incidents - Day Away Case Rate



OCCUPATIONAL HEALTH AND SAFETY

Safety Moments

“Safety Moments” are a collection of videos from Lockheed Martin employees sharing their stories of workplace injuries or near-misses. These candid commentaries advocate for the Target Zero program, reinforcing ways to promote safety on the plant floor and in the office.



“Focus on the job is essential. Loss of focus may cause injuries and that’s what we want to prevent in the industry. The ripple effect of that, as well, is the cost; the cost delays in the program.”

Marty Silva

Information Systems & Global Solutions (IS&GS), San Jose, Calif.



“If everybody pays attention to little things, it’s the right thing to do. And plus, if you get into the habit at work, you’re gonna get in the habit at home, so you’ve got an added benefit in there. Lockheed Martin is training you to have a safe home for your family.”

Kat Pettycrew

Electronic Systems Mission Systems & Sensors (MS2), Mount Laurel, N.J.



“If I was going to tell someone why they should wear hearing protection, there are a lot of different reasons. But, the most important one is communication. You have to be able to communicate with people. And, if you lose your hearing, you can’t communicate 100 percent with another person. And, that’s what life is all about.”

Chuck Wilshire

Aeronautics, Fort Worth, Texas



25-Foot Safety Control Zone

Adopted by all business segments in 2011, the 25-Foot Safety Control Zone program formalizes the way employees assess the risks and conditions within a 25-foot radius around them. Managers make personal contact with seriously injured employees within 48 hours of notification to discuss the events that led to the injury and devise corrective and preventive actions.

Since the program's launch, 60 percent of all serious injuries resulted in one-on-one manager discussions.

We have a Close Call Injury Reporting System for employees to report close calls. The 25-foot control zone is one of the options employees can select for identifying a close call. In 2011, this option accounted for 23 percent of all close calls reported in the system, thus demonstrating employees' awareness of their surroundings.

- More than 7,500 employees are active members of employee safety teams at Lockheed Martin sites nationwide.
- All of our business lines use the Lockheed Martin Standard Injury and Illness (LMSII) online reporting tool to document and thoroughly investigate injuries and illnesses from start to finish. This tool helps us analyze root causes and take corrective actions to prevent recurrence.
- An interactive ergonomics tool is available at all workstations, allowing employees to conduct workplace self-assessments, schedule expert ergonomics evaluations, request proper equipment and more. An internal ergonomics website offers best practices, activities and industry resources, as well as a networking forum of Lockheed Martin ergonomics practitioners to share lessons learned.
- We recently launched an ergonomics pilot program to assess high-risk areas. Hourly employees receive training in ergonomics principles, hazards

recognition, correction and prevention. Certified ergonomics professionals coach participants to focus on the right opportunities and implement required corrective actions.

- We are instituting energy, environment, safety and health management system requirements based on the International Organization for Standardization (ISO) standards. We have achieved the following safety and environmental certifications:
 - 50 facilities operate to ISO 14001 Environmental Management System standards – comprising over 60 percent of our global operating square footage
 - 12 facilities are members of the Occupational Safety and Health Administration's (OSHA's) Voluntary Protection Program (VPP)
 - 25 facilities are operating under the NQA's Occupational Safety and Health Assessment Series (OHSAS) 18001

International Security

iJET

Lockheed Martin monitors our employee travelers through a service called iJET. iJET pushes intelligence and alerts to traveling employees to help minimize risks and travel disruptions. In addition, it enables our International Security Operations office with the ability to locate and communicate with traveling employees across the globe, so when there is an emergency, we know who is traveling where and when. Through Traveler Risk Management Services, Lockheed Martin travelers are never on their own when disruptions occur.

OCCUPATIONAL HEALTH AND SAFETY

C-TPAT

The Customs-Trade Partnership Against Terrorism (C-TPAT) is a voluntary initiative between U.S. Customs and Border Protection (CBP) and private business to build relationships that strengthen international supply chains and improve U.S. border security. C-TPAT benefits include priority processing and reduced delays at the border.

In 2011, Lockheed Martin continued to exceed the current minimum security criteria for importers and retained Tier III benefits, the highest level provided to C-TPAT members. Only three percent of 10,000 C-TPAT Business Partners have achieved this tier, and Lockheed Martin has maintained this status since 2007.

Healthy Living

A healthy business begins with healthy employees. We are committed to providing the tools, resources and environment to support optimum health and well-being among our employees and their dependents, while ensuring the highest levels of protection and respect for privacy and confidentiality.

Our LM Health Works Plan makes it easier for employees of every age and wellness level to make positive choices for their health. All employees have access to a host of free health-related programs, including reimbursement for fitness center memberships, on-site flu shots, on-site wellness clinics and more. Another example of our holistic approach to wellness is our Corporate Headquarters half-mile fitness trail, uniquely built from recycled tires. The trail conserves natural resources and minimizes waste, while providing access to a pleasing ecological environment for employees and visitors to pursue a healthy lifestyle.

Products and Services

Our innovation is always at work, including developing products and services that allow our customers to perform their jobs with improved safety and efficiency. We also integrate safety and health considerations into product and process designs, allowing us to minimize risks associated with production, maintenance and product use phases.

Collaborative Human Immersion Laboratory

Through the Collaborative Human Immersion Laboratory (CHIL), our engineers join forces and use a variety of technology applications to improve every stage of a program from conceptualization to operations to sustainment.

At our Space Operations Simulation Center in Denver, Colo., the CHIL offers a smarter, lower cost and lower risk opportunity in building space systems for sustainment, including satellites, exploration spacecraft, launch vehicles and missile defense systems. For example, research and development for the Orion Program enabled Lockheed Martin engineers to create subsystem layouts virtually before the physical creation of the spacecraft. This up-front work in the CHIL allows potential issues to surface early in development, allowing them to be solved quickly and with little impact to the program. In addition to overall program efficiency, the CHIL is being used to assess the ergonomic conditions of the spacecraft fabricators. Through this vital build process, the Orion Program is able to save hundreds of thousands of dollars in labor and engineering hours.

Additionally, our new Global Positioning System Processing Facility was designed with a heavy emphasis on lean manufacturing. Utilizing the virtual reality modeling capabilities of the CHIL, we configured the High Bay to flow with maximum efficiency. Leveraging the CHIL, we significantly reduced the number of space vehicle lifts and distances between sequential operations.



Through CHIL, engineers can ...

- Optimize processes virtually before releasing them to manufacturing
- Identify bottlenecks, collisions, and worker safety and health issues before they occur
- Improve resource utilization and material flow
- Reduce worker exposure to hazardous chemicals and environments
- Improve production
- Reduce work and mitigate program risks

MagneLink™

In June 2011, the U.S. government approved MagneLink™ Magnetic Communication System (MCS), a new wireless communication system we developed that enables trapped miners and rescue workers to communicate during a disaster.

MagneLink™ MCS uses magnetic waves to transmit signals through layers of solid earth.

Through this system, miners and rescue personnel can send and receive digital voice or text messages. Trapped miners can also activate an automatic beacon signal to help rescuers pinpoint their locations.

THE MAGNELINK™ MAGNETIC COMMUNICATION SYSTEM (MCS) IS THE FIRST AND ONLY THROUGH-THE-EARTH, TWO-WAY VOICE AND TEXT CAPABLE WIRELESS COMMUNICATION SYSTEM WITH U.S. GOVERNMENT SAFETY APPROVAL.



DEEP ROOTS: OUR SUSTAINABILITY HISTORY



1912 – Sustainability in our DNA

Malcolm and Allan Loughead and Glenn L. Martin, founders of our legacy companies, put their acumen for aircraft design and construction to work, successfully answering complex questions of fuel and flight sustainability in the early days of aviation.

Heritage Companies:

Alco-Hydro Aeroplane Company and the Glenn L. Martin Company

Photo courtesy: Company archives



1928 -1937 – Sustainability in our DNA

Lockheed's Sirius, Orion and Electra aircraft consistently set records for speed and distance beginning in the late 1920s. Gradually, the thirst for speed led to exploration of thinner atmosphere at greater altitudes. As a result, in 1937, the Army Air Corps called upon Lockheed to redesign a Hudson bomber to feature the first pressurized cabin, thereby creating a sustainable in-flight environment at altitude.

Heritage Company: Lockheed Aircraft Company • Photo courtesy: Company archives



1942 – A Different Perspective on Fuel and Sustainability

Following Pearl Harbor, fuel rationing and shortages became routine by spring 1942. Lockheed Vega Aircraft Corporation did its part, giving 2,400 production employees who lived within four miles of the Burbank, Calif., factory the option of purchasing a bicycle through the company. When their shift was over, the employees peddled out of the facility in a mass exodus that became known as the "Bicycle Brigade." Today, employees use bicycles in large facilities such as Marietta, Ga., and Fort Worth, Texas, for mobile transport.

Heritage Company: Lockheed Vega Aircraft Corporation

Photo courtesy: Library of Commons



1968 – Sustainability Takes on a New Meaning

Lockheed and Martin Marietta made critical contributions to the early U.S. space program, including the Apollo era. In 1968, Apollo 8 became the first space flight to leave Earth's orbit. Astronaut Bill Anders captured the first photograph of Planet Earth from space. The impact of this single, iconic photograph spurred popular opinion toward a new outlook whose legacy continues to this day: sustainability and responsible stewardship of Earth's limited resources.

Heritage Companies: Lockheed and Martin Marietta • Photo courtesy: NASA



1971 - 2011 – “Earth Resources” Observed

In 1971, the mission of Lockheed’s U-2 reconnaissance aircraft shifted to a better understanding of the Earth and its sustainability. Renamed ER-2 (Earth Resources), the aircraft used aerial photography capabilities to assess changing water levels and vegetation that affect food supply, volcanic eruptions and forest fires. ER-2’s atmospheric experiments have carefully studied ozone depletion over the Antarctic region and coordinated airborne, satellite and surface observations to investigate radiative properties of clouds and their impact on climate change. The ER-2 remains in service to this day.

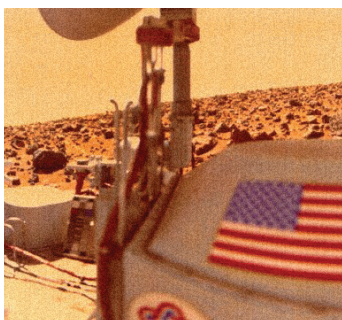
Heritage Company: Lockheed • Photo courtesy: NASA



1973 – A Laboratory in Space, Examining Earth

Martin Marietta’s Multi Docking Adapter served as the laboratory and main experimentation hub for Skylab, Earth’s first space station. In addition, the company’s Denver, Colo., division designed and produced 25 percent of Skylab’s experiment assemblies, including the control and display panel for the mission’s critical Earth Resources Experiments Package. This advanced image capturing equipment was used to view the Earth with sensors that recorded data in the visible, infrared and microwave spectral regions. Thousands of Earth photographs taken from Skylab expanded man’s understanding of our planet and its vegetation.

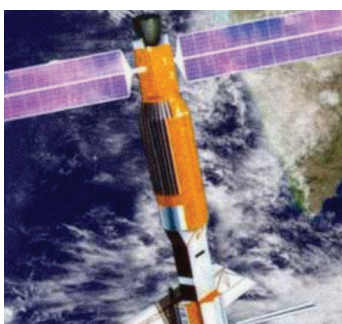
Heritage Company: Martin Marietta • Photo courtesy: NASA



1976 – Sustaining Power 140 Million Miles Away

Martin Marietta developed a unique lander as part of the Viking missions, which explored and delivered the first pictures of the surface of Mars. The success of numerous missions was due in large part to the lander’s innovative power source – two small radioisotope thermoelectric generators that provided 30 watts of continuous power at 4.4 volts, unerringly driving the lander’s computers, communications devices, investigative tools and mechanical operations.

Heritage Company: Martin Marietta • Photo courtesy: NASA

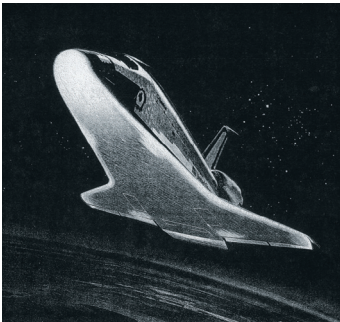


1978 – Examining Earth’s Ocean

Lockheed’s 40-foot, Seasat satellite circled the globe 14 times a day for 106 days, collecting oceanography data that provided the meteorology industry with a flood of information on the impact of oceans on Earth’s atmosphere, including sea surface temperature readings, wind speed across the oceans and wave heights. Seasat proved the viability of more detailed satellite weather examination and led to future satellite deployments.

Heritage Company: Lockheed • Photo courtesy: NASA/JPL

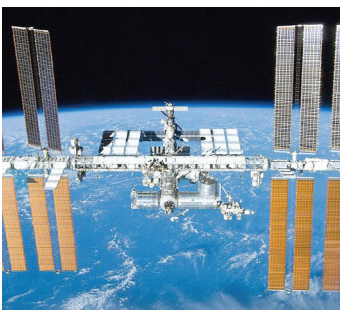
DEEP ROOTS: OUR SUSTAINABILITY HISTORY



1981 - 2011 – The Space Shuttle and Sustainability

One of the greatest legacies of the Space Shuttle program is Earth exploration – from atmospheric and oceanic investigations to Spacelab missions. We played an enormous role in bringing the Space Shuttle to fruition, including pioneering work on the heat shields and external tank design.

Heritage Companies: Lockheed and Martin Marietta • Photo courtesy: NASA



1984 - present Solar Array Technology

Solar array technology developed at the Sunnyvale, Calif., facility, and later used on the International Space Station (ISS), was tested during a Space Shuttle flight experiment in 1984. The solar arrays harness the Sun's energy to generate reliable, continuous electric power for on-orbit operation of ISS systems. The ISS solar arrays are the largest deployable space structure ever built and are by far, the most powerful electricity-producing arrays ever put into orbit.

Photo courtesy: NASA



2003 - present Target Zero Safety Program

In 2003, Lockheed Martin launched its “Target Zero” safety program, aimed at reducing workplace injuries by 50 percent over a 5-year period. Since 2003, our recordable injury rate has dropped 50 percent. Today, employees are aiming for year-over-year incremental improvement in safety performance. As part of “Target Zero,” Lockheed Martin hosts an internal safety awards program that recognizes outstanding sites, teams, programs and individuals for significant safety achievements and advanced Target Zero maturity.



2008 - present Reducing Carbon, Waste & Water

In 2008, Lockheed Martin established its Corporate-wide “Go Green” initiative to reduce adverse environmental impacts from operations and achieve a 25 percent absolute reduction in carbon emissions, waste to landfills and water usage by 2012 measured from a 2007 baseline. Reductions are being achieved through continuous improvements in energy efficiency and resource conservation, green power purchases and renewable energy credit purchases.

Photo courtesy: Company archives

STAKEHOLDER RECOGNITION

Credibility comes from consistent hard work; and during 2011, multiple stakeholders took notice of our performance

- Recognized by The Carbon Disclosure Project as one of 23 companies worldwide for exceptional climate change disclosure practices in the 2011 CDP Global 500 Report. We received a score of 90 for carbon disclosure practices, up from 76 in 2010, and achieved an “A” rating for carbon performance.
- Ranked #14 in the National Top 50 Partner rankings of the U.S. Environmental Protection Agency Green Power Partnership for our purchase of solar and wind renewable energy resources.
- Won the Walt Driggers Environmentalist of the Year Award from the Ocala-Marion County Chamber of Commerce for our Missiles and Fire Control facility in Ocala, Fla. Walt Driggers was a local environmentalist hero who was instrumental in restoring the health of the Rainbow River. Our Ocala facility stood out, because it launched initiatives to expand and simplify its recycling program and constructed a new chilled water plant that reduced water and energy consumption and chemical usage. This plant is estimated to save \$1.8 million in utility costs over six years.
- Won the PR News Corporate Social Responsibility (CSR) Award for the Green PR Campaign, which educated employees on our “Go Green” initiative. The 2010 “Go Green” initiative generated overwhelming participation and featured 150 employee-driven “Green Zones,” including one in Kandahar, Afghanistan.
- Received the “2010 Outstanding Environmental Achievement Award” from the Sunnyvale (Calif.) Chamber of Commerce for our Space Systems Company’s ongoing efforts in waste reduction, energy efficiency and water conservation. Some of the efforts included an on-campus shuttle and “grab ‘n’ go” bicycles for traversing the 400-acre campus; car and vanpool planning; annual eco passes for the Valley Transportation Authority’s Lite Rail system; and employee incentive programs for discounts on residential “Go Green” products.
- Ranked #6 on the Washington Business Journal list of Top Corporate Philanthropists for local giving and #1 for most metro-area volunteer hours.
- Awarded “Employer of the Year – Private Sector Employers” for 2010 by The U.S. Department of Veterans Affairs.
- Awarded a Certificate of Appreciation for Outstanding Employer Support by the U.S. Chief of Navy Reserve, Vice Admiral Dirk Debbink. Lockheed Martin had the highest number of Naval reservists (236) outside of government agencies.
- Earned a perfect score of 100 for the fourth consecutive year in the Corporate Equality Index (CEI) survey facilitated annually by the Human Rights Campaign (HRC). This survey provides an in-depth analysis of large U.S. employers and their policies and practices pertinent to lesbian, gay, bisexual and transgender employees. Businesses rated with 100 percent scores are listed on the HRC’s “Best Places to Work” list, which demonstrates commitment to a fair and equal workplace.
- Ranked #10 most friendly military employer by G.I. Jobs Magazine.
- Ranked #5 top employer by Women Engineer Magazine.
- Named in Top 20 Most Admired Employers For Minority Technology Geeks by Hispanic Engineer & Information Technology Magazine.



How do you think we can
become more sustainable?

Reconfigure lighting in factories

Increase on-site employee wellness centers

Use recyclable fuel in rockets

Send more engineers to classrooms

Provide us your thoughts at: www.lockheedmartin.com/csr 2011