

Lockheed Martin Corporation
ANNUAL MEETING OF SHAREHOLDERS
2nd MAY 2024
QUESTIONS FROM DWS INVESTMENT GMBH

Dear Mr. James D. Taiclet Jr.,
Dear members of the Board,

DWS Investment GmbH (DWS), also acting on behalf of funds of DWS Investment S.A. (incl. SICAVs and PLCs) and certain institutional mandates of DWS International GmbH, all according to delegation agreements (hereafter DWS), is one of the largest asset managers in Europe. As a responsible investor in Lockheed Martin Corporation (“the company”), it is part of our fiduciary duty to express our expectations in the best interest of our clients. Our commitment to environmental, social and governance practices (ESG) is a crucial element of our responsibilities and forms an integral part of our investment process.

Ahead of your 2024 annual general meeting of shareholders (AGM), DWS would like to share our questions with you. DWS would greatly appreciate your answers in written form. Please note that DWS will also share our questions on its website (www.dws.com) on the day of your AGM. Thank you for your consideration.

Net Zero

Corporations and investors play a vital role in addressing the impacts of global warming by assessing the risks and opportunities associated with greenhouse gas emissions. In this regard, we support the Climate Action 100+ and the Net Zero Asset Managers initiatives enhancing governance of climate change risk, opportunities, curbing emissions and strengthening climate-related financial disclosures.

By 2030, the company has a mid-term carbon intensity reduction target for Scope 1 and 2 (per USD of gross profit) by 70%. Based on information available to DWS, there does not appear to be any carbon reduction targets for Scope 3. Additionally, Lockheed Martin intends to use 30% of renewable electricity across global operations by 2030.

QUESTION 1: When do you intend to launch absolute carbon emission reduction targets by 2030 and beyond?

QUESTION 2: When do you expect to set and disclose a long-term emission reduction target by 2050 or sooner?

QUESTION 3: When can DWS expect Lockheed Martin to launch a Scope 3 reduction target covering at least the relevant categories?

QUESTION 4: When do you intend to launch a commitment aiming for Net Zero covering Scope 1, 2 and 3 emissions by 2050 or sooner?

QUESTION 5: When can DWS expect you to validate all your emission reduction targets by the Science Based Targets initiative (SBTi) in line with the Paris Agreement?

QUESTION 6: Can DWS expect Lockheed Martin Corp. to set an ambitious target to switch to renewable energy completely in the near future?

Separation of Chair and CEO

We regard a clearly separated balance of power through a distinction of control (supervisory board) and management (executive board) as superior. For monistic board structures, this must be reflected in a separation of CEO and chairperson as well as a majority of independent non-executive directors.

In your case, the Board is headed by Mr. James Taiclet who holds the position of Chair and CEO. Additionally, there is no Lead Independent Director on the Board, which contradicts DWS Proxy Voting and Corporate Governance Guidelines.

QUESTION 7: Will you consider separating the position of the Board Chair and the CEO in the near future?

QUESTION 8: Will you appoint a lead independent director to counterbalance the role of a non-independent chair/ CEO? If not, why do you not intend appointing a lead independent director?

Independence of External Auditors

We place high value on the quality and the independence of auditors. A strong degree of transparency regarding the audit fees, the proportionality and limitations on audit and non-audit fees, the tenure of the audit firm and the lead audit partner is key for DWS to assess whether ratification for the audit firm is deemed appropriate. We regard regular rotation of both the audit firm (after ten years at the latest) and the lead audit partner (after five years at the latest) as a reasonable measure to ensure reliable, independent, and critical evaluation of a firm's accounts.

We observe that your audit firm (EY) has been associated with the company for over 30 years.

QUESTION 9: Would you consider a rotation of the audit firm in the near term?

Executive remuneration

DWS expects Investee Companies to integrate material ESG factors into their thinking and strategy and we ask them to establish and disclose how their ESG/sustainability priorities are factored into their remuneration. The variable pay components should reflect ESG-related targets which are meaningful, ideally quantifiable and reflect a material ESG priority for the company.

QUESTION 10: Does the company integrate GHG reduction targets and other material ESG/ sustainability targets in the executive remuneration? If yes, what percentage of LTI and STI is linked to ESG/ sustainability targets?

Business Ethics

Strong business ethics practices including trainings and audits help to control and limit potential bribery and corruption risks. The company has published a code of business ethics that covers most relevant issues in detail and has implemented comprehensive measures including audits to ensure compliance with the code.

QUESTION 11: When do you intend to implement business ethics audits for all operations on a regular schedule (at least once every three years)?

Product Safety

Comprehensive product safety programs can help to build trust with customers, meet regulatory compliance requirements and enhances brand reputation. Additionally, it can reduce liabilities and mitigate risks as well as provide leverage in marketing strategies.

Although, certain elements of a product safety programs like regular employee trainings are apparent at Lockheed Martin, its reporting lacks a comprehensive program to ensure the safety and reliability of its products and services.

QUESTION 12: When can DWS expect the company to implement a comprehensive product safety program?

Supply Chain

DWS is aware that the company conducts supplier trainings on quality assurance, however, there is no evidence on frequency of such trainings and its scope.

QUESTION 13: Can you give us qualitative and quantitative information on frequency of supplier trainings as well as its scope?

QUESTION 14: When does Lockheed Martin intend to launch certification programs for tier-2 suppliers (indirect or sub supplier facilities and processes, certified by company employees or third-party auditors)?

To conclude, DWS would like to thank all members of the Board and all the employees of Lockheed Martin Corporation on their commitment and dedication over the past year. DWS appreciates the possibility to raise questions at your AGM and already thank you in advance for your answers.