

**Resolved:** Shareholders request the Board of Directors annually conduct an evaluation and issue a public report, at reasonable cost and omitting proprietary information, describing the alignment of its political activities (including direct and indirect lobbying and political and electioneering expenditures) with its Human Rights Policy. The report should list and explain instances of misalignment, and state whether and how the identified incongruencies have or will be addressed.

**Whereas:** Lockheed Martin (Lockheed), in its Human Rights Policy, commits to protecting and advancing human rights and minimizing the negative consequences of its business activities. However, in opposition to these commitments, Lockheed actively lobbies, makes political contributions, and otherwise pushes for government sales of its products and services to customers linked to irremediable human rights violations, especially in conflict-affected and high-risk areas.

Engaging in political activities that are misaligned with its Human Rights Policy presents material legal, reputational, regulatory, and litigation risks to Lockheed and its investors.<sup>1</sup> Shareholders lack assurance that Lockheed's lobbying activities are not encouraging weak regulation of its sales and products that present significant human rights risks. For example, Lockheed faces scrutiny for its role manufacturing F-35 jets for the Joint Strike Fighter Program, the DOD's most expensive weapons system, which costs taxpayers over \$1 trillion.<sup>2</sup> Beyond the program's technical issues and environmental damages,<sup>3</sup> Lockheed's F-35s have been used repeatedly to target civilians and are connected to apparent war crimes.<sup>4</sup> Despite this, Lockheed continues to lobby heavily to maintain and increase the F-35 budget.<sup>5</sup> In July 2023, Lockheed was awarded another \$3 billion deal to sell 25 F-35's to Israel, where escalating violence exacerbates a humanitarian crisis.<sup>6</sup>

Research organizations have recorded defense manufacturers exerting "deep influence through money in politics."<sup>7</sup> Lockheed spent nearly \$7 million lobbying in 2022, much of which focused on defense appropriations and foreign military sales.<sup>8</sup> Investors lack disclosure on these lobbying activities, particularly how they align with the Company's Human Rights Policy. The UN has criticized the "symbiotic relationship" between governments and defense contractors, "which can cause States to approve arms exports despite genuine human rights risks that should prevent them."<sup>9</sup> Additionally, Lockheed makes significant contributions to think tanks, which are not required to disclose donations. Lockheed has donated to think tanks lobbying against emissions disclosures for defense companies, for increased nuclear weapons production, and for US military involvement in foreign conflicts.<sup>10</sup>

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<sup>1</sup> [https://corporate.vanguard.com/content/dam/corp/advocate/investment-stewardship/pdf/perspectives-and-commentary/INVSPOLS\\_032021.pdf](https://corporate.vanguard.com/content/dam/corp/advocate/investment-stewardship/pdf/perspectives-and-commentary/INVSPOLS_032021.pdf)

<sup>2</sup> <https://www.nytimes.com/2019/08/21/magazine/f35-joint-strike-fighter-program.html>

<sup>3</sup> <https://saveourskiesvt.org/>

<sup>4</sup> <https://investigate.afsc.org/company/lockheed-martin> ; <https://www.hrw.org/news/2021/07/27/gaza-apparent-war-crimes-during-may-fighting#:~:text=The%20UN%20says%20that%20Israeli,civilian%20deaths%2C%20including%20%20children.>

<sup>5</sup> <https://prospect.org/power/lockheed-backed-reps-lobby-against-f-35-spending-cuts/>

<sup>6</sup> <https://www.reuters.com/world/middle-east/israel-buy-25-more-f-35-stealth-jets-3-bln-deal-2023-07-02/>

<sup>7</sup> <https://www.opensecrets.org/news/reports/capitalizing-on-conflict/yemen-case-study>

<sup>8</sup> <https://www.opensecrets.org/federal-lobbying/clients/summary?id=D000000104> ; <https://www.lockheedmartin.com/en-us/who-we-are/leadership-governance/board-of-directors/political-disclosures.html>

<sup>9</sup> <https://www.ohchr.org/sites/default/files/2022-08/BHR-Arms-sector-info-note.pdf>

<sup>10</sup> <https://inthesetimes.com/article/heritage-foundation-lockheed-martin-weapons-industry-climate-regulation-biden> ; <https://quincyst.org/report/defense-contractor-funded-think-tanks-dominate-ukraine-debate/> ; <https://inkstickmedia.com/what-buying-the-support-of-top-us-think-tanks-gets-you/>

Although Lockheed claims its political activities are conducted “in a responsible and ethical way,”<sup>11</sup> they appear misaligned with its human rights commitments. Establishing clear policies and reporting on misalignment is critical to mitigating material risks that harm shareholder value.

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<sup>11</sup> <https://www.lockheedmartin.com/en-us/who-we-are/leadership-governance/board-of-directors/political-disclosures.html>