



Labrador Transparency

ESG Disclosures

2025 Proxy Trends with Insights for 2026

December 8, 2025

Introduction

The proxy trends series is prepared by Labrador's Lead Advisors and explores emerging trends in proxy statements in 2025 and offers insights and actionable elements for your teams to consider as you prepare your 2026 Proxy Statement.

This article, by Deborah Koenen, reviews how some public companies addressed Environment, Social and Governance (ESG) matters in their 2025 proxy statements.

ESG Disclosures Under Pressure

In 2025, as environmental and social issues became increasingly polarized, companies moved to quickly **review their environmental, social and governance (ESG)¹ practices and public statements** to substantiate they aligned with the evolving views of stakeholders and validate their continued support of long-term value creation.

As of the date of this publication, many companies have published sustainability reports in 2025 and while it appears many have stayed the course with their practices and disclosures, others are adopting a more conservative stance. For those companies that appear to be revising their programs and/or disclosures, we notice **a trend towards streamlining reports** so that content is more succinct and including a more **fulsome description of how initiatives are directly tied to business value**. Others are **pushing back the publication** to allow for more reflection and review of current best practice, changing their ESG nomenclature, and/or updating their materiality assessment and related strategy to confirm the most material topics are being addressed.

Companies are **also reviewing the ESG content in their proxy statements** since those compliance documents have increasingly included a description of a company's ESG priorities and accomplishments. Consequently, the 2025 proxy season provides a unique glimpse into how companies are navigating the evolving landscape.

This Thought Piece explores some of the approaches taken and considerations for companies to consider as they prepare for the next annual meeting season.

Note that practices and disclosures related to human capital management, especially diversity, equity and inclusion (DEI), received the most attention and are not the subject of this Thought Piece. For preliminary observations on how companies pivoted with their DEI disclosures in 2025, see the Labrador Thought Piece on DEI [here](#).

¹ The terms ESG and sustainability are used interchangeably throughout this Thought Piece. Note, though, that there has been a general trend of moving away from ESG terminology.

State of Play Before the 2025 Proxy Season

Disclosures about corporate sustainability topics, and Board oversight of related risks and opportunities in proxy statements **increased as companies expanded their definition of performance and value creation for a broader group of stakeholders.**

This was in part driven by **investor voting practices** as they expressed a willingness to vote against directors and/or support sustainability-related proposals if they found disclosures lacking. In addition to including a **Board oversight section**, which describes how sustainability-related oversight responsibilities are allocated, **many companies included select ESG highlights** from the preceding year. They often also included an **express commitment to transparency**, highlighting the company's current reporting practices and **naming any recognized frameworks** that the company reports in accordance with or is working toward.

Based on Labrador's recent benchmark of 115 proxy statements, **approximately 50% of companies included a sustainability/ESG highlights section in their 2025 proxy statement.** Discussion of a company's material sustainability-related topics allowed shareholders to evaluate whether these considerations were appropriately integrated into key processes and decisions.

49%

includes an ESG highlights/summary section

43%

includes an overview of ESG focus areas/prioritized topics

What Investors Want Now

ESG in institutional investors' voting guidelines

Even with the increased scrutiny of a corporation's role in environmental and social matters, recent surveys show that **investors are still focused on the ESG issues that have clear financial implications, like climate risk, human capital and cybersecurity**². Likewise, the EY Center for Board Matters found that climate change and environmental stewardship is still a top three priority for investors³. The **2025 proxy voting guidelines for three of the largest institutional investors expressly seek disclosures related to these topics**.

Excerpts from the 2025 proxy voting guidelines of the three largest institutional investors:

BlackRock

Proxy voting guidelines for Benchmark Policies – U.S. securities

Effective January 2025⁴

We find it helpful when companies' disclosures demonstrate that they **have a resilient business model that integrates material sustainability-related risks** and opportunities into their strategy, risk management, and metrics and targets.

[W]e encourage [companies] to produce **sustainability-related disclosures sufficiently in advance of their annual meeting**, to the best of their abilities to provide investors with the time to assess the data and make informed decisions.

In our experience, disclosure consistent with the ISSB standards or the TCFD framework can help investors assess company-specific climate-related risks and opportunities and inform investment decisions.

State Street

Global Proxy Voting and Engagement Policy

Effective March 2025⁵

We look to companies to provide **disclosure on sustainability-related risks and opportunities relevant to their businesses** in line with applicable local regulatory requirements and any voluntary standards and frameworks adopted by the company.

We believe that **managing climate-related risks and opportunities is a key element** in maximizing long-term risk-adjusted returns for our clients.

Vanguard

Proxy voting policy for U.S. portfolio companies

Effective February 2025⁶

[A] company's board has responsibility for providing effective oversight of strategy and risk management. This **oversight includes material sector- and company-specific sustainability risks and opportunities** that have the potential to affect long-term shareholder returns.

[W]e believe that a company's **fulsome disclosure of material risks to its long-term shareholder returns** is beneficial to the public markets to inform the company's valuation.

[T]o assess a **climate risk oversight failure**, factors for the funds to consider include: the materiality of the risk as identified by the company; the effectiveness of disclosures to enable the market to understand and price the risk; whether the company has disclosed plans to mitigate material risks in the context of regulatory requirements and consideration for company-specific context, market regulations, and market practices.

² [Global Institutional Investor Survey 2024 Report](#)

³ [No-Regret Moves for Boards in a Turbulent Proxy Season](#)

⁴ [BlackRock Investment Stewardship](#)

⁵ [Global Proxy Voting and Engagement Policy](#)

⁶ [Proxy voting policy for U.S. portfolio companies](#)

ESG in shareholders' proposals

In addition to institutional investor voting guidelines, it is also important to look at the shareholder proposal landscape in 2025.

In [Georgeson's annual publication titled "An Early Look at the 2025 Proxy Season,"](#) a few shareholder proposal trends are noted. The publication covered proxy voting results from Russell 3000 companies that had annual general meetings between July 1, 2024, and May 16, 2025.

Some of the **trends noted by Georgeson included:**

- a **lower volume** of shareholder proposals,
- an increased number of **"no action" requests granted** by the SEC,
- a **decline in environmental and social** proposals,
- an **increase in anti-ESG proposals**, and
- **lower support** for environmental and social proposals (Georgeson also noted a decline for the third consecutive year).

Georgeson notes that even with a year-over-year decrease in total submission volumes, though, **environmental topics remained a consistent level of focus.**

Observations from the 2025 Proxy Season

In response to the increased scrutiny by anti-ESG factions but mindful of continued investor interest in those topics with clear financial implications, companies took **a variety of approaches to ESG disclosures in their 2025 proxy statements**.

In reviewing several 2025 proxy statements, Labrador did not notice a “one size fits all” approach but found that **companies tailored their response based on their unique circumstances and shareholder base**.

Below are some of the approaches taken by companies in 2025⁷:

- **Stay the course** and retain a description of their ESG programs. For the companies that retained their disclosure in 2025, many acknowledged a clear tie to their business and long-term value creation.
- Retain some disclosure but **reduce the amount of content or modify the description** to delete controversial words or programs.
 - Reduce the amount of content or pages devoted to ESG⁷.
 - Change the location of the disclosure so that it is not front and center, e.g., move the disclosure out of the proxy statement summary.
 - Change the nomenclature to remove references to ESG. Companies often use other words like impact, corporate stewardship, or corporate responsibility.
 - Make other changes, such as deleting qualifications from the directors’ skills matrix related to climate or ESG and removing stand-alone sections related to ESG stockholder engagement.
- **Delete any ESG disclosure** from the proxy statement.

⁷ Many companies reduced or deleted their DEI disclosures (or changed their DEI terminology) in 2025 proxy statements. As noted earlier, this Thought Piece does not cover changes to human capital management or DEI disclosures.

Examples

Included on the following pages are examples of how companies addressed their ESG disclosures in 2025 proxy statements.

Aflac 2025 Proxy Statement

Includes a statement that corporate citizenship and success go hand in hand. Includes a one-page infographic that describes Board, committee and management oversight of corporate social responsibility and sustainability, and a separate page with select highlights.

Oversight of Corporate Social Responsibility and Sustainability

Board of Directors

Our Board plays critical environment, social, and governance oversight and leadership roles through its efforts to identify, promote, and monitor responsible and ethical corporate governance mechanisms, corporate social responsibility and sustainability goals and related compensation programs, and risk management policies.

Corporate Social Responsibility and Sustainability

- Oversees the Company's policies, procedures, and practices and sustainability
- Monitors the preparation of and reviews the Company's annual sustainability initiatives
- Coordinates with:
 - The Finance and Investment Committee regarding guidance application of proceeds of sustainability bonds and other oversight of the investment process
 - The Compensation Committee relating to any CSR and sustainability compensation programs
 - The Corporate Governance Committee with regard to the planning and management development

Updates received by the Board through the Corporate Social Responsibility and Sustainability

- Sustainability initiatives
- Environmental impact

Audit and Risk

- Oversees the Company's policies, process, and structure related to CSR and sustainability risks and opportunities

Role of Management

Management periodically meets with the Corporate Social Responsibility Committees, to report on how sustainability-related risks and opportunities align with broader goals of the Company and are integrated into organizational performance objectives, including how progress is monitored against

Corporate Social Responsibility and Sustainability Highlights

At Aflac Incorporated, we believe that all things being equal, most people prefer doing business with a company that is also a good corporate citizen. We refer to this as "The Aflac Way," which is the outward manifestation of our belief that ethics, corporate citizenship, and success go hand in hand. Our efforts include conducting business with ethics and compassion, providing development and wellness opportunities for our workforce, being ever-mindful of our environmental impact, and serving the community through efforts such as helping families facing childhood cancer and blood disorders. This philosophy is woven into our daily operations, our culture, and our actions in the community.



Community Investment and Philanthropy

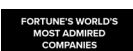



- My Special Aflac Duck®** is a "smart" robotic companion designed to help children with cancer and sickle cell disease. We aim to put a My Special Aflac Duck in the hands of every child, age 3 and above, diagnosed with cancer and sickle cell disease in the U.S., Japan and Northern Ireland free of charge and have given *My Special Aflac Ducks* to more than 34,000 children through 2024.
- We and our employees and agents are responsible for:
 - More than 150,000 pediatric patients** and their **family members** who have called **Aflac Parents House** a home-away-from-home while receiving treatment for serious illnesses, like cancer.
 - Over \$186 million** in support of **Aflac Cancer and Blood Disorders Center of Children's Healthcare of Atlanta**, helping make it one of the top pediatric cancer programs in the United States by *U.S. News and World Report*.



Environment

- Expect 2024 to be the 5th consecutive year for being carbon neutral for Scope 1 and 2 emissions
- Aim to achieve net zero emissions by 2050

We are proud of our commitments and the accolades we have received, a handful of which are listed below.

| | | |
|--|--|---|
|  <p>Fortune's World's Most Admired Companies (24th year)</p> |  <p>Ethisphere's World's Most Ethical Companies (19th consecutive year), making it the only insurance company in the world to hold this distinction every year since the inception of the honor in 2007.</p> | <p>Member of Dow Jones Sustainability Indices <small>Powered by the S&P Global CSA</small></p> <p>Dow Jones Sustainability North America Index (11th year), In 2024, the Company was included in the North American index and received high marks for Corporate Governance, Information Security/Cybersecurity & System Availability, Tax Strategy, and Occupational Health & Safety.</p> |
| <p>Signatory of:</p>  <p>Principles for Responsible Investment (PRI) Signatory In 2021, Aflac Incorporated became a PRI Signatory, which works to understand the investment implications of ESG factors and to support its international network of investor signatories in incorporating these factors into investment and ownership decisions.</p> |  <p>Points of Light's Civic 50 List (7th consecutive year), which showcases how leading companies are moving social impact, civic engagement and community to the core of their business.</p> | |

To see Aflac Incorporated's most recent Business and Sustainability Report, other sustainability disclosures, and the sustainability policy statements, please visit investors.aflac.com under the "Sustainability" tab.

Freeport–McMoRan 2025 Proxy Statement

Includes an affirmative statement that their sustainability strategy is aligned with their business objectives. The two–page spread is highly visual, with one page devoted to their strategy and highlights and the other page devoted to sustainability governance.

Sustainability

FCX is a leading responsible copper producer – supplying approximately 8.5% of the world's mined copper. Copper is essential for global progress, including in the technologies necessary for accelerating electrification. We recognize the interdependencies of growth and sustainability and the importance of managing our environmental and social impacts while supplying copper to a world with increasing requirements for metals.



Our sustainability strategy is supported by our social and environmental commitments which, in alignment with our business objectives, seek to enhance responsible production practices at our sites around well-being of our workforce and host communities where we operate. FCX is dedicated to effective environmental management which are key to ensuring the long-term viability of its business. FCX is necessary to support the global energy transition while executing on greenhouse gas (GHG) emissions and other climate-related risks. In pursuing our sustainability strategy, we aim to align with the high Mining's (ICMM) Performance Expectations and the Copper Mark. progress, stockholders are encouraged to review our 2024 Annual Report available on our website at [fcx.com/sustainability](https://www.fcx.com/sustainability).

2024 Sustainability Highlights

Copper Mark and Molybdenum Mark

Maintained at all operating sites globally, as applicable

Community Investments

Totaled more than \$210M globally

Global Industry Standard on Tailings Management

Completed implementation at 6 of 7 operating sites; on track to meet ICMM's August 2025 deadline^(*)

Climate Strategy Progress

Progressed work to transition from coal to natural gas at PTFI's Grasberg operations

Human Rights Impact Assessment

Completed at Cerro Verde

^(*) Subject to third-party assurance and concurrence.

Board Oversight

FCX's governance structure is the foundation for delivering consistent, long-term stakeholder value, and reflects our commitment to sustainability-related matters and their importance to our company. Governance and oversight of sustainability-related matters ultimately resides with the board, with certain areas of the board's oversight delegated to its four standing committees, as summarized in the table below:

| Governing Body | Oversight Responsibility of Sustainability-Related Matters |
|---|---|
| Board | <ul style="list-style-type: none"> Ultimate decision-making authority. Reviews the recommendations with respect to sustainability-related matters of each of its committees, as appropriate. |
| Corporate Responsibility Committee | <ul style="list-style-type: none"> Oversees our environmental and social policies, strategies, programs and policy implementation with respect to: health and safety, responsible production frameworks, tailings management and stewardship, climate, water stewardship, biodiversity, nature and land management, waste management, human rights, stakeholder relations, social performance and Indigenous Peoples, responsible sourcing, and political activity and spending practices. |
| Audit Committee | <ul style="list-style-type: none"> Oversees our global compliance program and corporate compliance procedures and our information technology and cybersecurity processes and procedures. Tax matters are included within the committee's financial oversight responsibilities. |
| Governance Committee | <ul style="list-style-type: none"> Maintains our corporate governance guidelines. Oversees our corporate governance practices and procedures. |
| Compensation Committee | <ul style="list-style-type: none"> Oversees executive compensation and our human capital management policies, programs, practices and strategies, including those relating to, among other things, workforce recruitment, retention and development. |

2024 Key Sustainability-Related Topics

In 2024, the board and its committees received presentations from, and had active dialogue with, management on key sustainability initiatives linked to our strategy and performance.

Board Meetings

- Workforce health and safety
- Stockholder engagement feedback and update on sustainability initiatives
- Leadership development and succession planning
- Technology and innovation initiatives
- Annual adoption of UK Modern Slavery Act Statement (as recommended by the corporate responsibility committee)

Compensation Committee Meetings

- Workforce health and safety
- Workforce recruitment, retention and development

Audit Committee Meetings

- Information technology security processes and procedures, including risks and internal controls associated with information technology security and cybersecurity
- Enterprise risk management

Corporate Responsibility Committee Meetings

- Workforce health and safety
- Climate strategy and progress update
- Human rights program, policy and performance, including progress on human rights impact assessments and saliency assessment
- Tailings management, including progress implementing the Global Industry Standard on Tailings Management in the Americas
- Social performance and charitable contributions
- Political spending review
- Responsible sourcing of minerals and metals annual update
- Responsible production frameworks update

Annual Executive Compensation

For information on how we incorporate safety and sustainability into our annual executive compensation, see "Executive Officer Compensation – Compensation Discussion and Analysis – Principal Components of Executive Compensation in 2024."

Healthpeak 2025 Proxy Statement

Includes a statement that their corporate impact initiatives are vital to value creation and long-term success. Includes two pages of highly visual corporate impact highlights in the introductory pages and a separate discussion in the Oversight section covering oversight, strategy and key initiatives.

Corporate Impact Highlights

We believe that corporate impact initiatives are vital to value creation and our long-term success. For additional information, please read our annual Corporate Impact Report or visit our website at healthpeak.com/corporate-impact.



Environmental Highlights

We strive to advance our building performance, efficiency, resilience, and sustainability by identifying projects that minimize environmental impacts, deliver an acceptable return on investment, and reduce operating costs. In 2024, we published our 13th annual Corporate Impact Report, aligned with the Task Force on Climate-Related Financial Disclosures, Sustainability Accounting Standards Board, Global Reporting Initiatives, and United Nations Sustainable Development Goals reporting frameworks. In 2024, we reported on the progress of our long-term environmental goals for greenhouse gas emissions ("GHG"), energy, water, waste, and recycling with respect to properties in our operational boundary (Scopes 1 & 2).

Recognitions

- GRESB Green Star Rating (2011–2024)
- CDP Leadership/Management Band (2012–2024)
- DJSI N. America Index Constituent (2012–2024) and World Index (5 times)



Social Highlights

Workforce

Doubled our workforce in 2024, including through our merger with Physicians Realty Trust and property management internalization.

Core Values

Launched our WE CARE core values and modeled company culture through town halls, meetings, trainings, team and individual awards, and performance evaluations.

Community Engagement

Partnered with over 50 community or charitable organizations in 2024.

Recognitions

- Great Place to Work Certified (2020–2023)
- Orange County Business Journal Best Places to Work (2020, 2022 & 2023)
- The Tennessean Top Workplace (2022 & 2023)
- Fortune Best Places to Work in Real Estate (2022 & 2023)
- Modern Healthcare Best Places to Work (3 Times)

GOALS

GHG EMISSIONS REDUCTION (SCIENCE-BASED TARGETS) (BY 2033)⁽¹⁾

37.5%

Scopes 1 & 2

ENERGY SAVINGS (BY 2033)⁽²⁾

15%

PROGRESS⁽³⁾

18.2% achieved
Year 5 of 15

5.1% achieved
Year 3 of 10

⁽¹⁾ Relative to 2018 baseline. Validated by the Science-Based Targets initiative.
⁽²⁾ Relative to 2022 baseline.
⁽³⁾ As reported in 2024 for performance for the year ended December 31, 2024, our "like-for-like" methodology, direct and indirect GHG emissions and energy (using Scope 1 and Scope 2 GHG emissions) for the properties that we have stabilized developments and redevelopments.

LEED Certifications:

LEED 6. Million LEED

⁽¹⁾ As of December 31, 2024, in Energy and Environment trademarks owned by the used with permission. Learn

10-Year Corporate Impact Strategic Roadmap

Key 2024 Initiatives

In 2024, we launched our sustainability initiatives within a comprehensive 10-year Corporate Impact plan, with a focus on these near-term priorities:

- **Corporate Impact Reporting:** Published our 13th annual Corporate Impact Report aligned with leading frameworks.
- **Operational Efficiency:** Conducted a full inventory of GHG emissions across our newly combined portfolio, identifying data gaps and laying the groundwork for emissions reduction planning. Advanced projects toward long-term GHG, energy, water, and waste reduction targets.
- **Developmental Efficiency:** Advanced sustainable design and construction guidelines and streamlined certification strategy, and conducted targeted reduction efforts.
- **Social Impact:** Establish supportive and inclusive employee well-being, and
- **Certification Milestone:** (new or re-certified) in 5

We are consistently recognized as a "Top 100" in our industry leadership, v

IDEA Council

We believe we are a stronger organization when we reflect the perspectives and experience of our workforce. In 2024, we launched the IDEA Council, a cross-functional employee-led council that meets regularly to develop educational platforms and plan activities to promote a supportive and inclusive employee culture at all levels of our organization. In 2024, the IDEA Council focused on initiatives relating to mental health and wellness, mentorship and professional development, and community service.



Governance Highlights

- ✓ All director nominees, other than Messrs. Brinker and Thomas, are independent
- ✓ Independent Board Chair
- ✓ Codes of Conduct for directors, employees, and vendors
- ✓ Award-winning corporate impact reporting practices

Recognitions

- Governance Intelligence and IR Magazine – Best Proxy Statement Winner (2023)
- Newsweek America's Most Responsible Companies List 2020–2025)
- iS Governance QualityScore – Top 20%
- iS ESG Corporate Rating – Prime
- ISCI Rating – AA

Corporate Impact Initiatives

Our Board believes that integrating corporate impact initiatives into our strategic business objectives is critical to our long-term success. Through our integrated and ongoing approach to sustainability, we seek to drive positive change and create value for our stakeholders through responsibility and stewardship.

Oversight

Board

Oversees all corporate impact matters and receives periodic updates from management regarding strategy, goals, opportunities, risks, initiatives, and results.

AUDIT COMMITTEE

Oversees quality and integrity of quantitative public disclosures relating to sustainability matters

GOVERNANCE COMMITTEE

Oversees our climate risk management, and corporate governance initiatives

COMPENSATION COMMITTEE

Oversees executive compensation and human capital matters

Honeywell 2025 Proxy Statement

Includes one page at the beginning of the proxy statement in their “Honeywell Performance in 2024” section with select sustainability highlights that implicitly tie sustainability performance to business performance. Also includes a section later in the risk oversight section related to oversight of ESG.

COMMITMENT TO SUSTAINABILITY



WE PROTECT

Our people, our communities, and the environment



WE ACHIEVE

Sustainable growth and accelerated productivity



WE DEVELOP

Technologies that expand the sustainable capacity of our world



PATH TO CARBON NEUTRALITY

- Committed to being **carbon neutral** in Honeywell's operations and facilities by 2035.⁽¹⁾
- Committed to a 50% reduction in our U.S. Scope 1 and 2 emissions by 2030 from a 2018 baseline in partnership with the U.S. Department of Energy's **Better Climate Challenge**.
- Science-based target approved by the Science Based Targets initiative (SBTi).
- SBTi target includes a commitment to partnerships with industry leaders to achieve net-zero emissions.



SUSTAINABLE OPERATIONS

- Over **90%** reduction in Scope 1 and 2 emissions
- Approximately **70%** energy efficiency
- More than **3,000** acres remediated and restored
- Safety record **>4x** better than the weight in which Honeywell operates.
- 6,800** sustainability projects since 2018



SUSTAINABILITY-ORIENTED OFFERINGS

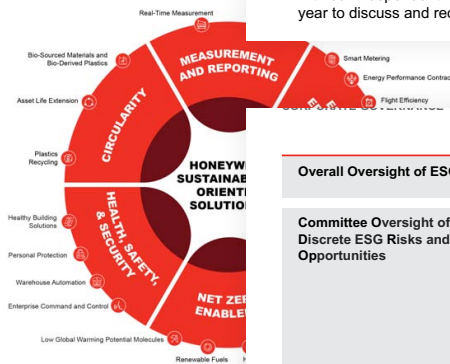
- Decades-long **history of innovation** in sustainability-oriented offerings.
- >60%** of 2024 new product research and development focused on sustainability-oriented outcomes.⁽²⁾
- >60%** of 2024 sales were from offering sustainability-oriented products.
- We estimate that Honeywell technology enabled **metric tons of CO₂e** between 2023 and 2024.

OVERSIGHT OF ESG MATTERS

Honeywell takes seriously its commitment to corporate social responsibility, protection of the environment, and creation of sustainable opportunity everywhere it operates. Honeywell's environmental, social, and governance (ESG) initiatives are aligned with the Company's long-term strategy, both informing and supporting Honeywell's strategic plans.

The Board's engagement and oversight extends to ESG risks and opportunities in the following principal ways:

- The CGRC has primary jurisdiction for managing risks and opportunities associated with ESG as well as oversight of discrete ESG topics, such as climate, environmental remediation, environmental justice, integrity and ethics, data privacy, responsible AI governance, and political engagement.
- Direct MDCC oversight of human capital management issues, including culture, talent recruitment and retention, and employee well-being.
- Direct Audit Committee and Board engagement with ESG risk areas through a robust and comprehensive ERM program.
- Direct Board engagement on select ESG topics, such as safety, business resiliency, political engagement, environmental matters, and community engagement.
- Feedback from shareowners. The Board values shareowners' perspectives on ESG matters, and the Company (oftentimes with our independent Lead Director, MDCC Chair, and/or CGRC Chair) engages directly with shareowners throughout the year to discuss and receive feedback on our activities, risks, and opportunities in these areas.



⁽¹⁾ Scope 1 and Scope 2.

⁽²⁾ Methodology for identifying sustainability-oriented offerings is available at investor.honeywell.com/esg-information (see “Sustainability-Oriented Offerings”).

⁽³⁾ Methodology for estimating GHG mitigation impact is available at investor.honeywell.com/esg-information (see “Sustainability-Oriented Offerings”).

For more information about Honeywell's commitment to sustainability, visit investor.honeywell.com/esg-information or our 2024 Impact Report at investor.honeywell.com/esg-information.

Overall Oversight of ESG

The full Board and Corporate Governance and Responsibility Committee oversee the Company's overall ESG performance and associated risks and opportunities.

Committee Oversight of Discrete ESG Risks and Opportunities

CGRC

- Environmental
- Health and Safety
- Climate
- Remediation
- Political Engagement
- Governance
- Integrity and Compliance
- Data Privacy
- Responsible AI Governance
- Environmental Justice

AUDIT COMMITTEE

- Tax
- Financial Controls
- Enterprise Risk
- Litigation/Controversies
- Raw Materials Sourcing
- Product Safety and Integrity
- Supply Chain
- Cybersecurity
- Data Use and Compliance (including AI regulations)

MDCC

- Human Capital Management
- Labor Practices
- Culture
- Compensation
- Workplace Respect
- Workforce Composition
- Employee Engagement and Wellness

Management with Accountability and Regular, Direct Reporting to Responsible Board Committee on ESG Topics

- SVP and General Counsel
- Chief Sustainability Officer and Chief Scientist
- SVP, Global Government Relations
- VP and Corporate Secretary
- VP and General Counsel, ESG
- Chief Compliance Officer

- SVP and Chief Financial Officer
- SVP and General Counsel
- VP, Corporate Audit
- Chief Security Officer
- VP, Controller
- VP, Tax
- Chief Supply Chain Officer
- Chief Compliance Officer
- Chief Digital Technology Officer

- SVP and Chief Human Resources Officer
- VP, Talent Engagement

Lockheed Martin 2025 Proxy Statement

Includes an affirmative statement that sustainability is integrated throughout business strategy. Disclosure spans three pages, with one page devoted to governance and two pages to the key initiatives, including how their materiality assessment/stakeholder engagement defines their sustainability management plan.

Board Oversight of Sustainability

The Governance Committee is primarily responsible for the Board's long-standing sustainability program built around fostering innovation, strengthen communities, steward the environment and grow responsible business strategy, including in operations and product and service innovation described in this section, provides the framework for this integration

We integrate sustainability governance through a risk-management lens

We take an integrated approach to managing corporate culture, ethics through a risk-management lens. The Governance Committee is responsible for including regular reviews of performance against the SMP. The Governance Committee reviews our annual sustainability report, available on our website below and its elements are collectively responsible for guiding and implementing



Board of Directors

Chairman, President and CEO

Nominating and Corporate Governance Committee

Monitors the Company's adherence to our Code of Conduct and oversees performance in corporate sustainability, employee safety and health, environmental stewardship and ethical business practice



Executive Leadership Team

Chairman, President and CEO

Chief Operating Officer

Chief Financial Officer

Senior Vice Presidents,

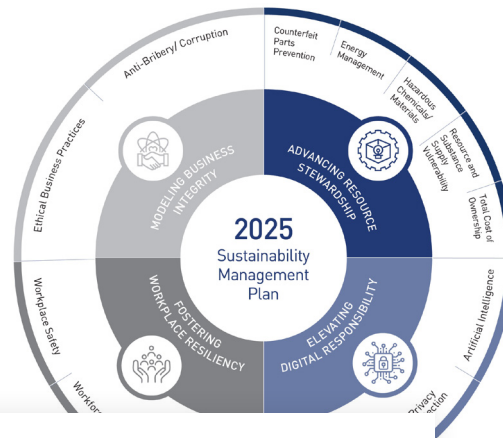
Business Functions

Business Segment Presidents

Oversees the sustainability program, supporting the Lockheed Martin strategic plan by enabling business segments and functions to pursue and implement

Our comprehensive sustainability management plan creates value

Our 2025 SMP, developed through an extensive materiality assessment using stakeholder input and industry trends and released in 2020, defines our sustainability goals and drives our progress toward them. As depicted below, the SMP is centered around four strategic priorities, each of which has subsidiary core issues. The 2025 SMP includes goals and key performance indicators (KPIs) established for each core issue that reflect stakeholder feedback, internal and external trends, and the continued evolution of our business to create value well into the future. These metrics help focus our efforts in the areas that provide value to our stakeholders and our business. We comprehensively report our progress annually in our Sustainability Performance Report. We have developed robust processes to monitor emerging issues and continue to evolve our sustainability efforts between our formal five-year assessments. In addition, in 2024 we conducted a complete double materiality assessment that will become the foundation of the next formal five-year SMP and associated goals and enable our preparations for emerging sustainability reporting requirements.



We engage with our supply chain to enhance their sustainability efforts

We work closely with suppliers to strengthen our communities and foster responsible growth. Lockheed Martin joined other leading aerospace and defense companies in the utilization of industry-wide third party sustainability assessments. This aerospace sector initiative, which commenced in 2023, is a voluntary program that aims to accelerate sustainability performance in the industry and the extended supply chain, recognizing the benefits of a common approach with a shared results pool.

This better equips participating companies with insights into Scope 3 emissions, supply chain human rights due diligence compliance obligations and supply chain aspects in regulated sustainability disclosures. In addition, by embracing a common approach, suppliers benefit from completing only one sector-level assessment rather than multiple assessments. In 2024, this sector program yielded nearly 5,000 supplier scorecards, up from 1,000 in the program's inaugural year.

Received an "Exceptional" rating from the Defense Contract Management Agency (DCMA) for small business performance on Department of Defense contracts



Supply chain stewardship

Supply chain resiliency as a leader in global security programs and management of climate-related risks, illustrated below, demonstrate our efforts. We publicly report on our progress

We are recognized for our transparent corporate sustainability disclosures

Our Board believes transparency is a good corporate governance practice. We have been recognized globally for our sustainability efforts and disclosures. Our annual sustainability report is prepared with reference to the Global Reporting Initiative (GRI) Standards and undergoes independent, third-party assurance. We also maintain a dedicated sustainability website and disclosure hub that serves as an online repository for our sustainability-related disclosures, guidelines, policies and webpage links, including select GRI and Sustainability Accounting Standards Board (SASB) indicators. SASB standards will be incorporated into the International Financial Reporting Standards Foundation (IFRS) Sustainability Disclosure Standards, issued by the International Sustainability Standards Board (ISSB), as of our 2024 Sustainability Performance Report.



Energy

100% of electricity used in global operations sourced from

Tanger 2025 Proxy Statement

Includes a short description of their approach to corporate responsibility and the body responsible for overseeing governance, as well as an affirmative statement that stakeholder assessments and business priorities drive their corporate responsibility programs.

Our Approach to Corporate Responsibility

We believe that supporting strong communities and making conscious decisions about our impact on our planet align with our business strategies to create long-term value for our shareholders, retail partners and employee team members. We integrate programs into our business practices which seek to address the issues most important to our stakeholders. Our Core Values form the foundation of our approach as we set goals to create positive social and economic impact while reducing our environmental footprint.

A portion of our 2024 short-term incentive plan for our named executive officers was contingent on achieving goals in support of making meaningful progress towards the Company's 2050 Carbon Neutral goal by enhancing our corporate sustainability reporting, increasing the resiliency of our centers and improving accuracy and auditability of our environmental data.

Stakeholder Alignment

Stakeholder assessments and business priorities drive the strategy behind our corporate responsibility programs. We begin by identifying opportunities and risks, and leverage external frameworks and engage stakeholders, executives and our Board members to help identify key issues impacting our business. These key issues are translated into operational priorities and processes across the Company. In 2025, we are partnering with a third party to refresh our materiality assessment in alignment with double materiality to evaluate the impact of environmental and social issues on our financial performance. We believe that this double materiality assessment will provide us with valuable insights that we can use to ensure that our priorities are in alignment with the view and opinions of our stakeholders.

Governance and Reporting

Our Executive Committee leads the governance of our corporate responsibility programs and is chaired by our General Counsel. Consisting of executives from various functional areas of our Company, including, without limitation, Operations, Finance and People and Culture, the Executive Committee advises on the Company's approach to corporate responsibility. The Executive Committee monitors progress toward achievement of goals and communicates priority issues to senior leadership. Our Nominating and Corporate Governance Committee of our Board provides oversight of risks related to environmental, social and sustainability matters to ensure such risks are managed appropriately and regularly reviews our programs and practices to ensure alignment with our overall business strategy.

Looking Ahead

One thing is certain – the landscape will **continue to evolve** as the different political parties, special interest groups and other stakeholders work to advance their priorities and search for common ground. At least in the near-term, though, **many large investors still prioritize climate risk, environmental stewardship and other issues that have direct financial implications for companies.**

In response, we advise that **companies still include an oversight section** in proxy statements that describe how sustainability-related responsibilities are allocated among management personnel, the Board and its committees. In addition, **best practice companies are tying Board oversight of sustainability to the company's strategy and stakeholder feedback.** Any disclosures beyond an oversight description are dependent on a company's particular circumstances and investor base. In all cases, though, companies should provide enough information about **issues that have a direct financial implication to allow stockholders to make an informed decision** when voting on a company's directors.

Companies should always be **mindful of the consistency of sustainability-related disclosures** between their proxy statement and sustainability reports. Attention should be given to a thoughtful review of a company's disclosure documents to ensure a consistent and coherent message.



Labrador Transparency

About Labrador Transparency

Labrador Transparency exists to offer the science of transparency to corporations wishing to communicate effectively with their readers.

Our experienced and passionate team is composed of attorneys, designers, project managers, thinkers, and web developers. We collaborate together around a process that encompasses drafting, editing, designing, and publishing across all digital and print channels.

We are thrilled that communications prepared by Labrador Transparency have contributed to trustful relationships between our clients and their readers, whether investors, employees, or other stakeholders.

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