2024
Sustainability Report

NORTHROP GRUMMAN

Contents

CEO Message

> **Motivated by our mission and the countless lives around the world counting on us, this team stands ready and committed to deliver a brighter, more sustainable future for all.**

The opportunity and responsibility to build a stronger, brighter future drives our team every day.

Inspired by our shared values and passion for solving the world's most challenging problems, Northrop Grumman delivers game-changing innovation with unmatched breadth. Our expertise, scale and speed enable us to define the future of technology while leveraging it to shape a better world for all.

Powered by the ingenuity and dedication of our nearly 100,000 employees, our unmatched technology leadership and our commitment to always doing what's right, Northrop Grumman is driving meaningful change in our communities today and for generations to come.

Addressing the vital need for more STEM talent, Northrop Grumman volunteerism and partnerships inspire the next generation of pioneers, increasing access to the tech workforce for all who stand ready to engineer the solutions that will shape our world.

Serving our nation's veterans and their families, our commitment to hiring and education programs like Skillbridge and TechFundamentals, which help service members transition to civilian life, earned us recognition as the top company for veterans by Fair360 in 2024.

Ensuring robust and resilient operations across our enterprise, our commitment to a strong industrial base enables the bold technologies our teams deliver. From responsible sourcing practices and ethical business operations to mentoring businesses located in underutilized business zones, supporting our suppliers upholds our commitment to the highest levels of quality in all we do.

Our best-in-class ethics and compliance program defines all our operations, promoting a speak-up culture and providing education and training to leaders and employees. With our Standards of Business Conduct and Standards of Business Conduct for Suppliers and Other Trading Partners, we continue to expand the reach of our strong corporate governance foundation.

The foundation of ethics across our company defines how we work and our Values are our North Star. We do what we promise, and we always do the right thing.

Motivated by our mission and the countless lives around the world counting on us, this team stands ready and committed to deliver a brighter, more sustainable future for all.

Sincerely,

Kathy Warden

KATHY J. WARDEN
Chair, Chief Executive Officer and President
March 17, 2025

Our Company and Values

Northrop Grumman Corporation (herein referred to as "Northrop Grumman," the "company," "we," "us" or "our") is a leading global aerospace and defense technology company. Our pioneering solutions equip our customers with the capabilities they need to connect and protect the world, and push the boundaries of human exploration across the universe. Driven by a shared purpose to solve our customers' toughest problems, our employees define possible every day.

Across our four operating sectors[1], we foster a culture of inclusive innovation, where pioneering isn't about the few, it's about the many.

AERONAUTICS SYSTEMS

Strike | Air Dominance | Battle Management and Control | Autonomous Aircraft | Intelligence, Surveillance and Reconnaissance (ISR)

Leader in the design, development, production, integration, sustainment and modernization of military aircraft systems for the U.S. Air Force, the U.S. Navy, other U.S. government agencies and international customers.

DEFENSE SYSTEMS

Strategic Missiles | Integrated Command and Control Systems | Weapons Systems | Advanced Propulsion

Leader in the design, engineering, development, integration and production of strategic deterrent systems, advanced tactical weapons and missile defense solutions for the U.S. military and a broad range of international customers.
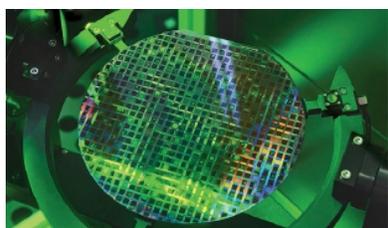
MISSION SYSTEMS

C4ISR Systems | Radar, Electro-optical/infrared (EO/IR) and Acoustic Sensors | Electronic Warfare Systems | Advanced Communications and Network Systems | Microelectronics | Cyber

Leader in advanced mission solutions and multifunction systems, primarily for the U.S. defense and intelligence community, and international customers.
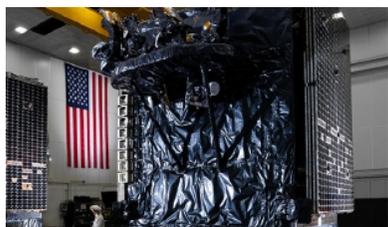
SPACE SYSTEMS

Satellites and Spacecraft | Sensors and Payloads | Ground Systems | Missile Defense Systems and Interceptors | Launch Vehicles and Related Propulsion Systems

Leader in delivering end-to-end mission solutions through the design, development, integration, production and operation of space, missile defense and launch systems for national security, civil government, commercial and international customers.

Our Values

Our Values reflect who we are and how we treat others; they define how we act and operate and enable us to deliver on our shared purpose. Our Values reaffirm what is important to us and explicitly state what we should expect from our company and from one another. These Values make our company unique.

We do the right thing

We commit to shared success

We do what we promise

We pioneer

[1] Effective January 1, 2025, the company realigned the Strike and Surveillance Aircraft Solutions (SSAS) business unit from Defense Systems to Aeronautics Systems. This realignment is reflected in the sector descriptions.

CSO Message

> ## "
> ## Our commitment to safety and environmental protection remains central to our business.

At Northrop Grumman, our Values are the foundation for who we are and how we operate. We do the right thing for both our people and our planet. Our 2024 Sustainability Report reflects our Values and showcases our efforts to drive efficiency, minimize our environmental footprint, foster sustainable growth, embody a safe work culture and better our communities through innovative technology.

Our commitment to safety and environmental protection remains central to our business. We pride ourselves on being safe by choice, not by chance, with safety woven into every step of product development and operational excellence. We've taken additional measures to ensure our employees integrate our set of Life Critical Standards to reinforce safety and follow proper protocol for hazardous operations. Furthermore, our speak-up culture empowers our employees and enables us to prioritize integrity and quality excellence. The health and safety of our talent, partners and customers is at the forefront of our business.

We've also made significant strides towards our footprint reduction goals and strategic investments in renewable energy initiatives. Our focus on sustainability impacts both our Northrop Grumman sites and the communities where we operate. For example, in 2024, our Cultural Scans for an Interactive 3D Experiences (SITEs) project, in partnership with the New Mexico Humanities Council, used innovative digital technology to scan and capture historical sites within the state. The findings from our Cultural SITEs project are leveraged in local school curriculum and resurface the community's history.

As we continue our environment, health and safety pursuits, we remain committed to transparency and accountability. This report showcases our ongoing efforts to integrate sustainability and safety into every aspect of our business operations, from product design to supply chain management.

Together, with our partners, stakeholders and customers, we will continue to enable a more connected and protected world with greater understanding of how to maintain it for generations to come.

Sincerely,

MIKE WITT
Vice President of Corporate
Environment,
Health and Safety
Chief Sustainability Officer
March 17, 2025

Sustainability at Northrop Grumman: Our Approach

Performance

People

Planet

Innovation
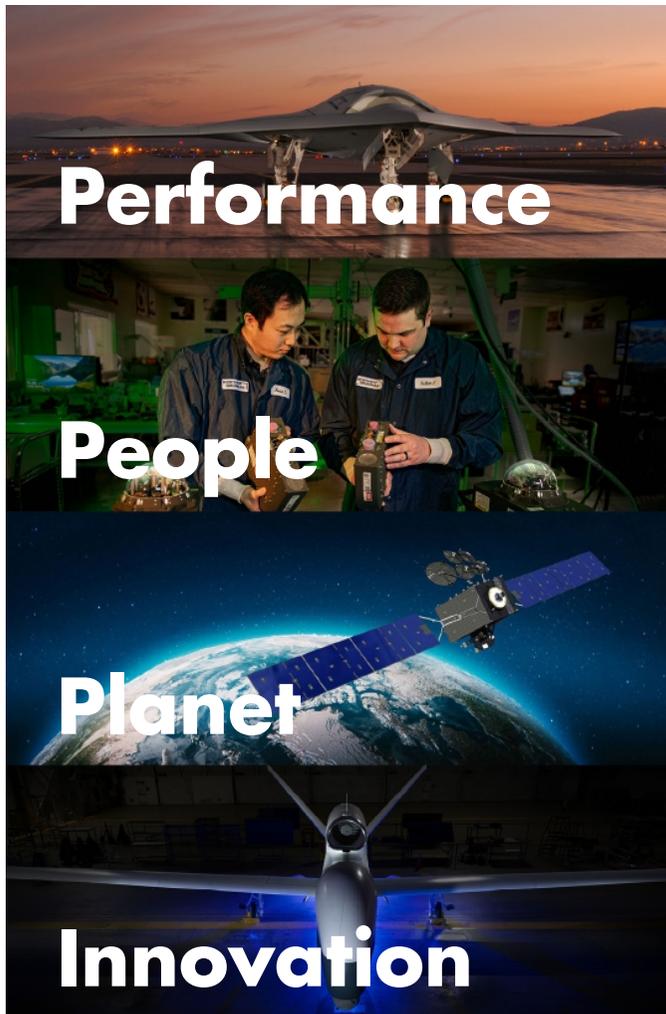
At Northrop Grumman, our mission and Values guide how we interact with the world around us.

At Northrop Grumman, our focus on sustainability shapes how we contribute to the world around us. We push technological boundaries to deliver world-class solutions, leveraging advancements made possible by fostering an inclusive environment where everyone can succeed at what they do. By remaining mindful of our impact and keeping integrity at the forefront in all we do, we continue to build on the innovative spirit that has guided us for decades, addressing the complex challenges facing our industry, communities and planet. The progress detailed in this 2024 report reflects our commitment to global security, technological innovation and human progress. These efforts aim to connect and protect the world, while strengthening resilience against critical challenges. The report captures who we are at Northrop Grumman—technological pioneers dedicated to creating a safer, more sustainable and inclusive future for all.

Non-Financial Performance Metrics

Our commitment to promoting a sustainable, inclusive workplace while maintaining an unrelenting focus on quality and customer satisfaction is embedded in our culture and compensation plan. Our non-financial performance metrics demonstrate our commitment to a high level of performance on sustainability as part of our overall strategy. This report covers our performance in

areas related to these non-financial metrics, as well as other important sustainability metrics and goals that drive our company forward.

We use financial and non-financial metrics to assess our performance and progress. Non-financial metrics have been key elements of our compensation programs since 2010, and our annual incentive plan has included non-financial metrics as part of our core metrics since 2022. These non-financial metrics account for 10% of the overall 2024 annual incentive plan score. For more information regarding our annual incentive plan, please see our **2025 Proxy Statement**.

QUALITY

CUSTOMER SATISFACTION

INCLUSION AND BELONGING

ENVIRONMENTAL SUSTAINABILITY

Our Environmental Sustainability Goals

Our environmental sustainability goals help us focus on our mission of pioneering for a better planet. These goals cover our three environmental sustainability mission areas: Footprint, Handprint and Blueprint. The symbols associated with these mission areas appear throughout this report to indicate that a 2024 action supports a goal listed on this page.

	GOALS	2024 PROGRESS
FOOTPRINT Address the fundamental needs driving sustainability by minimizing the footprint of our operations.	Net Zero greenhouse gas (GHG) emissions in our operations (Scopes 1 and 2) by 2035. Interim target of 50% GHG emissions reduction by 2030.[2, 3]	Achieved 13% reduction in emissions, compared to 2019 base year, and sourced 12% of electricity from renewable sources.
	Source 50% of total electricity from renewable sources by 2030.	
	Reduce 10% of absolute water withdrawals,[3] reuse 10% of water withdrawals and replenish 10% of water withdrawals, focusing in water-stressed regions—all by 2030.	Water withdrawals increased 1% from the 2019 base year. While we saw a decrease in year-over-year waste sent to landfills/incineration, this metric is still 5% above base year levels. These increases occurred during a period where sales grew 30% organically, which outpaced our annual efficiency project impacts. We continue to focus on identifying high impact projects to reduce water withdrawals and disposed waste.
	Reduce solid waste sent to landfill and incineration by 10% by 2030.[3]	
HANDPRINT Enhance sustainability within the aerospace and defense industry by supporting customer needs and supply chain objectives.	In collaboration with key customers, work to develop a pioneering product stewardship program focused on material efficiency, product design and lifecycle assessment.	Engaged with customers, industry trade associations and internal stakeholders on product stewardship, chemical management, material efficiency, product design and lifecycle assessment.
BLUEPRINT Affirm our leadership in sustainability by collaborating to protect ecosystems and define environmental opportunities in our communities.	Expand Technology for Conservation (T4C) initiatives in proximity to Northrop Grumman's U.S. locations by 2030, in collaboration with external partners.	Engagement with T4C increased with a 14% growth in T4C participants representing 75 Northrop Grumman sites.
		Launched several new T4C projects, including Virtual Reality SAFE and the Project Reclaim Recycling Process.

[2]   "Net Zero operations" is defined as our goal to reach Net Zero GHG emissions in our operations (i.e., our Scope 1 and 2 GHG emissions) by 2035.

[3]   Indicated footprint reduction goals and/or targets have a base year of 2019 for tracking progress.

2024 at a Glance

$41.0 billion
Total sales

$1.8 billion
In capital investment (CapEx)

$1.1 billion
In R&D investments

13.2%
Reduction in GHG emissions from 2019

42 million
pounds of waste diverted from landfill

52 million
Square feet of floor space

97,000
employees

17%
veterans

7,400
new hires

Named as one of LinkedIn's best large workplaces to grow a career

Named as one of JUST Capital's "100 Most Just Companies" for 2024

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA

Included on the Dow Jones Sustainability North America Index for the ninth consecutive year

Pioneering
Performance

Governance

At Northrop Grumman, we help our customers achieve their missions while also ensuring that we act responsibly and sustainably to build a brighter future together. Our Values define who we are as people, as members of teams and as a company. To us, "Values" is more than just a word; our Values guide how we operate. Our governance policies and systems reinforce our Values and form the core of our sustainability program. We commit ourselves to Values and principles because we understand that they are pivotal to our innovation and long-term growth.

Governance sets us on a path to success—the kind of success we can be proud of—that is sustained by ethics, responsibility and motivation to go beyond what is required and, instead, to do what is needed.

Governance Structure

Our Principles of Corporate Governance and **Standards of Business Conduct**, among other documents, set our foundation by representing and reinforcing our commitment to our Values and robust governance practices.

Board of Directors

Our Board of Directors (Board) oversees our corporate governance program to advance the long-term interests and success of our company, shareholders, customers and other stakeholders. Our Board is highly qualified, well-informed and talented, with wide-ranging skills and perspectives. They possess the skills and experience, as well as the necessary time and resources, to devote to our company and our shareholders. This diversity of backgrounds and experiences enhances the Board's overall effectiveness. The Board is composed of 13 directors, 12 of whom are independent. The Board has four standing committees: Audit and Risk; Compensation and Human Capital; Nominating and Corporate Governance; and Policy. In 2024, the Board held nine meetings, including a meeting focused on reviewing long-term strategy.

The Board oversees our enterprise risk management activities with a focus on the company's significant risks, and each of our Board committees assists in this role. The Board and the Audit and Risk Committee also receive reports from members of our Enterprise Risk Management Council, which seeks to ensure we have identified and understood the more significant risks facing our business and are effectively managing and mitigating such risks.

> ⬀ For more information regarding our Board, including committees of the Board and their roles and responsibilities, please see our **2025 Proxy Statement**, committee charters and other corporate governance policies available on **our website**.

Sustainability Oversight

BOARD OF DIRECTORS
Our Board provides leadership and oversight with respect to sustainability practices, among other duties, and regularly receives reports from management throughout Northrop Grumman on these matters.

AUDIT AND RISK COMMITTEE
- Reviews and discusses the company's global compliance programs and policies with our General Counsel and Chief Ethics and Compliance Officer (CECO), including the tone set by leaders throughout the organization.
- Reviews and discusses with the CECO the company's ethics programs and policies, including matters that are communicated through the OpenLine reporting system.
- Reviews with our General Counsel the company's compliance with legal and regulatory requirements.
- Assists the Board in its overall oversight of enterprise risk management and oversight of financial risks, including those related to insurance, nuclear and environmental matters.
- Provides oversight of cybersecurity risks and reviews the company's assessment and management of such risks.
- Responsible for overseeing the audit and assurance processes for sustainability reporting.

POLICY COMMITTEE
- Reviews and oversees practices with respect to sustainability and environmental matters, human rights, health and safety, community relations programs and support of charitable organizations.
- Reviews and provides oversight over the company's sustainability and environmental policies and programs—including climate change, Net Zero operations and water and waste reduction plans—and receives updates from the Vice President of Corporate Environment, Health & Safety and Chief Sustainability Officer.
- Oversees relevant sustainability and environmental-related reports, including our annual Sustainability Report.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE
- Assists the Board in its oversight of the company's corporate culture and governance-related risks.
- Oversees corporate governance policies and practices, the composition and effectiveness of our Board, with a focus on succession planning and engagement with our shareholders, including on shareholder proposals.

COMPENSATION AND HUMAN CAPITAL COMMITTEE
- Oversees the company's management of human capital risks, oversees the results of the company's policies and practices with respect to employee experience and engagement and reviews a risk assessment of the company's compensation programs.
- Approves goals, including financial and non-financial metrics, for our compensation programs.

Ethics and Compliance

Our commitment to ethics and integrity is the foundation of our business culture. Our first company Value—"We do the right thing"—means that we own our Values, live them every day and lead with our Values and the ethics and integrity that they represent. That's how we create a work environment that empowers employees to speak up and perform at the highest standards.

For more information on our policies and practices, please see our **Ethics and Business Conduct** webpage.

Northrop Grumman's CECO oversees our ethics and compliance program, which helps ensure that we meet or exceed our performance standards and create a pathway for success. Located within the company's Law Department and reporting directly to the General Counsel, the CECO and team promote and facilitate a company culture of integrity, ethics and compliance with applicable laws. Our CECO chairs the company's Compliance Council, which includes senior representatives from Internal Audit, Human Resources, Finance, Sustainability, Security, Quality, Information Technology, Global Corporate Responsibility and all four of our operating sectors.

We have full-time ethics directors and advisors across the company to help implement our programs and initiatives. We make guidelines and resources available to employees to help them make ethical decisions and support compliance with company policies, procedures and legal requirements. We highlight the importance of ethics and integrity in the workplace through multiple communication channels. We are active in the ethics and compliance community outside our company to promote ethics and integrity throughout the global defense industry and beyond.

Our ethics are reflected in our Values, our Standards of Business Conduct and our Leadership Behaviors. Our Standards of Business Conduct, which are available to our employees in several languages, provide employees with guidance and resources to help them make ethical decisions.

Additionally, we maintain robust policies and procedures to assess U.S. and non-U.S. third parties, such as sales representatives, partners, consultants, suppliers and teammates, for compliance with applicable laws and other requirements. We expect our partners to share our commitment to do business with high levels of ethics and integrity and comply with all applicable laws and regulations.

Our "Speak-Up" Culture

Northrop Grumman is committed to ensuring that our employees feel safe speaking up and challenging business practices without fear of retaliation. We encourage them to raise concerns and ask questions through their managers, members of our Human Resources or Law Department teams, Business Conduct Advisors or the global OpenLine reporting system. Frequent communications and engagement instill our culture into all of our employees. Together, our Ethical Decision Guide and Ethical Dilemma Conversation Guide provide a framework and tools to support employees and leaders as they navigate conversations around ethical issues. We encourage employees to seek guidance on ethics questions and report possible violations of our Standards of Business Conduct, our Standards of Business Conduct for Suppliers and Other Trading Partners, company policy or the law.

Ethics Training

All new employees receive required ethics training during onboarding. This training sets expectations and covers key topics, such as our Standards of Business Conduct, time and labor charging, business courtesies and conflicts of interest.

We also provide annual refresher training to inform and update employees on ethical practices and obligations. This interactive training is required for all full- and part-time employees and is translated into Dutch, French, German and Italian. The 2024 training featured videos of leaders and employees responding to case scenarios on topics including integrity and respect, quality, safety, business courtesies, conflicts of interest and artificial intelligence.

Over 99%
of our full- and part-time employees completed ethics training in 2024

Business Conduct Advisors

We have more than 150 Business Conduct Advisors (BCAs) at company sites across the globe. BCAs are Northrop Grumman employees nominated and selected by their leadership and the Corporate Ethics Office for demonstrating high ethical standards. They promote ethics awareness to management and employees, coach colleagues through ethical dilemmas, raise concerns and potential risks to their departments or the Corporate Ethics Office and respond to questions and concerns from employees.

Northrop Grumman OpenLine

We promote a culture of ethical behavior by providing employees and other stakeholders with a mechanism to share their concerns. The company's OpenLine enables all employees, business partners, suppliers and other stakeholders to ask questions, obtain guidance or report concerns or potential violations of the law, regulations or company policies without fear of retaliation.

OpenLine is a toll-free, third-party phone number available 24/7 in multiple languages. Web-based reporting is also available to employees as permitted by local laws. OpenLine contacts are categorized as either inquiries, business conduct allegations or employee relations concerns. They are then assigned to subject matter experts, our Ethics Investigations Group or employee-relations investigators accordingly. In 2024, approximately 36% of contacts to the OpenLine, including allegations of wrongdoing, were substantiated in whole or in part (compared to 43% in 2023). A total of 750 actions were taken as a result. The percentage of substantiated allegations was lower than the NAVEX 2024 Ethics Hotline & Incident Management Benchmark Report (NAVEX Report) figure of 45%, which includes over 3,700 companies. Employees or other parties who contact us through OpenLine typically share their names but can remain anonymous, if preferred. In 2024, 37% of contacts were anonymous as compared to the NAVEX Report average of 56%.

We analyze OpenLine metrics quarterly to identify trends and areas of potential concern. Findings are shared with the Corporate Ethics Committee, which consists of certain members of the Executive Leadership Team, and with other senior leaders, external auditors and the Audit and Risk Committee of our Board. We provide department and site leadership with quarterly OpenLine metrics and address trends through targeted communications and additional training.

2024 ALLEGATIONS AND INQUIRIES

3,322 Total Contacts

2,583 OpenLine Allegations

739 OpenLine Inquiries

BUSINESS CONDUCT

Allegations: 851

44% substantiated

Top Allegations:
Time Reporting/ Mischarging/ Overpayments: **412**
Security, Threats, Violence, or Unauthorized External Contact: **105**
Quality/Manufacturing: **76**

EMPLOYEE RELATIONS

Allegations: 1,732

32% substantiated

Top Allegations:
Other Workplace Concern: **397**
Harassment/Bullying Policy Violation: **379**
Unprofessional Communication or Conversation: **323**

2024 ACTIONS TAKEN[1]

As a result of investigations substantiated in whole or in part

Coaching or Counseling	**257**
Written Warning	**174**
Terminations	**133**
Memo of Expectations	**108**
Suspension and Demotion	**18**
Verbal Warning	**15**

[1]   Incidents may have one or more actions associated with them.

Human Rights

We are committed to maintaining a strong culture with a deep respect for individuals and human rights. We maintain a robust **Human Rights Policy**, as well as other company policies, practices and procedures that reflect and reinforce our commitment. These policies address discrimination, harassment and retaliation; they also cover freedom of association, fair working conditions, ethical procurement practices, health and safety, support for our communities and the protection of the environment. Our Human Rights Policy addresses how we do business, including how we develop and provide our goods and services and how we work with our supply chain.

We are committed to treating all of our stakeholders—including our employees, customers, shareholders and suppliers, and the communities in which we operate—with equal respect and dignity, and also to partnering with our stakeholders to help them to do the same. Our latest **Human Rights Report** discusses our human rights policies and practices and provides insight into our program for our shareholders and other stakeholders.

Our Human Rights Working Group helps ensure that our Human Rights Policy is being implemented effectively and is achieving its goals. The General Counsel or her designee leads the working group, which consists of senior representatives from Global Corporate Responsibility; Human Resources; the Law Department; Global Supply Chain; Investor Relations; Contracts; Environment, Health and Safety (EH&S); Global Business Development; Government Affairs; Communications; and each of our four operating sectors.

The Policy Committee of the Board provides oversight of company policies and programs with respect to human rights and receives reports from the General Counsel or her designee on the Human Rights Working Group on the implementation of our Human Rights Policy, as well as areas of concern or suggestions for improvement.

Anti-Corruption Compliance

Ethics and integrity are at the center of everything we do at Northrop Grumman. We understand it isn't just about what we do, but how we do it. This includes compliance with all applicable anti-corruption laws. We believe that a strong stance against bribery and corruption supports the values and culture of our company and is a critical enabler for us to achieve our business objectives.

We compete in the global marketplace based on the quality of our products and services and the value we create for our customers by offering those products and services at a competitive price. We have zero tolerance for bribes, kickbacks or any other illegal business practices. Our best-in-class global anti-corruption program is a critical enabler to help us achieve our business objectives in an ethical and legally compliant manner.

> ⬈ Details of our global anti-corruption program can be found at our **Anti-Corruption Compliance** webpage.

Anti-Human Trafficking and Forced Labor

We have zero tolerance for human trafficking or forced labor, and we strive to eliminate both from the supply chain. As reflected in our **Standards of Business Conduct for Suppliers and Other Trading Partners**, we require our suppliers to comply with all applicable local laws in the country or countries in which they operate. Our standard terms and conditions prohibit trafficking of persons and the use of forced labor. We require our suppliers to integrate applicable terms and conditions into their lower tier purchase orders and continue to prohibit trafficking in persons and the use of forced labor.

More broadly, we provide our employees and suppliers with targeted awareness training regarding the global problem of human trafficking and forced labor through online training modules, communication campaigns, posters at applicable work sites and postings on our websites.

> ⬈ For information on our Anti-Human Trafficking and Slavery Statement, please see our **Anti-Human Trafficking Compliance** webpage.

Responsible Business Practices

Our commitment to the highest standards of ethics, integrity and transparency underpins everything we do. That commitment is reflected in our approach to doing business, whether it's in our engagement with employees, the political process or our customers.

Labor Relations

We are committed to strong management practices in support of our employees. Currently, collective bargaining agreements cover approximately 4% of Northrop Grumman employees in the United States. At our facilities, employees are free to choose to exercise their rights of freedom of association. In places where we have unions, we work cooperatively with them and engage in constructive negotiations on labor topics that include wages, schedules and hours, job progression, training and education, health and safety, non-discrimination and benefits, including employee assistance resources. In places where we do not currently have unions, we prefer to maintain direct relationships with our employees. We believe it benefits the business and our employees for management to be able to engage and communicate directly with employees as individuals.

Political Involvement

We participate in the democratic process at the federal, state and local levels and express views on important public policy issues.

We engage in political activities in accordance with applicable laws and consistent with our company Values and ethical standards. Our engagement efforts support long-term, sustainable growth and, more broadly, the objectives of our company and shareholders.

Our company policies, approval procedures and required disclosures for involvement in political activities are made available to our employees.

Our Vice President, Legislative Affairs manages political activities, including lobbying, and reports directly to the CEO. The Policy Committee of the Board reviews the company's government relations strategy, governance and compliance of the company's Political Action Committee and the company's policies and practices with respect to political contributions. The Policy Committee receives regular reports on political activities. We are committed to transparency in our political activities and comply with all public disclosure requirements. We are proud to be recognized by the Center for Political Accountability (CPA) and the Zicklin Center for Business Ethics Research for our transparency, policies and strong disclosure practices related to political expenditures. Based on voluntarily disclosed information, the Zicklin Index measures electoral spending transparency among the largest corporations. In the U.S. Northrop Grumman was one of 20 companies across all industries to receive a 100% score and recognized as a trendsetter in political disclosure and oversight in the 2024 CPA-Zicklin Index.

> ⬈ For more information on the company's political activity practices, as well as links to publicly available disclosure reports, please see our **Political Contributions** webpage.

Northrop Grumman is the only aerospace and defense company to receive a

100%

score on the CPA-Zicklin Index for six consecutive years

Product Portfolio Considerations

We commit ourselves to high standards of ethical and business conduct in the development, offering and provision of goods and services. We consider potential risks and impacts as we assess how best to design and manufacture products, as well as to whom and under what circumstances they can be sold. We are mindful of how our products might be used over time and of potential unintended uses.

We adhere to robust processes and procedures that are designed to ensure that we do not do business in certain countries or sell products to certain customers. If the risks of pursuing a business opportunity are unacceptable, we will decline the opportunity regardless of whether it is legally permissible. We also have made the following commitments related to certain products:

- We do not manufacture or sell cluster munitions or components of such munitions, as defined in the Convention on Cluster Munitions issued on May 30, 2008, as initiated at the Oslo Conference in 2007 (Oslo Conference).

- We do not manufacture or sell anti-personnel mines or components of such articles, as defined in the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction (Ottawa Treaty).

- We do not manufacture or sell biological or chemical weapons or components of such articles, as defined in the Biological and Toxin Weapons Convention and the Chemical Weapons Convention.

- We do not manufacture or sell white phosphorus weapons or components of such articles.

- We do not manufacture or sell depleted uranium munitions.

Business Continuity and Operational Resilience

Our business continuity practices encompass standards and systems that allow us to pivot quickly to address challenges across the company. These practices are critical to our responses to natural disasters, the global health and economic environment, acts of violence and continued supply chain challenges, among other disruptions. We require our businesses to maintain an established, effective security program that considers relevant risks and vulnerabilities, including crisis management, emergency response, IT disaster recovery and business recovery and resumption. We work to protect and secure our personnel, resources and information—while maintaining compliance with customer, federal, state, local and risk management requirements and regulations. We work across the enterprise to build a resiliency that supports our customers and employees.

Cybersecurity and Data Protection

Delivering on our commitments means maintaining the security of our systems and data, both internally and throughout our supply chain. We aim to continually improve our approach to guard against threats as our business and the threat environment evolves. We are vigilant in protecting our networks, systems and intellectual property, as well as company, customer, partner and employee data. We work to protect our computing environments and products from cybersecurity threats through multi-layered defenses and apply lessons learned from our defense and monitoring efforts to help prevent future attacks. We utilize data analytics to detect anomalies and search for cyber threats.

Our Cybersecurity Operations Center provides comprehensive cyber threat detection and response capabilities and maintains a 24x7 monitoring system which complements the technology, processes and threat detection techniques we use to monitor, manage and mitigate cybersecurity threats.

> ⬀ For more information about our cybersecurity oversight and risk management, please see our **2024 Form 10-K**.

We implement leading data protection standards through a comprehensive approach in compliance with applicable laws. Our Corporate Privacy Office manages our global commitment to respect the personal information of our employees, customers and other stakeholders. Our website notifies users of the cookies we track, which meets global best practices and provides awareness to all website visitors, regardless of location or nationality. Our privacy professionals monitor emerging global privacy regulations and standards to help ensure our practices remain aligned with evolving requirements.

We regularly seek to enhance our privacy governance framework through training and awareness initiatives for employees, audits, self-assessments, access controls, international and third-party supplier risk assessments, effective privacy notices and cross-border transfers of data self-certification under the EU-U.S. Data Privacy Framework, the UK Extension to the EU-U.S. Data Privacy Framework and the Swiss-U.S. Data Privacy Framework.

Global Supply Chain

Maintaining a reliable, diversified supplier base is fundamental to Northrop Grumman's ability to perform for our customers. It fuels our sustained growth and positions us for the future. We depend on our suppliers to uphold and practice the values and principles outlined in our Standards of Business Conduct for Suppliers and Other Trading Partners. We prioritize suppliers who consistently demonstrate high-quality, responsible sourcing practices and ethical business operations. These suppliers are key partners in creating cutting-edge solutions for our customers and generating shared value.

In 2024, $4.3 billion of our domestic subcontractor spend was awarded to small business suppliers, representing 35% of our total domestic spend. This marks the 20th consecutive year that Northrop Grumman has exceeded the U.S. government's 23% small business statutory goal reflected in our government contracts.
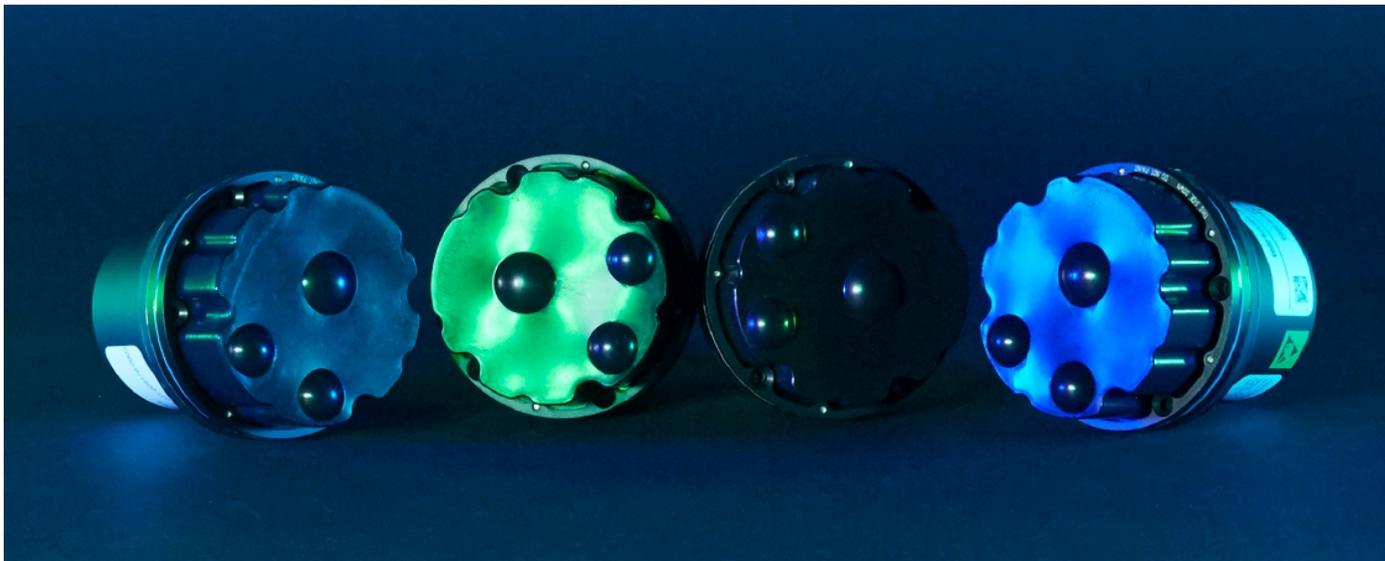
Supplier Responsibility

We are committed to responsible stewardship while also upholding high standards of ethics and human rights.

We expect our suppliers to act consistent with our Values and we manage our supply chain with a particular focus on performance, risk management and transparency. We require our suppliers to comply with all applicable laws, regulations and contract terms, and sanctions and/or embargoes related to the procurement or use of prohibited articles and articles produced or provided by prohibited sources.

Our standard terms and conditions include a provision that requires suppliers and other trading partners to comply with our Standards of Business Conduct for Suppliers and Other Trading Partners (or approved equivalent) as a condition of doing business.

These standards apply across all tiers of our supply chain, including subcontractors and their workforce, covering critical areas such as:

- Ethics and integrity
- Labor and employment practices
- Health and safety
- Product quality
- Human rights protection
- Environmental sustainability
- Responsible and ethical use of artificial intelligence
- Protection of all confidential and sensitive information

If a supplier violates these standards, we reserve the right to take appropriate action, consistent with our contractual rights.

We are committed to shared success and provide comprehensive support through our online **Supplier Portal**, which includes training materials and resources. These resources support engagement and collaboration with our suppliers and facilitate long-term, mutually beneficial relationships. We maintain active engagement with our suppliers on critical social responsibility and regulatory compliance matters including, but not limited to, anti-human trafficking, conflict minerals, counterfeit parts, cybersecurity, equal employment opportunity, harassment and discrimination and international trade.

> ↗ For more information about our work to prevent human trafficking and forced labor within the global supply chain, please see the **Anti-Human Trafficking and Forced Labor** section.

Supply Chain Sustainability

Sustainability is one focus of our supplier responsibility program. We partner with our suppliers to drive change to improve sustainability within our value chain. We actively collaborate with our peers on value chain engagement through various industry groups.

Through our updated Standards of Business Conduct for Suppliers and Other Trading Partners, we expect our suppliers to:

- Operate in a manner that conserves natural resources and protects people and the environment.
- Measure, manage and, wherever practicable, reduce GHG emissions and improve efficiency of energy, water and natural resource usage.
- Minimize hazardous waste materials.
- Responsibly manage air emissions.

We also encourage our suppliers to apply environmental management principles, such as ISO14001 or the equivalent, to systematically approach the management of risks and opportunities associated with the environment. By promoting these practices throughout our supply chain, we advance our mission to enhance sustainability within the aerospace and defense industry.

Supplier Performance

Strong supplier performance advances our ability to deliver solutions to our customers. We evaluate supplier performance across several major categories, including management, technical, schedule, cost, quality, mission assurance, security, cybersecurity and customer satisfaction. We monitor and assess our current and potential suppliers using a variety of risk and resilience factors to measure their ability to meet current and expected supply chain demands. We place an added focus on suppliers who are most vital to our core business requirements and evaluate them using essential supplier criteria including:

- Program criticality
- Past performance
- Dollar value and total spending
- Open purchase order value and volume
- Sole-source or single-source
- Number of programs supplied
- Affordability
- Risk/financial health
- Investments, business agreements and small business categories
- Unique technology and strategic partnering

Our supplier rating and evaluation processes help us identify superior supplier performance, drive future sourcing decisions and address potential supplier performance issues. Evaluations can occur during onboarding, annually through certification reviews or whenever a business experiences significant changes. These evaluations enable us to manage supply chain risks and develop corrective action plans as required.

Supply Chain Risk Management

Proactive supply chain risk management strengthens our business's ability to withstand potential disruptions from global events. The Enterprise Global Supply Chain Risk Council has implemented a structured approach to identify, assess and mitigate risks. This process incorporates input from a broad range of stakeholders across the organization—including supply chain, program and sector leadership, and experts in sustainability, compliance and cybersecurity. This approach addresses financial, operational and business factors, allowing us to tackle sustainability risks, such as emerging chemical regulations and international standards. We continue to strengthen our proactive supply chain risk planning, focusing on opportunities to build greater supply chain resilience and sustainability.

Material Authenticity and Counterfeit Parts

Our procedures and procurement strategies are designed to help detect and prevent counterfeit materials from entering our supply chain. We expect our suppliers to maintain full compliance with our counterfeit parts prevention processes, as well as applicable government regulations. We provide material authenticity training to our supply chain, quality, engineering, program management and receiving organizations. This training offers guidance on prevention, detection and mitigation practices to keep counterfeit parts from entering our supply chain.

Beyond training, our Counterfeit Material Detection and Avoidance program requires us to source materials from suppliers confirmed to have appropriate counterfeit prevention processes. If an approved supplier does not exist, we apply rigorous quality control measures to validate the authenticity of those materials.

Responsible Sourcing of Minerals/Conflict Minerals

We are committed to responsibly sourcing minerals in our supply chain. In accordance with our Standards of Business Conduct for Suppliers and Other Trading Partners, we require our suppliers to comply with any applicable laws and regulations regarding conflict minerals (i.e., tin, tantalum, tungsten and gold) and to assist us in meeting our obligations under applicable conflict minerals laws and regulations. We report known or potential use of conflict minerals to the Securities and Exchange Commission, consistent with applicable requirements. We also regularly review our process for opportunities to improve our conflict minerals due diligence and oversight practices.

> ↗ For more information, please see our **Conflict Minerals Statement**.

Transportation and Logistics

Throughout our global supply chain, we pursue opportunities to improve efficiency and reduce our GHG emissions associated with transportation and logistics. As a U.S. Environmental Protection Agency (EPA) SmartWay Transport Partner since 2008, we use SmartWay Carrier Partners across our business to meet many of our freight transportation requirements. Our transportation partnerships extend beyond SmartWay, and we continue to integrate sustainability requirements beyond SmartWay into our transportation contracts and all new requests for proposals.

Our transportation management strategy considers environmental impacts in a variety of ways:

- Strategic consolidation of domestic shipments.
- Increased utilization of ocean freight over air transport where feasible, thus reducing Scope 3 GHG emissions for transportation.
- Where air freight carriers must be utilized, prioritization of partnerships with providers who use sustainable aviation fuel and consolidate traffic at the container level.
- Pursuit of opportunities to reduce emissions by modally diverting shipments from air to surface transportation through partnerships with logistics service providers (LSPs) who deploy zero-emission vehicles (ZEVs) or utilize alternative fuels for the movement of our goods.

We continue to focus our partnerships with LSPs that are actively embracing Net Zero goals, have ZEVs in their fleet or utilize alternative fuels such as sustainable aviation fuels for their aircrafts, biodiesel, green methanol or green ammonia fuels for their vessels.

We remain committed to exploring additional opportunities to reduce emissions, such as pursuing circular transportation and increasing electric vehicle availability within our own fleet. For example, in 2024, we deployed our first two Class 8 electric vehicles (EVs) at our Palmdale facility as our first step in replacing diesel tractors with EVs. We continue to pursue improvements in measuring emissions by gathering additional Tier 2 and 3 supplier data.
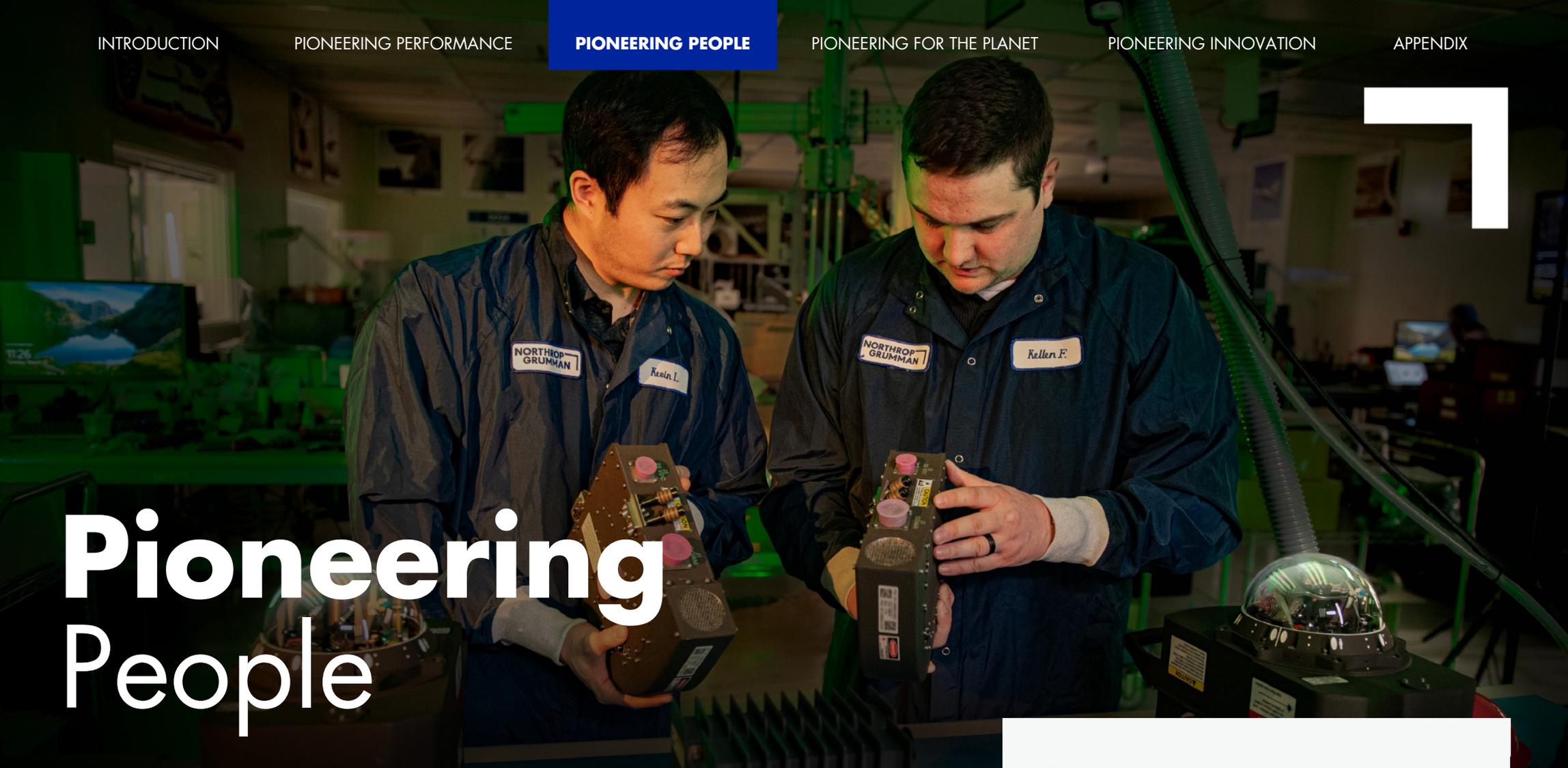
Pioneering People

Social

As a company of nearly 100,000 curious and committed people, we are passionate about solving our customers' most challenging problems while embracing our shared values for a sustainable future. Our culture of belonging, with respect and dignity for all, is the foundation of our shared passion and sets us up to succeed. Our innovative spirit grows from the experiences and perspectives of our teams, enabling us to push boundaries and define possible.

Talent Strategy

Our mission-driven employees power our success. Their dedication, expertise and vision set us apart, and we invest in their growth so that as our company evolves, so do our people. Our culture and talented workforce were a factor in our ability to hire approximately 7,400 new employees in 2024.

Our global talent strategy is designed to address shifts in both internal and external environments, anticipating and proactively adjusting to new trends. We continuously evolve to meet varying generational expectations and employee needs, focusing specifically on employee well-being, career growth, leadership preparedness, career enablement and skill development.

We remain focused on broadening talent pools, enhancing the employee experience, building future leaders and developing employees.

Broadening Our Talent Pools

We rely on the diverse experiences and perspectives of our highly talented teams to help us define possible. The success of our company depends on our ability to attract and maintain a pipeline of skilled workers. In 2024, we focused on:

- Shaping our recruitment marketing efforts to attract deep talent pools.
- Reaching a wider range of candidates by promoting jobs through various channels.
- Providing tailored experiences to illustrate life at Northrop Grumman.
- Incorporating a skills-driven talent strategy.

- Utilizing a consistent interview structure that reflects our Values and Leadership Behaviors.
- Enhancing our leadership development offerings to attract candidates seeking growth and development opportunities.

In our search for top talent, we focus on the skills and capabilities required for the job, rather than solely on specific degrees or certifications. We utilize hiring data to closely track and analyze critical skills, which inform our upskilling and development efforts across the organization. We train our managers on this approach, and work closely with internal technical development teams to upskill our current employees for future job opportunities.

Hiring Veterans

As a leading aerospace and defense technology company, Northrop Grumman proudly employs military veterans as they make their transition to civilian life. We take care to recruit this important source of talent and, in 2024, 17% of our total workforce self-identified as veterans, and 22% of our external hiring was veterans.

We support and work with military veterans through several initiatives, including:

- Operation IMPACT, our unique, award-winning program focused on helping wounded service members in their transition to civilian careers. In 2024, we hired 44 veterans through Operation IMPACT.

- Participation in the Department of Defense SkillBridge program, where we host internships for transitioning veterans during their last 180 days of service, followed by a full-time role post-internship. Since 2020, Northrop Grumman has hosted almost 660 transitioning military members and maintains a 95% full-time employment offer rate.

- Participation at over 100 military and veteran conferences in 2024, including Student Veterans of America, Service Academy Careers Conference and Value of a Veteran Recruitment Conference.

- Partnership with the Army Partnership for Your Success (PaYS) program, a recruiting partnership between the U.S. Army and a cross section of corporations, companies and public sector agencies.

- Engagement with military-focused community-based organizations such as American Corporate Partners (ACP), USO and Onward 2 Opportunity (O2O).

- Partnership with Purdue Global to launch a Systems Engineering Cohort. The Cohort supports former military personnel and veterans pursuing science, technology, engineering and mathematics (STEM) degrees by exposing them to Model-Based Systems Engineering foundations and applications.

Internships and Early Career Hiring

We explore all avenues of hiring early career talent, and we partner closely with educational institutions to develop the skills necessary for our future workforce.

Our summer internship program provides students at four-year institutions and community colleges with hands-on, meaningful work experience. During our 10-week program, interns build their professional network across locations and business areas, learn about our company culture and explore potential STEM or business career paths. We ranked in the WayUp and Yello top 100 Internship Programs of 2024.

We partner with education institutions to develop programs aligned with the skills we need in the future. Through these programs, students can learn critical skills that are desired by employers like Northrop Grumman, and we can hire talent that is ready to work with the skills we need on Day 1. These programs range from engineering-focused education, like software engineering bootcamps, to operations-intensive programs, like our airframe and power-plant programs. Through our 13 partnerships, we've hired nearly 250 new employees since 2022.

Apprenticeship programs offer training in specialized skills like aircraft fabrication and assembly, composite structures, nondestructive inspection and software engineering.

Our early career talent approach promotes the development of strategic knowledge, skills and abilities that support our business success beyond hiring. Our Pathways Program allows early-career hires to fast-track their development through three targeted rotations, which enable them to explore their potential at Northrop Grumman from the start of their careers.

Approximately

84%
Of our interns who received an offer have accepted and will return as an intern or entry-level conversion

91%
Of our interns reported satisfaction in their summer internship experience
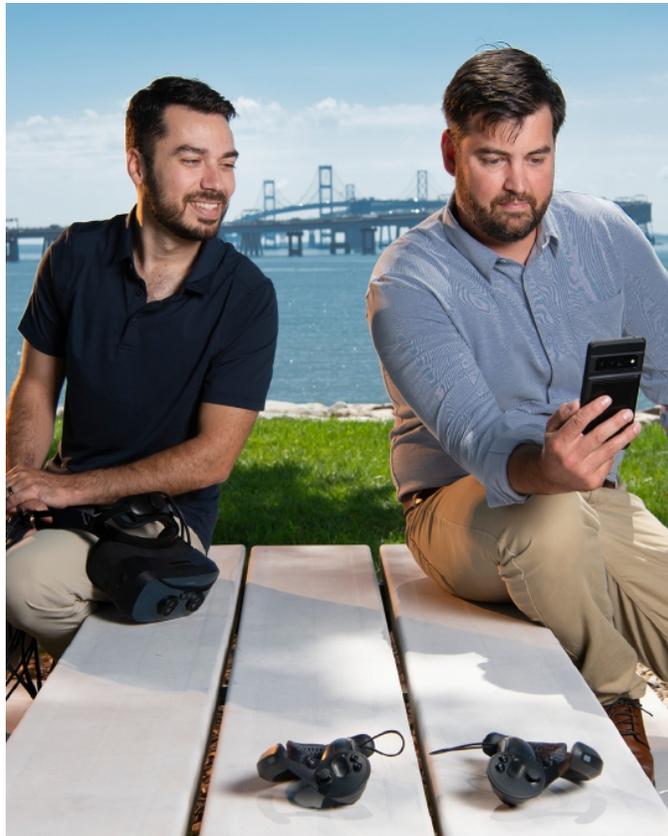
Enhancing the Employee Experience

Recruiting skilled talent is only the beginning. At Northrop Grumman, we create a culture of belonging where everyone is welcomed and valued for their unique perspectives. Our employees are at the center of everything we do. We listen to and learn from them, actively seeking their feedback to help develop policies, resources, programs and initiatives that support their careers and lives.

Employee Engagement

Enhancing the employee experience requires continuous listening and ongoing improvements at every level of the company. Employees provide feedback through surveys deployed in the flow of work, quarterly pulses and an annual experience survey. We seek feedback on career development, enablement, team culture, manager effectiveness, belonging and well-being.

Our annual experience survey is our biggest opportunity for employee feedback. In 2024, we exceeded the Qualtrics Global Benchmark for six of eight core experience areas, with 86% of employees feeling their experience at Northrop Grumman meets or exceeds their expectations.

Employees identified team culture, career opportunities, ethical climate and pride in the mission as areas of strength. Performance management and enablement were areas of opportunity. We received over 83,000 comments through the survey. Leaders review the survey responses and collaborate with their teams to take meaningful action.

Recent company-wide actions inspired by survey feedback include expanding paid parental leave and transforming our performance management process. Employee feedback also informs our curriculum development, highlighting leadership skills, systems engineering, program management and business development as priority training topics.

Performance Management

Frequent performance discussions not only help align our employees to our business goals, but also help them thrive and grow in their roles. In 2024, we evolved our performance-management process to implement quarterly performance discussions, Quarterly Connections, replacing the previous annual performance ratings approach. Through frequent, meaningful conversations and regular feedback and coaching, Quarterly Connections help foster teamwork and trust among managers and employees, while also increasing innovation and value to our customers. In 2024, 95% of Quarterly Connections were completed in the second quarter when we launched the program.

We value a culture of feedback, development and growth, and we encourage our employees to grow within the company. Reflecting these focus areas, eight in ten employees agree their career goals can be met at the company.

Building Future Leaders

At Northrop Grumman, we believe that leadership is for every employee, regardless of title or position. Our Values and Leadership Behaviors serve as cornerstones of performance and development, enabling everyone to "lead from where they are." The framework provides a blueprint for all employees to hone their leadership skills to be more effective and influential regardless of their job, level or role. We focus on instilling leadership behaviors in all our employees at all levels.

In 2024, we launched the "Lead From Where You Are" Leadership Behaviors campaign to inspire employees to adopt our Leadership Behaviors in their daily work and interactions. Leadership development is a critical skill that complements the technical skills of our workforce.

We place special focus on preparing our people leaders. In 2024, we focused on three critical transition points: (1) transition from individual contributor to people leader, (2) transition to leader of leaders (senior manager or director), and (3) transition to vice president level.

We launched new, in-person development experiences for each transition point. These development experiences equip new people leaders at each level with the mindset, skill-set and tool set to establish a strong

foundation and build a valuable support system of peers, mentors and coaches. By building our leaders, we invest in the performance and development of our entire workforce and our ability to deliver to our customers.

As part of our commitment to developing current and future leaders, we engage high-potential employees in programs that help prepare them for leadership. These programs include in-person leadership development programs and mentoring that help these employees accelerate growth, build skills and enhance their networks across the business.

We develop top talent at various levels of the organization to help ensure that we have the right talent available with the right skills to lead our business. We refresh and review succession plans frequently to ensure a robust talent pipeline and business continuity. Succession plans are in place for our vice president positions.

Employee Development

Our employees have access to countless learning opportunities, including on-the-job training, formal training and platform-based learning. We leverage learning technology platforms to enable our people to access and explore curated content tailored to their needs and interests, helping them expand their knowledge, develop new skills and support their career growth. Employees can utilize these learning opportunities both independently and collaboratively to make career plans, develop skills and establish professional connections.

We place special focus on helping employees develop in critical skill areas that align with our business priorities. To ensure critical role readiness and program performance, we are developing enterprise training curricula for key skills, including systems engineering, program management and business development. For each critical skill, we established a centrally delivered, core and common development pathway. This graduated learning curriculum includes a mix of on-demand, web-based training and in-person development cohorts taught by subject matter experts.

Our technical development cohort programs support employees in bolstering their critical skills and building their internal network. The cohorts provide regular career development opportunities and often evolve into communities of practice with long-term impacts on the company. For example, our TechStarter Cohorts target early-to mid-career technical employees looking to develop skills in critical areas including

Artificial Intelligence, Cyber or Model-Based Systems Engineering. In 2024, Northrop Grumman supported over 200 participants representing all sectors of the company.

We also support growth opportunities for employees through continued education. We offer Education Assistance benefits to support employees pursuing college degrees or professional or technical certifications that directly align with our present and future skills requirements. Northrop Grumman covers a portion of tuition per year for education at any accredited institution, with manager approval. Additionally, we partner with a third-party firm to negotiate discounted tuition rates for our employees at several academic institutions. Coaching services are available to help employees with education decisions, field of study choices and financing.

In 2024, we invested $46 million in education assistance for nearly 7,900 employees who used this benefit to enhance their career journeys.

Employee and Family Well-Being

Well-being isn't just another program; it's part of our commitment to helping our employees and their families thrive. Our benefits support our employees and their families through the moments that matter in their lives. We understand that a foundational well-being program—one that encompasses the many aspects of our employees' lives—is the key to supporting successful careers.

One of the 54 employers honored by the Business Group on Health with the "Best Employers: Excellence in Health & Well-being" Award.

Our strategy is focused on encouraging employee participation, equipping leadership with the right tools and using data to promote, execute and evaluate the program's ability to meet the needs of our employees every day.

Our company leaders demonstrate commitment to overall well-being from the top down, encouraging employees to prioritize well-being and combating stigma around seeking mental health treatment. We also leverage almost 140 employees who act as well-being champions to promote a culture of health in the workplace, encourage participation in well-being programs and educate employees about initiatives.

We continue to raise awareness of our Total Rewards Gateway, a website which highlights services and resources available to all employees and their families. The **life stages** section of our Total Rewards Gateway allows employees to quickly access various benefits and resources based on what they are going through and discover how we can support them through life's expected and unexpected moments.

Family Support

We believe that people give their best when they can be present for important moments outside of work. That's why we not only offer but encourage time away from work through paid time off benefits and support for employees in various stages of life.

To support new parents, we increased Paid Parental Leave in 2024 to six weeks (from four weeks) for primary and non-primary caregivers, in addition to short-term disability coverage for a birthing parent. For nursing employees who have returned to work, we provide lactation accommodations and reasonable break times. Employees can also take advantage of subsidized back-up childcare and eldercare including an exchange option for virtual tutoring and camps for children, discounts to childcare centers, college advising and support for parents of children with special needs. In 2024, employees used approximately 4,300 days of back-up child and elder care support through Bright Horizons.

Beginning in 2025, we will offer a new type of leave—Paid Caregiver Leave—to help those employees who need to take time away from work to provide care for a family member with a serious health condition. Employees who are caregivers can seek additional avenues of support through NGCare. In 2024, we offered webinars to share information about support services, build community with colleagues and ask questions.

2024 Well-Being Initiatives

We're proud of our programs and initiatives that advance employee health and well-being. To learn more about our benefits, visit our **Total Rewards Gateway**.

Introduced **Quantum Health**, a new healthcare navigation service designed to provide personalized guidance and advocacy to our employees throughout their health journey.

Offer a suite of financial planning tools through **Fidelity** to support employees and their families across all financial stages—from day-to-day expenses to planning for retirement to saving for college and more.

Through our Employee Assistance Program, **NGCare**, we offer **eight free counseling sessions** per issue per year to employees and their families to help manage life's challenges, like workplace stress, family conflicts, grief support and more.

Offer **flexible work arrangements**, including every other Friday off with our 9/80 scheduling option at many of our sites.

Offer a **$500 well-being incentive program** to covered employees and their dependents. In 2024, we simplified the process to earn the incentive so participants can either complete an annual physical OR complete a wellness assessment and a biometric screening. As a result, almost 64,000 employees and dependents took advantage of this program.

Offer speaker panels tailored to employees' unique needs. Topics in 2024 included support for people with disabilities and resources for child online safety, teen mental health and eldercare support.

Offer support for diabetes, weight management, stress, sleep, nutrition and lifestyle-related changes through our **Vida Health program**.

Beginning in 2025, we will offer two new benefits in **Progyny** as well as **Bloom** through **SWORD Health**, to support women's health issues, including pregnancy, postpartum, menopause and pelvic health.

Employee Health and Safety

The health and safety of our employees, customers, contractors and visitors is foundational to our success. Our comprehensive safety programs continuously adapt to address emerging challenges and we work diligently to prioritize occupational health and safety.

Health and Safety

Every day, our mission is to maintain a safe workplace in alignment with our Values.

The Safety Committee advises the Environment, Health and Safety (EH&S) Leadership Committee, as well as corporate and sector management, on health and safety, including procedures and best practices within individual sectors and across the company. Our Safety Committee includes representatives of each of our sectors and meets regularly to share best practices. In 2024, we expanded our use of Communities of Practice to facilitate knowledge sharing and collaboration across health and safety topics such as significant injuries and fatalities (SIFs), potential SIFs (near misses) and heat illness.

EH&S specialists also work to verify compliance with regulatory requirements and best practices, and review the effectiveness of our hazard risk assessment program through periodic self-inspections and audits. Our EH&S staff collects information on SIFs and potential SIFs to identify trends and areas of focus. We share investigation results for lessons learned and best practices, working toward our goal of reducing or eliminating incidents. We aggregate and review data on all safety incidents and related events to identify and address injury trends by type and location. We take action to mitigate safety concerns where necessary, working with internal and external experts, including certified industrial hygienists and certified safety professionals, to identify and reduce workplace hazards.

Everyone at Northrop Grumman has a responsibility and a right to safely perform tasks, identify workplace hazards and stop work if they feel unsafe or that there is imminent danger to a co-worker. Employees are empowered and encouraged to report concerns or hazards directly to their supervisors, to safety professionals at our sites or through our confidential reporting system, OpenLine, without fear of retaliation.

We provide occupational health and safety training, tailored to employees' specific job duties, through in-person and online training modules. Trainings help employees recognize common workplace hazards and establish methods for reporting and remediating safety issues. Supervisors are responsible for ensuring their employees have completed assigned trainings.

We measure ourselves against established industry and national benchmarks for workplace safety and health and well-being. Our total recordable incident rate and our days away case rate are below the aerospace industry average, as reported by the U.S. Bureau of Labor Statistics. Please see our **Performance Data Matrix** for more information on our safety performance.

SAFE BY CHOICE, NOT BY CHANCE

Our safety initiatives include targeted communications on specific topics that reaffirm our safety values to employees. Our theme, "Safe by Choice, Not by Chance," highlights our focus on safety. This initiative was launched with a message from our Vice President of Corporate EH&S and Chief Sustainability Officer, and featured personal engagement with the "Why I Stay Safe" campaign. Employees from all levels, from executive to line, described in their own words why safety is important to them. We highlighted weekly safety topics with presentations from SMEs and identified resources and guidance materials for employees to use.

We also focused on communicating our Life Critical Standards, emphasizing eight high-hazard work procedures our employees may encounter. We internally distributed infographics across many channels identifying essential steps for employees to follow to reduce the risk of these high-hazard procedures and potential near-miss incidents.

LIFE CRITICAL STANDARDS

| Safe Work Review | Isolation of Energy Sources | Line and Equipment Opening | Elevated Work | Hot Work | Electrical Work | Permit-required Confined Space | High Energy Sanding |

A Culture of Inclusion and Belonging

Our workplaces emphasize the importance of the people behind our business. Our culture is anchored in our Values, and this commitment extends to fostering a culture of inclusion and belonging where every individual is valued and treated with respect.

NON-FINANCIAL PERFORMANCE METRIC

Inclusion and Belonging
Perform at or above the Qualtrics Global Norm, with a focus on inclusion, belonging and engagement. Results are derived from the annual employee survey with a "percent favorable response" measurement scale.

Each Northrop Grumman sector has a dedicated Global Corporate Responsibility (GCR) team to support our culture of inclusion and belonging. The Compensation and Human Capital Committee of our Board reviews the company's progress across GCR priorities on at least a semi-annual basis.

In 2024, we focused our GCR pillars of culture, people and community on:

- Improving sense of belonging for all employees.
- Equipping and empowering leaders to drive a culture of belonging.
- Increasing employees' community engagement through volunteerism.

We equip our leaders with the tools they need to recognize, appreciate and create a culture of belonging for their teams. We released a Belonging Playbook in 2024 to all leaders across the company, as well as Human Resources, providing them with practical tools and resources to drive belonging at Northrop Grumman.

Our commitment to belonging starts at the highest levels of our company—our CEO highlighted the Belonging Playbook in her annual Ethics message to our leaders.

In 2024, 82% of employees indicated they feel a sense of belonging and inclusion at Northrop Grumman

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Equal Opportunity

We are committed to equal opportunities for all. We reinforce that commitment through our Equal Employment Opportunity (EEO) compliance activities as a federal contractor, and through U.S. government and global reporting related to gender, race and ethnicity, disability and veteran status. Our EEO Compliance team oversees equal opportunity and non-discrimination efforts across our employment processes.

We are committed to equitable pay for all employees. We benchmark our pay through external salary surveys and use a performance-based incentive system. As of 2023, we include salary ranges for all job descriptions and U.S. requisitions to improve pay transparency.

Workplace Accommodations and Accessibility

Our commitment to workplace inclusion is demonstrated through our comprehensive accommodations program, managed by our dedicated Accessibility & Disability Accommodations (ADA) team. Through one central process, we provide workplace accommodations to employees, applicants and visitors. The ADA team addresses qualifying accommodation requests that reflect a diverse range of needs, including, but not limited to, deploying job equipment and assistive technology, providing services, including American Sign Language interpreters, modifying job duties and schedules, modifying work environment and more.

Northrop Grumman was named a Leading Disability Employer in 2024 by the National Organization on Disability

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Corporate Citizenship

For Northrop Grumman, being a good corporate citizen means improving the lives of the people in the communities in which we live and work. We invest heavily in our communities, providing funding, volunteering initiatives and other support to a wide range of local, national and international organizations. We are committed to serving as thought leaders and consensus builders in our communities, advancing our values of respect for all individuals, equal opportunity and protecting our environment.

We focus our giving and volunteering efforts on the areas where we can have the most impact as a company. We recognize that our communities, customers and country face a critical shortage of STEM talent, so we are working to increase access to the tech workforce, particularly for the military and veteran communities. We're also helping to overcome barriers to education and the workforce—like hunger and food insecurity, homelessness and housing instability, lack of affordable childcare and mental health challenges—to help build healthy, sustainable communities.

While our products support our customers' mission, we also support our military and veteran communities with charitable giving and volunteerism. As a company of 17% veterans, we are dedicated to serving those who served our country, and in 2024 we increased our funding to transitioning military, their families and veterans by 85%.

The Northrop Grumman Foundation's **Matching Gifts for Education program** is designed to acknowledge and support our employees' personal commitment to education. In 2024, over 1,000 employee-submitted requests were matched on a dollar for dollar basis for a total of $900,000. The **ECHO Workplace Giving** program enables employees to make automatic payroll contributions to their favorite charities. Over 2,000 employees participated in ECHO in 2024, with donations totaling over $1.7 million.

We are actively engaging leaders to **drive a culture of volunteerism** throughout the company. Throughout 2024, employees logged almost 140,000 volunteer hours valued at $4.6 million.

Protecting the environment is another area we're passionate about, and we support employees working to better the environment in their communities, whether through funding our **Technology for Conservation (T4C) program** or through engaging volunteer events with Keep America Beautiful and other local partners, highlighted on the following page.

STEM EDUCATION

Our communities, customers and country face a critical shortage of STEM talent. Throughout our STEM engagement, our focus remains on building a STEM talent pipeline from K-12 through post-secondary and out-of-school training. As part of that engagement, we have informal and formal K-12 STEM education programming and teacher professional development for students in our operating communities. In 2024, we provided 4.3 million STEM experiences.

SOCIAL VALUE GENERATED

$39M
In social value generated by Northrop Grumman
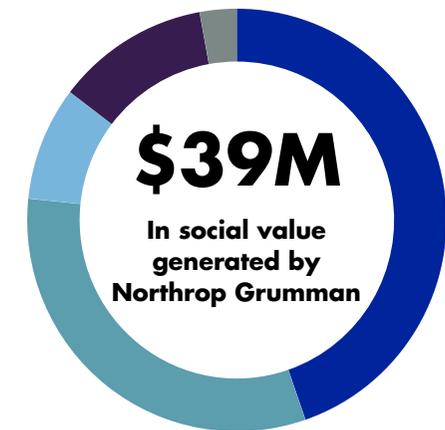
- $17.4M Company Giving
- $12.4M Foundation
- $4.6M Employee Volunteerism
- $3.4M Employees
- $1.1M In-Kind/Non-Cash

Spotlight on Partnerships

NPOWER

We expanded our support for tech job training programs in Maryland and Texas to a national partnership with NPower. Through the Northrop Grumman Foundation, we awarded a $1 million grant to significantly expand NPower's work with the Department of Defense to offer tech training and job placement to transitioning military members through the Skillbridge program and to veterans and military spouses through TechFundamentals.

TRYENGINEERING TOGETHER

Through a virtual mentoring program, Northrop Grumman employees are paired with middle-school students. The program's STEM-focused curriculum introduces students to topics such as aerospace, engineering and technology. Our volunteers serve as pen-pals and provide students with opportunities to improve their literacy skills, engage with role models and explore potential STEM careers. During the current academic year, our employees are helping mentor over 400 students in 20 classrooms across eight states.

USO

We are a long-time USO partner in support of their Pathfinder program for military members transitioning to civilian careers. In 2024, we added new volunteerism opportunities at Northrop Grumman sites to pack travel comfort kits for deploying service members. The kits will be distributed at U.S. airports and at military bases outside the United States, offering service members a reminder of home while away from family and friends.

KEEP AMERICA BEAUTIFUL

We are a Presenting Sponsor (along with Coca-Cola, Hilton and iHeart Media) of the Greatest American Clean-up, a two-year campaign to remove 25 billion pieces of litter from parks, waterways and public spaces in 25,000 communities by July 4, 2026, for America's 250th celebration. All U.S. employees will have the opportunity to volunteer with colleagues, family and friends in their own communities.

DISASTER PREPAREDNESS

We focus on proactively donating to the American Red Cross, Americares and World Central Kitchen, so they have funds at the ready when disasters strike.

OPERATION HOMEFRONT

This national nonprofit organization's mission is to build strong, stable and secure military families. We expanded volunteer opportunities for employees in key locations with their Back-to-School Brigade®, Holiday Meals for Military® and Holiday Toy Drive initiatives.

Pioneering
for the Planet

Environment

At Northrop Grumman, our mission and Values compel us to address the environmental challenges facing our planet. As a leader in our communities, we are committed to conserving natural resources and advancing sustainable practices across our operations. By emphasizing responsible resource management, reducing emissions and supporting efforts to restore ecosystems, we aim to drive meaningful progress for the world around us. Achieving these goals will require the collective expertise, innovation and spirit of volunteerism and dedication within our team to protect our planet for future generations.

Our Environmental Sustainability Strategy

Our commitment to sustainability is embedded in our mission to create a safer, more resilient future. We recognize that creating resiliency is a matter of national security, and we have an important role to play in driving a sustainable future. Significant natural disasters displace populations and lead to critical resource shortages, affecting our customers and our communities.

Our environmental sustainability strategy is informed by our mission to help solve these challenges. We aim to reduce the environmental impact of our operations and continue innovating our products and solutions in a way that benefits our customers, stakeholders and the planet.

We have a long history of focusing on reducing our environmental footprint and improving our facilities to operate in an environmentally responsible manner. Established in 2022, our Next-Generation Environmental Sustainability Goals continue to advance our environmental strategy. The goals include our commitment to achieving Net Zero operations by 2035.[1]

Our Net Zero operations transition plan includes a multifaceted strategy focusing on:

- Identifying and implementing sound energy management practices across our sites.
- Embedding resource conservation and efficiency measures within our processes.
- Sourcing renewable and zero-emissions energy.
- Pursuing electrification and alternative fuels, where possible.

We coupled an interim target of 50% reduction in Scopes 1 and 2 GHG emissions by 2030 from a 2019 base year with a goal to source 50% of our electricity from renewable sources by 2030 to help drive progress toward our Net Zero operations goal. Minimizing our own emissions footprint is a critical step, so we continue to expand on new opportunities to invest in zero-emissions technologies and prioritize efficiency in our operations.

> ↗ Our full approach to identifying climate risks and opportunities is found in our latest **Task Force on Climate-related Financial Disclosures (TCFD) Report.**

We aim to responsibly use resources and reduce our waste sent to landfill and incineration wherever possible. We're focused on improving the waste management infrastructure for our operations and associated services to better align with our site activities, refining our procurement practices and engaging employees to generate new ideas for waste reduction and recycling.

We are committed to responsible water use in our operations, recognizing that many of our sites and their surrounding communities face water stress. As part of our water goal, we invest in infrastructure to enhance operational efficiencies while simultaneously reducing costs and leveraging smart data monitoring systems for early detection of leaks and optimization of manufacturing processes. Our approach drives digital transformation and sustainable solutions that enable growth and build business resilience.

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[1] "Net Zero operations" is defined as our goal to reach Net Zero GHG emissions in our operations (i.e., our Scope 1 and 2 GHG emissions) by 2035. Our base year for tracking interim progress on the goal is 2019.

Our Renewable Energy Goal in Action

Sourcing renewable electricity is a critical step in advancing our mission to reduce our carbon footprint. Approximately 63% of our operational emissions are generated from the electricity we purchase, so we continue to assess and invest in both onsite and offsite renewable energy projects in pursuit of our goal to achieve 50% renewable electricity by 2030. In 2024, we are proud to add new projects to our pipeline that will not only bring us closer to this goal, but will help support a cleaner electricity grid.

We aim to procure large-scale offsite renewable electricity near the communities where we live and work. By committing to long-term power purchase agreements (PPAs), we are able to access renewable energy at scale through Renewable Energy Certificates (RECs) from the projects we support, without the need to install significant onsite infrastructure to meet our energy demands. Because PPAs with buyers like Northrop Grumman ensure a long-term customer for renewable power, solar developers are able to secure financing to build new renewable energy projects that add clean electricity to the local utility grid.

Onsite renewable energy projects remain an important part of our Net Zero strategy and we progressed a number of projects to completion in 2024.

FOOTPRINT GOAL

By 2030: Source 50% of total electricity from renewable sources

[2] States highlighted represent 84% of our current electricity load

By 2030, we are projected to source over 60% of our electricity consumption with renewable energy in many of our key operating states.[2]

Onsite renewable energy (operational or under development)

States where sites will benefit from onsite or offsite renewable energy initiatives, once operational[2]
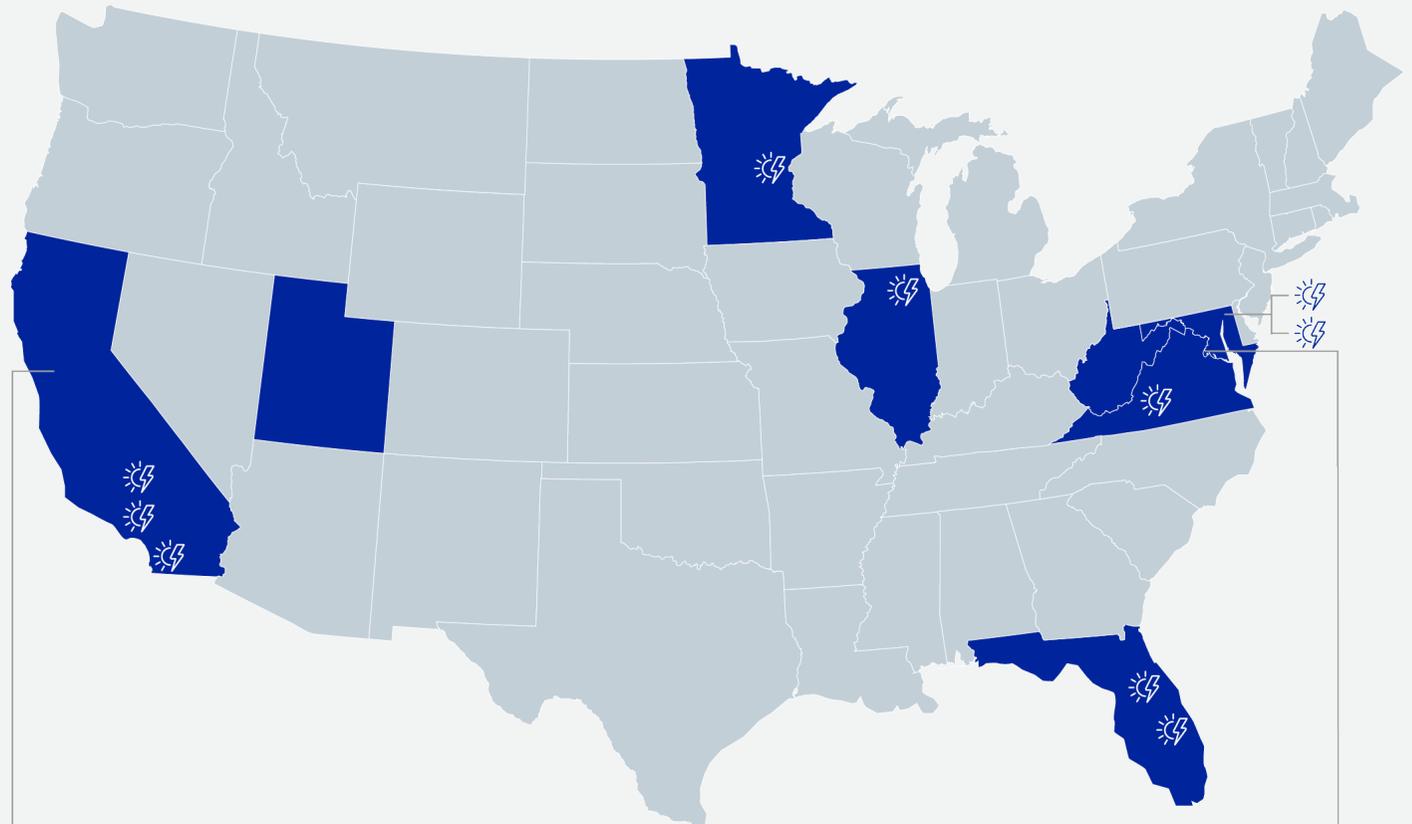
Offsite Renewable Developments

California

250 megawatt (MW) offsite solar in development, Cobalt Solar, projected to cover electricity use in California and Utah

Mid-Atlantic

62.5 MW offsite solar development in Virginia covering electricity use in Virginia and West Virginia

43 MW in Pennsylvania (operational) and 70 MW in Kentucky (in development) offsite solar development with Constellation, projected to cover electricity use in Maryland and Illinois

Environmental Operations and Management

We deliver on our commitment to environmental stewardship by exploring ways to reduce the footprint of our operations. Our mission is to embed sustainability into everything we do, finding cutting-edge ways to meet our sustainability goals and reduce our impact.

We invest in innovative projects across our company through our environmental and efficiency (E&E) program, a centralized investment mechanism that allocates capital to fund implementation of our sustainability strategy. We solicit project ideas from across the company and fund impact-oriented projects that drive efficiency and performance toward our goals. In 2024, the E&E allocation totaled $8 million, which was distributed throughout the company for energy and emissions, water and waste projects—including electrification of stationary equipment, irrigation and landscaping improvements, and additional waste management infrastructure. We expect to continue this level of investment in the E&E fund in 2025.

Energy Conservation

Energy conservation is fundamental to achieving our Net Zero operations and renewable energy goals, reducing our environmental impact and lowering costs within our operations. Our energy conservation strategy leverages external partnerships and internal initiatives to drive efficiencies. We have 16 green buildings in our portfolio, certified to ENERGY STAR and/or LEED standards (including six LEED Gold certified facilities), and totaling approximately 2.2 million square feet of floor space.

Through our membership in the EPA's ENERGY STAR program, we consult with program leaders to develop our energy management vision and playbook to ingrain energy management practices into everyday facility operations. The vision and playbook incorporate ENERGY STAR's guidelines for energy management,

which are the foundation for the International Organization for Standardization (ISO) 50001 Energy Management Standard.

Participated in the CDP Climate Survey for the 13th consecutive year, receiving a B score

We continue to explore opportunities to make it easier for our employees to reduce energy and implement sustainability projects at their facilities. Our internal Energy Management Committee is a collaboration forum to share information, data, ideas, best practices, innovations and trends in the energy management arena. With over 100 internal members, this committee works to identify and act on opportunities for improvement and to mitigate any barriers.

In 2024, our electricity consumption was consistent with the prior year and natural gas usage decreased by 7% when compared to 2023, driven largely by program timing and activities. We remain committed to implementing efficiency measures and emissions projects that reduce operational costs and make progress towards our goals, offsetting our growth in operations to support new business.
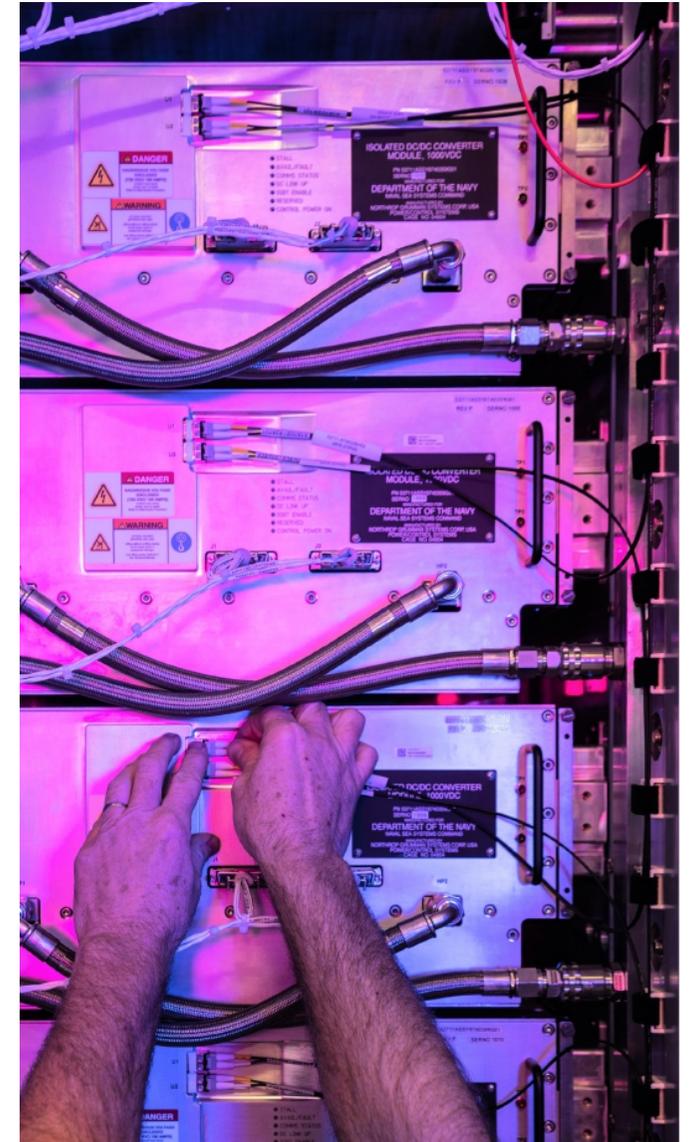
GHG Emissions

As we continue our mission to meet our sustainability goals, we remain focused on implementing projects that reduce our emissions, support energy efficiency and improve operational performance. In 2024, our total GHG emissions decreased 13.2% compared to our 2019 base year. Although our operations are growing to support new business, we continue to invest in emissions reduction initiatives and identify process improvements to increase efficiency. In 2024, we continued to focus our investments on higher-impact emissions reduction initiatives that have longer implementation timelines. For example, we are diversifying our energy portfolio with renewables, conducting site-wide energy efficiency assessments at major manufacturing sites, pursuing large-scale equipment replacements and planning for a transition to zero-emission vehicles. Although the benefit of these investments was not fully realized in our 2024 performance, their impact will support continued progress toward our long-term goals.

Our continued GHG reductions were driven by our investments in renewable electricity as shown in **Our Renewable Energy Goal in Action** section. In addition, we implemented innovative solutions through the execution of 44 projects, which are expected to save a total of 10,300 metric tonnes of carbon dioxide-equivalent (MT CO_2e) emissions annually to continue on a path toward Net Zero operations.

FOOTPRINT GOAL

By 2035: Net Zero GHG emissions in our operations

By 2030: 50% reduction in GHG emissions, from a 2019 base year

SCOPE 1 & SCOPE 2 EMISSIONS
(Total MT CO_2e)

Year	Total MT CO_2e
2019 (base year)	800,090
2022	703,650
2023	708,010
2024	694,690
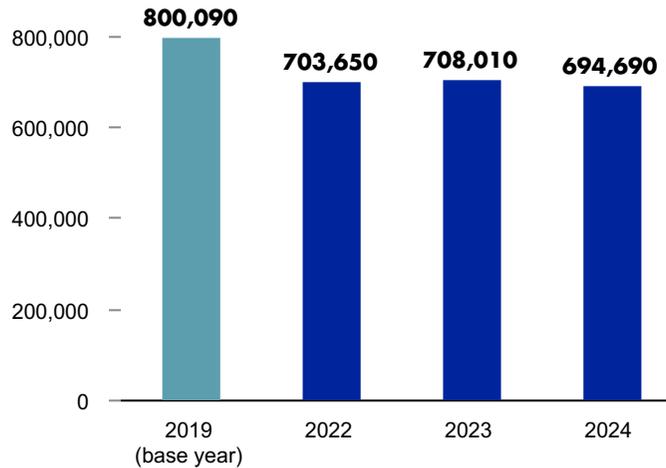
2024 GHG PERFORMANCE HIGHLIGHTS

10,300 MT CO_2e

Implemented 44 greenhouse gas and energy projects across the company, estimated to reduce emissions by 10,300 MT CO_2e annually

9,400 MT CO_2e

Invested in HVAC, boiler and steam line efficiency improvements, saving 9,400 MT CO_2e annually

400 MT CO_2e

Investigated and implemented equipment updates expected to save 400 MT CO_2e in process emissions annually

60 MT CO_2e

Continued investment in fleet electrification opportunities, saving 60 MT CO_2e annually and enabling our facilities to grow green

NON-FINANCIAL PERFORMANCE METRIC

Environmental Sustainability: Annual targets supporting the Company's sustainability goals. Specifically, Net Zero GHG emissions in operations by 2035 and reductions in water withdrawals and disposed solid waste by 2030, coupled with sustainability communications on goals and progress across the company.

Waste

Waste reduction and responsible materials management are key sustainability priorities across our operations. That is why we continued to enhance our solid waste management through additional on-site equipment to assist with diversion; implemented reuse and source reduction opportunities, like eliminating one site's cleanroom booties in favor of reusable footwear; and will be piloting chemical management services at select sites in the upcoming year. Compared to 2023, our disposed waste decreased 2.1% in 2024, despite growth in our business. Operational improvements, combined with program slowdown at some sites, offset the growth in other programs. We remain focused on identifying ways to further reduce our waste footprint.

At the same time, we continue to emphasize the proper management of our waste streams in adherence with applicable regulatory requirements. For example, we maintain and update a list of approved hazardous waste treatment, storage and disposal facilities for use by our authorized waste vendors.

SOLID WASTE SENT TO LANDFILLS/INCINERATION
(Tons)

Year	Tons
2019 (base year)	20,370
2022	21,740
2023	21,760
2024	21,310
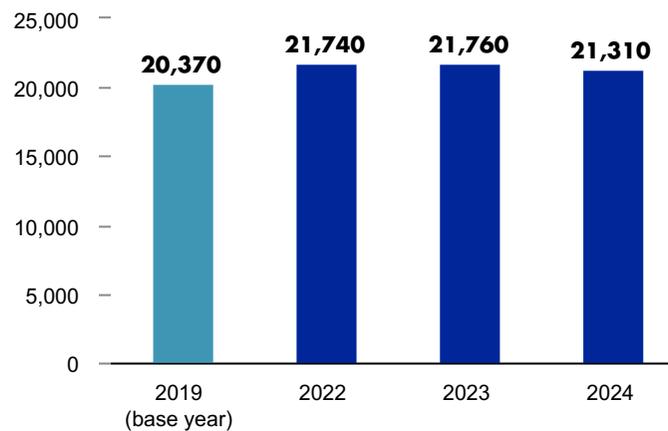
2024 WASTE PERFORMANCE HIGHLIGHTS

430 tons
Implemented six solid waste projects across the company, estimated to divert or reduce 430 tons from landfills/incineration annually

400 tons
Procured equipment to facilitate pallet recycling, estimated to divert 400 tons from landfills/incineration annually

Six tons
Introduced composting at a new site, estimated to divert six tons of organic waste from landfills/incineration annually

Two tons
Collaborated with a supplier to increase product lifespan, estimated to reduce two tons of waste from landfills/incineration annually

FOOTPRINT GOAL

By 2030: Reduce solid waste sent to landfill and incineration by 10% from a 2019 base year

Water

Water is a critical and limited natural resource for our company and our communities. We practice responsible water management and conservation to help ensure its availability for current and future generations. We integrate sustainable water management into our core strategies and practices to sustainably grow our operations. We also drive process improvements and invest in infrastructure, such as leak detection systems, to optimize water usage and ensure efficiency. Our water withdrawals were consistent with 2023, with a slight increase of 0.1%, despite significant company growth. As we continue to grow our operations, we continue to seek opportunities to drive efficiencies and reduce impacts, particularly in water-stressed regions.

We periodically evaluate our water risk using the World Resources Institute's Aqueduct Water Risk Atlas to identify operations in water-stressed locations and inform our focus for mitigation efforts in reducing our footprint.

TOTAL WATER WITHDRAWALS
(Million Gallons)

Year	Million Gallons
2019 (base year)	1,451
2022	1,482
2023	1,458
2024	1,460
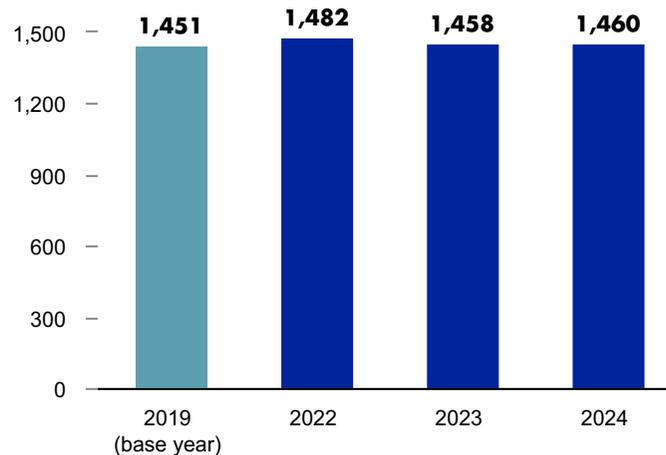
FOOTPRINT GOAL

By 2030:

Reduce 10% of absolute water withdrawals from a 2019 baseline

Reuse 10% of water withdrawals

Replenish 10% of water withdrawals, focusing in water-stressed regions

2024 WATER PERFORMANCE HIGHLIGHTS

3.8 million gallons
Implemented 12 water conservation projects across the company expected to reduce 3.8 million gallons of water annually (75% in water-stressed locations)

1.6 million gallons
Upgraded water-intensive equipment and/or processes at seven sites, with an annual anticipated reduction of 1.6 million gallons

1.3 million gallons
Implemented xeriscaping projects at three sites in water-stressed areas, with an expected annual reduction of 1.3 million gallons

0.9 million gallons
Improved water metering and leak detection systems at two sites in water-stressed areas, with an expected annual reduction of 0.9 million gallons

Environmental Management

We aim to conduct all operations in an environmentally responsible manner with a particular focus on the health and safety of our employees, contractors, visitors and communities. We are committed to sound environmental management and environmental sustainability, and we continuously pioneer for improvement of our environmental programs. Our **Environment, Health and Safety (EH&S) policy** and associated procedures help reduce risk and maintain compliance with applicable laws, regulations and company-established directives.

Navigating the complex and evolving nature of environmental management requires a solid foundation and the ability to adapt to emerging issues. We take a multi-pronged approach to responsibly managing our environmental impacts:

- **Program Execution**: We position EH&S professionals at all levels of the company to manage and support our environmental programs. These employees are responsible for executing site-level compliance activities, implementing key projects, conducting compliance reviews, maintaining EH&S management systems, tracking our performance against established goals and targets and engaging with internal and external stakeholders. The work these individuals perform and facilitate is critical to the implementation and success of our environmental programs.

- **Compliance Assurance**: We conduct site-level EH&S assurance reviews to help evaluate compliance with regulatory requirements and how key fundamentals of our environmental programs are being successfully integrated into day-to-day operations. In 2024, we conducted compliance and management systems assurance reviews at 26 of our sites, which account for roughly 31% of the sites included in this program.

- **EH&S Management Systems**: We maintain an internal EH&S Management System requirement for sites that actively manage complex or specific EH&S risks. This requirement is a pillar of our assurance program and based on ISO 14001. Currently 20 of our sites hold an external environmental certification, such as ISO 14001. These sites account for approximately 23% of our global footprint.

- **Communities of Practice (CoPs)**: We establish CoPs to leverage subject matter experts across the sectors to address challenging environmental issues. CoP members collaborate to evaluate associated risks and impacts to the environment and our operations, and develop a uniform company response. We utilized CoPs in 2024 to address emerging chemical regulations and other EHS regulations that may impact our operations.

- **Employee and Other Stakeholder Engagement**: We implement training and educational initiatives to help make employees aware of and understand job-specific requirements and company environmental priorities. We engage with external stakeholders, including regulatory agencies, industry organizations, peers and our local communities. Interacting with these stakeholders allows us to share insights on industry-wide issues, benchmark our performance and gather feedback to inform our environmental priorities.

Conservation and Biodiversity

Biodiversity is critical to maintaining the stability of natural resources and providing resilience in the face of climate-related events. We evaluated our operational land footprint using the Integrated Biodiversity Assessment Tool (IBAT) and found that we do not operate in any key biodiversity areas.[3] While we continue to evaluate our other biodiversity impacts, we believe the most important role we can play in protecting biodiversity is through our technological contributions that support conservation efforts for critical habitats around the world.

Through our **Technology for Conservation (T4C)** initiative, Northrop Grumman employees collaborate with third-party partners to address some of the toughest conservation challenges facing our planet's ecosystems. T4C teams develop innovative technologies that conservationists use to collect data in conditions that can be harsh, remote or sensitive to human intervention. These partners gain access to advanced systems and engineering expertise suitable for their needs, while our employees use their technical skills to help their communities and the planet thrive.

T4C teams across our enterprise work to devise advanced technical and tactical solutions that support our conservation partners with unique insights to better analyze, predict and address environmental issues such as climate variability and biodiversity loss. This work capitalizes on our innovative spirit and underscores our understanding of the roles conservation and sustainability play in securing a safer world. We are working to expand T4C initiatives in proximity to our U.S. locations, and in collaboration with both internal and external partners, by 2030. In 2024, we expanded engagement with T4C to include over 80 employees, managed 10 projects and worked with eight partners, including further support for nonprofit community partners provided by our Corporate Citizenship team.

[3]   The IBAT includes seven types of biodiversity sites—national, Natura 2000, Regional Seas, World Heritage, Ramsar, Man and Biosphere and Emerald Network.

Carbon Reduction Sensor

The global shipping industry is a significant contributor to carbon emissions. The International Maritime Organization's *Fourth GHG Study 2020* estimated that global shipping emitted 1,076 million tons of GHG emissions in 2018, accounting for 2.89% of global anthropogenic GHG emissions that year. AltaSea and Calcerea, our partners on this project, are developing a method to decarbonize transoceanic shipping by mimicking and accelerating limestone's natural ability to capture and store carbon.

The Calcerea team designed a chemical reactor that scrubs carbon dioxide from a cargo ship's emissions and produces saltwater in its place. The Northrop Grumman team is developing a sensor that will measure levels of CO_2 in ocean water before and after passing through the limestone reactor. The initiative features collaboration across the company, combining talent in sensor development, underwater experience, systems engineering and software. The sensor technology will help Calcerea determine how much CO_2 is captured by their technology, rather than released into the atmosphere.

Spotlight on T4C Projects

Our T4C teams iterated, tested and produced a variety of new technologies in 2024 to help environmental conservationists address ecosystem and other wildlife challenges. In 2024, we managed 10 T4C projects, a few of which are highlighted here.

Project RECLAIM Recycling Process

The growing rate of plastic pollution threatens oceans and wildlife. To address this issue, innovative uses of existing plastic waste that increase circularity must be designed. The Project Reclaim Recycling Process addresses this issue through the creation of 3D printer material from consumed bottles on Northrop Grumman campuses. The project serves as a way to involve Northrop employees with firsthand experience in the recycling process and promotes creativity by providing material to local Northrop Grumman makerspaces. A pilot of the project at our Annapolis site served as a proof-of-concept for future deployments on other campuses.

Over the initial 10-week phase, the team collected more than 3,000 plastic bottles. During volunteer day, they cleaned, granulated and dried 1,300 bottles, resulting in 21 kg of plastic. The team has now started extruding plastic filament from the recycled bottles for use in 3D printing, making Project Reclaim part of a truly circular process.

Virtual Reality Scenarios Assisting in Firefighting Exercises (VR SAFE)

Wildfires can be one of the most destructive natural disasters, destroying ecosystems and threatening communities around the world. Wildland firefighters play a critical role in our communities, particularly in wildland-urban areas where human development meets undeveloped wildland. To be prepared and meet the demands of the job, they must go through extensive and continuous training. But novice wildland firefighters complete apprenticeship academy courses in urban classroom locations that differ from the areas in which they would work.

The VR SAFE project provides an immersive learning solution to the U.S. Forest Service that will be offered to firefighters at the next Wildland Firefighting Academy. Working with the U.S. Forest Service, the team mapped 360-degree photos of forests across the United States to a VR space to create an immersive learning experience. Learners wearing VR headsets are transported into the 360-degree virtual environment, and instructors point out vegetation characteristics and ask open-ended questions about how fire might behave in such a location.

Wildland firefighters can practice extreme tasks in a safe environment, and wildland firefighters and decision makers can use the data to sustain the health, diversity and productivity of forests and grasslands.

Cultural SITEs in 2024

The Cultural Scans for an Interactive 3D Experience (SITEs) project debuted in 2023 to bring NG technological expertise to cultural conservation. Since then, the Cultural SITEs team has worked with the New Mexico Humanities Council to scan four historic sites in New Mexico, each time selecting specific scanning and processing technology that met the site's unique needs.

In 2024, the Cultural SITEs team completed a scan of the Lincoln Historic Site, known for its quarter mile of historic structures from the Territorial Era of New Mexico's history. The team captured images of the buildings' interiors to preserve historical importance. The team also built a photogrammetric model of the Torreon—a defensive tower built by Spanish settlers in the 1850s—used to create a 3D-printed model of the structure. Lincoln Historic Site now has interactive walkthroughs of five structures and a 3D model of the Torreon to help students better understand the history of New Mexico.

The second scan was at the Mattocks Mimbres site, known for its intricate, black-on-white pottery. Two professional excavations of the site located historic kivas, pithouses and room structures. The Cultural SITEs team partnered with AltoMaxx to perform a drone-based scan using ground-penetrating radar and magnetometry to collect data. Trained archeologists can use the data to prioritize future excavations.

> **Engagement with T4C increased with a 14% growth in T4C participants representing 75 Northrop Grumman sites**

Pioneering Innovation

Products

We are pioneering thinkers, energized by the challenge to solve our customers' toughest problems and harness the power of technology and digital transformation to deliver a more secure future. We bring to life innovations from the depths of the ocean to outer space to cyber space, all while keeping our Values at the center. Defining possible is more than the practical application of our shared purpose; it's a promise to our team and customers that we'll always rise to the challenge.

Our Innovative Products

Prickly Progress

Solving a prickly challenge with unparalleled ingenuity is what our people at Northrop Grumman are best known for. Engineers at our Rancho Carmel campus in San Diego discovered an innovative solution for fine-tuning high-tech avionics in the F-35 Lightning II—one of the most advanced aircrafts in the sky. The F-35's communications, navigation and identification (CNI) avionics unit's components include filters with microchips and tiny metal coils that must be meticulously and delicately tuned to communicate across a variety of radio frequencies and bandwidths.

Finding a thin, durable tool for making precise adjustments to the coils was proving to be a significant challenge, until an electrical engineering manager in the CNI program hit on the idea of using cactus needles. Their inherent non-conductivity, durability and super-fine points allow the CNI team to make precise adjustments to the coils during the tuning process. Cactus needles perform better than all the other options the team tested, including toothpicks and tools made of bamboo and metal.
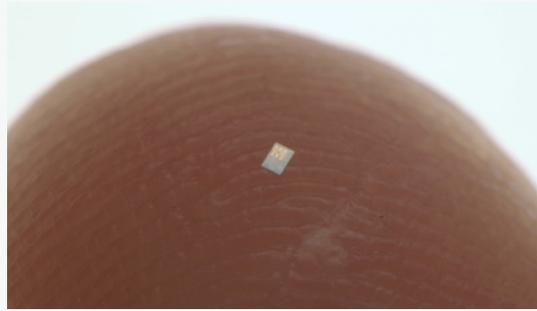
World's Fastest Microchip

Our people consistently push technological barriers to bring innovations to life, setting Guinness World Records while doing so and positioning us to win the "Coolest Thing Made in America" competition in 2024.

The World's Fastest Microchip, made in Northrop Grumman's Microelectronics Foundry in California, took top honors in the competition, which is sponsored by the California Manufacturers and Technology Association. The World's Fastest Microchip beat out 138 nominated products. This microchip is 100 times smaller than a grain of sand, one-tenth the width of a human hair and 1,000 times faster in processing speed than smart phone microchips. It holds the Guinness World Record for the fastest microchip ever made, operating at 1 trillion cycles per second, or 1 terahertz.

ROLL-E the Pint-Sized Autonomous Mobile Robot

A visitor to a Northrop Grumman facility might expect to find sleek jets and advanced systems—not ROLL-E, our pint-sized autonomous mobile robot. Despite its playful name, ROLL-E has a big job; saving time for the Northrop Grumman Rolling Meadows manufacturing teams by shuttling assembly kits and hardware between stock rooms and production areas.

With just a few mouse clicks, ROLL-E's trained operators can send it anywhere along its five pre-programmed pick-up and drop-off locations. At a maximum speed of 4-feet-per second, ROLL-E can travel up to 8,500 feet per day (1.6 miles). On average, it takes about 10 minutes to complete a typical job. ROLL-E allows our skilled technicians to better utilize their time on more valuable tasks, instead of hiking down hallways for equipment. Using laser-scanning precision to safely navigate around objects and people, ROLL-E announces its presence by saying "caution" or offering a friendly "beep" if something is in its way. Teams like the EH&S team helped plot the most direct path between planned pick-up and drop-off points in the early planning stages.

The Value of Digital Transformation

At Northrop Grumman, we lead our industry in harnessing the power of digital transformation to solve our customers' toughest problems. We continue to grow our digital ecosystem through integrating modern technologies, expanding collaborative tool suites and streamlining our operations to deploy capabilities faster and more effectively than ever before. This approach is transforming how we contract, design, build, test, certify, sustain and manage our portfolio of products.

In addition to adding value for our customers, digital transformation has opened doors to broader workforce inclusion and productivity. Our teams are empowered to connect and collaborate globally through integrated business systems and secure virtual operations. Our data-driven digital culture helps us find better solutions faster, driving efficiency across the business.

Northrop Grumman is building an integrated digital ecosystem, which allows customers and suppliers to collaborate easily across the entire program and product lifecycle. Our growing digital platform connects people, processes, training, tools, environments and data across the entire product life cycle. By creating a more seamless approach to collaborating across programs, large or small, throughout the enterprise, we reduce costs, accelerate schedules and create more opportunities for innovation. In addition to our flagship programs, there are 155 programs and thousands of employees, suppliers and customers operating today in our digital ecosystem.

One example of our digital transformation in practice is our Digital Pathfinder program. In 2024, we unveiled this revolutionary program that leverages our digital ecosystem to design, manufacture, deliver and flight-test wings for a Model 437 aircraft. The program leverages digital engineering to quickly proceed from concept definition through the design, manufacturing and test phases, taking months or even years off our typical development timelines.

Through digital engineering, we can make changes in real time and visually see those improvements reflected in the models, saving us both time and cost in our processes. These digital technologies enable a seamless approach to innovate and deliver more effectively. By creating a comprehensive digital thread that connects all functions and individual product life cycle phases, we proved that we can reduce rework and redesign for engineering and manufacturing.

> ↗ For more information about our approach, please see our **Digital Transformation** webpage.

DIGITAL TRANSFORMATION DRIVING SUSTAINABILITY

We use digital transformation across our business to meet our customers' needs. While pursuing more efficiency for our customers, digital transformation can also create opportunities for reducing our impact on the environment.

In the past, our work relied on paper-based technical orders and procedure manuals. By digitally enabling our business, we can help reduce our dependence on paper-based technical orders and procedures. For example, one program estimates that using electronic manuals will eliminate the need to print over 500,000 pages of material, which, over a 50 year project life cycle, could save more than three million pages, significantly reducing our paper use.

On other projects, we now use remote diagnostic tools to monitor facilities and systems at dispersed locations. By using remote diagnostics and maintenance, as well as longer-lasting components, we cut down on fuel consumption by decreasing the amount of in-person visits we need to make with vehicles to the sites. Digital transformation also enables us to use augmented reality to cut down on the resources we need for product testing.

Research and Development

At Northrop Grumman, we are pioneering thinkers, innovating at the cutting edge of technology. Understanding the rapidly evolving technology landscape is key to our industry leadership. We use the concept of a "Technology Web" to help us capture, identify, leverage and assess new emerging technologies. The long-term growth of our business depends on the exploration and innovation of our best minds. We focus on "over the horizon" technologies, and we encourage innovation at every level of our organization. We empower our technologists and researchers to explore new ideas and deploy innovations within and across each of our business departments. Our approach to research and development (R&D) fosters data-informed decision-making across our technology areas.

Our strategic investments in R&D allow us to create and identify over-the-horizon technologies and integrate those technologies into our proven systems and services. We are committed to improving our new and existing products through technology advancement, providing innovative product offerings and adding long-term value creation for future growth. Energized by the challenge of solving our customers' toughest problems, our approach to R&D positions us for ongoing success in meeting our mission.

Technology and Business Innovation and Operations

Our teams constantly challenge the status quo by innovating the ways we fulfill our customers' needs. By advancing critical technology and finding innovative efficiencies in our supply chain and operations, we support our customers in their mission of national security.

In 2024, we focused on key trends, including partnerships to create efficient technology investments, creating and fielding capabilities at speed and scale, and creating the foundations for research and development through policy. In the artificial intelligence (AI) space, we announced an agreement for access to NVIDIA's extensive portfolio of AI software platforms and frameworks, including NVIDIA Omniverse. The agreement opens research and development pathways, enabling us to quickly apply advanced AI technologies across our portfolio of capabilities while also increasing operational efficiency. The agreement is giving us the ability to accelerate the development of some of our most advanced systems.

With Omniverse as the foundation, Northrop Grumman developed a training and simulation environment for AI-enabled autonomous teaming of uncrewed systems. Known as Helix, this AI-enabled autonomy works as the "brain" that allows discrete uncrewed aerial vehicles and uncrewed surface vehicles to function as a team to execute missions. Helix creates capabilities for end-to-end operational solutions for the development, deployment and command and control of intelligent collaborative uncrewed systems.

Our future success depends on a pipeline of innovative talent, armed with the technological skills we need to achieve our mission. We work with our strategic university partners to align our technology priorities with the skills the future generation of engineers is learning. This close collaboration on critical technology areas is vital to our continued ability to develop solutions in the most complex environments. Our ongoing collaborations include projects and engagements that define and shape future generations of talent.

In 2024, we invested $1.1 billion, or 2.7% of total sales, in company sponsored R&D

Artificial Intelligence

Northrop Grumman has been using AI for more than 40 years in our operations and products. Our AI experts and technologists have long recognized the potential AI has to transform the systems, products and services that we produce for our customers.

We develop advanced capabilities to solve the world's most challenging problems in space, aeronautics, maritime defense, cyberspace and intelligence. We understand the mission, the unique requirements of our customers and the opportunities that generative AI will enable on our platforms and products.

The stakes are high—and our standards for ethics and security are even higher. Our corporate values guide our innovation and set the stage for our five responsible AI principles to develop and design our AI systems and solutions:

HUMAN-CENTERED
We maintain meaningful human oversight and control over AI systems to ensure they perform to our standards

SECURE
We protect and safeguard company, employee and customer data when using AI

ACCOUNTABLE
We ensure our AI is thoroughly documented to meet all standards and requirements

ROBUST
We design and test for accuracy of our AI solutions while managing and identifying risks to maintain transparency

ETHICAL
We partner across all functions and stakeholders to identify potential biases that may impact quality outcomes

AI governance is critical as we continue to use and evaluate new AI use cases within our organization. Our Board provides oversight with respect to AI governance and receives periodic updates on the topic. We established a cross-functional AI Governance Board in early 2024, which is chaired by our Chief of Responsible AI and includes representatives from the Chief Information and Digital Office, the Chief Ethics and Compliance Officer, Corporate Security, Sector AI leads, the Law Department, Global Supply Chain, Global Cybersecurity and Global Privacy, among others.

The AI Governance Board reviews new enterprise AI use cases for compliance with our internal responsible AI policies, applicable laws and regulations, and industry best practices. Each of our sectors is establishing its own review board with a similar structure. This governance structure helps us continue to meet the high standards and expectations set by our Values, our customers and our lawmakers while delivering AI solutions that elevate our performance.

As of 2024, Northrop Grumman requires all employees to complete an annual AI Training. We believe it is essential for employees across all functions and roles to be aware of our company's AI capabilities and our expectations to leverage, use, develop and deploy AI responsibly and securely. This training:

- Informs employees on the basics of AI, definitions and risks.
- Illustrates how all employees should leverage, develop or deploy AI, including generative AI, in accordance with our internal policies and procedures.

- Explains the roles and responsibilities of AI users at Northrop Grumman.
- Discusses managing risks of AI.

In 2024, we continued working with government and trade organizations, as well as industry and academic partners, to build policies for implementing AI in national security. We will continue to closely collaborate with our customers and partners to mitigate the risks and harness the potential of AI applications. We built upon our early work with the National Institute of Standards and Technology and continued engagement through the U.S. AI Safety Institute Consortium, developing voluntary reporting frameworks and verification techniques to safeguard AI systems. We were selected by the Department of Homeland Security's AI Safety and Security Board to advise on the development of a framework for the protection of critical infrastructure, which was published in late 2024.

For more information, please see our **AI Ethics** webpage.

Quality

Every product and service we create is backed by our unwavering commitment to quality. We strive to deliver products and services that meet or exceed both internal and external requirements to support our customers' mission. Our culture of continuous improvement drives our teams to find new ways to push the boundaries of technology and research to deliver industry-leading product innovations.

Our Quality Culture

Our enduring commitment to quality is ingrained in every aspect of our culture and operations. This commitment to quality demands that Northrop Grumman employees, suppliers and contractors be responsible and accountable for:

- A culture dedicated to total quality and continual improvement.
- Global commitment to customer satisfaction.
- Excellence in our technologies, people, processes, services and products.
- Dedication to making quality personal every day.

Our sites that provide products and services implement a Quality Management System (QMS) consistent with either ISO 9001 or the aerospace industry-specific AS9100 standards, as appropriate. Leadership and quality professionals curate quality management policies, report on metrics and share best practices on a quarterly basis.

Throughout the year, we celebrate our culture of quality. Our shared values guide our operations and how we collaborate across different functions. We foster an environment where employees feel safe to speak up and address potential issues proactively. At the 2024 Quality Symposium, we celebrated the efforts our enterprise and sector teams are leading to maintain a focus on quality effectiveness. Presentations highlighted our cost-efficient and proactive practices that sustain quality without compromising our integrity.

INNOVATING TO ENSURE QUALITY IN OUR MICROCHIPS

The Advanced Packaging Micro-Line in Northrop Grumman's Microelectronic Center manufactures and packages microelectronic components from the chip level to a more complex end-product enabling more functionality in a small package.

Quality matters a great deal during the microelectronics production process and identifying defects early on saves valuable time and money. To fully realize this, we recently implemented Automated Optical Inspection (AOI) capabilities to improve quality control. AOI runs 2D and 3D scans to detect defects in microchips to ensure that each microchip is in specification. With AOI monitoring every bump on a chip, the team provides a comprehensive report identifying any defective chips on a wafer. Workers at the next stage of production know immediately which chips they can use. Previously, random chip inspection required engineers to use a microscope and examine each chip individually, which took many staff hours and did not identify all defects.

Northrop Grumman is using AOI capabilities to ensure the quality of its microchips, allowing programs to bring product to market at speed, ultimately meeting customers' needs for secure, resilient and mission-tailored microelectronics solutions.

Product and Service Quality

Product and service quality is essential to ensuring mission assurance and success for our customers. Our employees assess product and service quality systematically and take personal responsibility in achieving high quality outcomes. They assess the impact of decisions on the overall product and service performance, ensuring the product or service meets or exceeds customer requirements and expectations. From observation to implementation, our infrastructure enables our engineers and manufacturing professionals to make data driven decisions, using real-time insight and visibility into our quality processes, that sustain efficient operations and consistently deliver customer satisfaction, quality and product safety.

Supplier Quality

Through partnership with our suppliers, customers and internal organizations, we have established rigorous upfront quality processes that drive first-time quality throughout our supply base. Our processes help identify and address potential risks early in the supply chain, ensuring that we deliver value for our customers. We strategically select the right suppliers that meet our quality and value expectations, and we equip them with the tools, training and mentoring necessary to meet our quality standards.

We assess supplier performance using metrics and data, and mitigate risk in alignment with program requirements and quality standards. We continually monitor internal and supplier performance, so that we meet or exceed our product quality standards. We identify and leverage best practices and efficiencies in processes and tools to enable our suppliers to deliver quality products on time.

Customer Satisfaction and Quality Metrics

Customer satisfaction is critical to our continued success. We hold ourselves accountable for quality performance excellence and demonstrate our commitment to our customers through continuous performance analysis and improvement. Our Program Excellence team oversees performance in key areas, including Quality, Engineering and Advanced Manufacturing, and implements strategic initiatives to support program performance.

Corporate leadership proactively reviews trends on customer satisfaction and quality metrics to identify programs that need attention and to ensure that we remain mission focused. If programs fail to meet performance expectations, we will supply additional oversight and resources to make recommendations for performance improvements.

We set the bar high for quality and customer satisfaction and we are proud to report that we exceeded our targets for these areas in 2024.

NON-FINANCIAL PERFORMANCE METRICS

Customer Satisfaction: Customer feedback, including customer-generated performance scores, award fees and verbal and written feedback.

Quality: Program-specific objectives, including defect rates, process quality, supplier quality or other appropriate criteria for program type and phase.

Product Safety

We maintain an unrelenting focus on safety throughout all aspects of product and system development. We continued our focus in 2024 by making significant progress to align and mature our safety management system (SMS) across all our sectors. This alignment unifies our approach to ensuring the safety of our people, operations, products and, ultimately, our customers by focusing on hazard identification and risk mitigation. We organize our SMS around four pillars—safety policy, safety risk management, safety assurance and safety promotion. These pillars align with requirements set forth by relevant organizations, including the Federal Aviation Administration, International Civil Aviation Organization and Defense Contract Management Agency.

Within our SMS, our experienced system safety engineers oversee the safety of our programs and our cross-sector Safety Community of Practice, which shares information and safety best practices across our organization. System safety engineers track safety risks, provide oversight for hazard analyses on programs, ensure compliance with applicable standards and work closely with customer and regulatory safety personnel to communicate and address any residual risks.

In collaboration with our customers, we support and conduct safety incident investigations. We conduct root cause corrective action processes for hazards identified both internally and through external audits. All Northrop Grumman sites are required to develop, maintain and exercise safety crisis management and emergency response plans. In addition, our programs maintain mishap response plans in collaboration with specific customers.

Airworthiness is an integral aspect of product safety for the air systems we develop. In 2024, we received zero airworthiness directives.

Appendix

Materiality

This report addresses certain items that are most important to the company from a sustainability reporting perspective consistent with the Global Reporting Initiative (GRI) Standards.

In 2020, we conducted a comprehensive materiality* assessment of sustainability topics with a third party to identify and prioritize those items that were most important to the company from a sustainability reporting perspective.

In this process, we gathered and analyzed input by engaging with a diverse set of internal and external stakeholders, including company leadership, trade associations, university partners, nonprofits and suppliers. Our executive leadership reviewed and validated the results to ensure we had a list of topics that aligned with our business and reflected the feedback from our stakeholders. For a full description of our materiality assessment process, please see our **2020 Sustainability Report**.

In 2022, we reviewed and refreshed this assessment, giving consideration to, among other things, our current sustainability priorities, our strengths and opportunities, and external trends. This report reflects the outcome of that assessment and highlights certain topics that are most important to our company and stakeholders from a sustainability reporting perspective, including the topics identified in the table.

These topics are considered in shaping our sustainability strategies, goals, initiatives, risk management and more. We track emerging sustainability issues and update our sustainability strategies periodically to address the topics that are important to our business and our many stakeholders.

Environmental
- Climate, GHG Emissions and Product Environmental Impact
- Environmental Impact of Operations
- Environmental Remediation

Social
- Community Engagement
- Inclusion, Belonging and Engagement
- Employee Health, Safety and Well-being
- Human Rights
- Talent Acquisition, Management and Development

Governance
- Business Continuity
- Corporate Governance
- Cybersecurity
- Ethics
- Geopolitical Factors
- Regulatory Compliance

Product
- Customer Satisfaction
- Product Safety & Quality
- R&D, Innovation & Digital Transformation

*We do not use the term "materiality" as defined by or in the context of the U.S. Securities and Exchange Commission (SEC) laws including those related to SEC reporting and disclosure obligations, or any other securities laws, or as the term is used in the context of financial statements and financial reporting

Forward Looking Statements

Statements in this report contain or may contain statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "will," "expect," "anticipate," "commit," "intend," "may," "could," "should," "plan," "strategy", "project," "forecast," "believe," "achieve", "estimate," "outlook," "trends," "goals", "confident", "on track" and similar expressions generally identify these forward looking statements. These forward-looking statements speak only as of the date when made, and the company undertakes no obligation to publicly update or revise any forward-looking statements after the date of this release, except as required by applicable law. Forward-looking statements are not guarantees of future performance and inherently involve a wide range of risks and uncertainties that are difficult to predict. A discussion of these risks and uncertainties is contained in the company's filings with the SEC.

Stakeholder Engagement

Our key stakeholders include academia, communities, customers, employees, governments, industry partners, policymakers, professional associations, shareholders and suppliers. We engage extensively with stakeholder groups through various means to promote understanding and dialogue regarding management of these material sustainability issues.

WHOM WE ENGAGE	HOW WE ENGAGE
COMMUNITIES	▪ Review programs and initiatives in collaboration with community partners and senior leadership; develop community engagement plans that align with strategic priorities. ▪ Network with leaders from organizations in our targeted areas, including military and veterans and STEM education, to understand key issues and needs.
CUSTOMERS	▪ Work with customers on establishing program goals and priorities. ▪ Partner with government and industry partners to develop and drive common strategies and standards that support program performance, foster innovation and reduce supply chain risk.
EMPLOYEES	▪ Consult and collaborate with employees through a variety of ways, including our annual employee survey, sector Global Corporate Responsibility teams and all hands and small group forums. ▪ Offer volunteer opportunities and programs in areas such as mentoring, STEM education, environmental conservation, military and veterans, health and human services, matching gifts and payroll contributions to charities.
INDUSTRY PARTNERS	▪ Represent the company on industry associations. ▪ Participate in industry meetings with various nonprofit and government organizations.
SHAREHOLDERS	▪ Collaborate with investment leads and actively managed shareholders. ▪ Meet with the governance leads of our largest shareholders.
SUPPLIERS	▪ Host supplier outreach events and offer mentoring programs. ▪ Sponsor academic, customer and industry activities that support small business growth and development.

Environmental Data Accountability Methodology

We continue to prioritize tracking and maintaining high-quality data about our key operational environmental metrics, including GHG emissions, energy usage, water usage and solid waste reduction from landfills and incineration.

We report on environmental data on a government fiscal year basis (October-September). This shift accommodates an earlier report publication date and enables our data to include actual results for all months where data is available, improving our data quality and eliminating duplicative reporting efforts.

Our environmental footprint data is tracked across the full portfolio of our facilities where we have operational control, which represents more than 99% of our global footprint. Reporting for our historical data has also been adjusted to align with our current business composition, structure and revised methodologies. Our GHG inventory was developed in accordance with the GHG Protocol Corporate Standard and in alignment with the International Aerospace Environmental Group

Greenhouse Gas Reporting Guidance, and includes CO2, CH4, N2O, HFCs, PFCs, SF6 and NF3. We continue to engage third-party verifiers to validate our Scope 1 (direct), Scope 2 (indirect, location- and market-based) and Scope 3 (other indirect) Business Travel emissions to the ISO 14064-3 standard.

Our sites withdraw water primarily from municipal and groundwater supplies with some surface water withdrawal. We do not use seawater or produced water sources. Wastewater discharges from our operations flow through onsite wastewater treatment plants or directly to municipal sanitary sewers, and our sites adhere to local regulatory and permit requirements for water quality.

Our waste metric includes hazardous waste, and reduction from landfill and incineration reflects both hazardous and non-hazardous waste generated from our operations; however, the waste metric does exclude non-hazardous construction and demolition debris, and wastes generated at remediation sites.

GRI Standards Content Index

The GRI content index indicates the location of each disclosure within this report, externally on our website or other reports or provides the information directly in a statement.

INDEX	
	PR: 2024 Proxy Statement
	PCG: Principles of Corporate Governance

General Disclosures

STATEMENT OF USE	Northrop Grumman has reported with *reference* to the GRI Standards for the period January 1, 2024-December 31, 2024, unless otherwise noted.
GRI 1 USED	GRI 1: Foundation 2021
APPLICABLE GRI SECTOR STANDARD(S)	Not applicable

DISCLOSURE		LOCATION (OR DIRECT INFORMATION)
2-1	**Organization Details**	a. Northrop Grumman Corporation (NYSE: NOC)
		b. Organization details can be found in the Our Company section and ownership information in the Form 10-K, p. 1
		c. Location of Headquarters: Falls Church, Virginia, U.S.
		d. For location of operations, see the Northrop Grumman website, **Contact Us**
2-2	**Entities included in the organization's sustainability reporting**	a. Northrop Grumman Corporation
2-3	**Reporting period, frequency and contact point**	a. Reporting period for sustainability reporting: January 1, 2024 to December 31, 2024, unless otherwise noted. For more information, see the Environmental Data Accountability Methodology.
		b. Reporting period for financial reporting: January 1, 2024 to December 31, 2024
		c. See the Northrop Grumman website, **Contact Us**

DISCLOSURE		LOCATION (OR DIRECT INFORMATION)
2-4	**Restatements of information**	a. See Environmental Data Accountability Methodology
2-5	**External assurance**	a. Governance Structure – Sustainability Oversight b. We externally assure our Emissions data using an independent assurance provider, LRQA. See our **website**.
2-6	**Activities, value chain and other business relationships**	a. Our Company b. For activities, products, services and markets served: Our Company. For information on the supply chain: Global Supply Chain c. We disclose our significant business relationships in the Global Supply Chain section of this report
2-7	**Employees**	Pioneering People; Sustainability Performance Data Matrix Employee data is as of 12/31/24
2-8	**Workers who are not employees**	Pioneering People; Sustainability Performance Data Matrix
2-9	**Governance structure and composition**	a. Governance Structure – Sustainability Oversight; Board of Directors; PR Proposal 1: Election of Directors b. Governance Structure – Sustainability Oversight; Board of Directors; PR Proposal 1: Election of Directors c. Board of Directors; Proxy Report Proposal 1: Election of Directors
2-10	**Nominating and selecting the highest governance body**	a. Board of Directors; Proxy Report Proposal 1: Election of Directors b. Board of Directors; Proxy Report Proposal 1: Election of Directors
2-11	**Chair of the highest governance body**	a. Board of Directors; Proxy Report Proposal 1: Election of Directors b. Board of Directors; Proxy Report Proposal 1: Election of Directors
2-12	**Role of the highest governance body in overseeing the management of impacts**	a. Stakeholder Engagement; Board of Directors, Board of Directors: Sustainability Oversight; PCG Sections I, II, IV.G b. PR: Board Membership and External Relationships c. Stakeholder Engagement; Board of Directors, Board of Directors: Sustainability Oversight
2-13	**Delegation of responsibility for managing impacts**	a. Governance; PCG Section 11.B
2-14	**Highest governance body's role in sustainability reporting**	a. Governance; PCG Section 11.B
2-15	**Conflicts of interest**	a. Ethics and Compliance; PCG Section III.E; VII; PR, Board Memberships and External Relations
2-17	**Collective knowledge of the highest governance body**	a. PR: Director Qualifications and Experience

DISCLOSURE		LOCATION (OR DIRECT INFORMATION)
2-18	**Evaluation of the performance of the highest governance body**	a. Governance; PCG Section VI.D b. PCG Section VI.D c. PR Annual Self-Assessment Process
2-19	**Remuneration policies**	a. PR Executive Compensation b. PR Compensation Philosophy and Objectives
2-20	**Process to determine remuneration**	a. PCG Section V.A, B ; PR Executive Compensation
2-21	**Annual total compensation ratio**	a. PR CEO Pay Ratio
2-22	**Statement on sustainable development strategy**	a. CEO Message
2-23	**Policy commitments**	a. Ethics and Compliance; Responsible Business Practices; Global Supply Chain b. Ethics and Compliance; Responsible Business Practices; Global Supply Chain c. Standards of Business Conduct and Suppliers Standards of Business Conduct; Human Rights Policy; Anti-Human Trafficking and Slavery Statement d. Governance e. Ethics and Compliance; Responsible Business Practices; Global Supply Chain f. Ethics and Compliance; Responsible Business Practices; Global Supply Chain
2-24	**Embedding policy commitments**	a. Our Values; Ethics and Compliance; Responsible Business Practices; PR Policy Committee
2-25	**Processes to remediate negative impacts**	a. Ethics and Compliance; Northrop Grumman OpenLine b. Ethics and Compliance; Northrop Grumman OpenLine c. Northrop Grumman OpenLine d. Business Conduct Advisors e. Ethics and Compliance; Northrop Grumman OpenLine
2-26	**Mechanisms for seeking advice and raising concerns**	a. Ethics and Compliance; Northrop Grumman OpenLine; Sustainability Performance Data Matrix
2-27	**Compliance with laws and regulations**	a. Sustainability Performance Data Matrix
2-28	**Membership associations**	a. Our list of trade association memberships is available on our **trade associations webpage**.

DISCLOSURE		LOCATION (OR DIRECT INFORMATION)
2-29	**Approach to stakeholder engagement**	a. Stakeholder Engagement
2-30	**Collective bargaining agreements**	a. Sustainability Performance Data Matrix
3-1	**Defining report content and topic boundaries**	a. Materiality
3-2	**List of material topics**	a. Materiality
3-3	**Management of Material Topics**	Responsible Business Practices
		Governance Structure
		Responsible Business Practices
		Cybersecurity & Data Protection
		Business Continuity & Operational Resilience
		Ethics and Compliance
		Global Supply Chain
		Research & Development, Technology & Business Innovation and Operations
		Product Portfolio Considerations
		Product and Service Quality, Supplier Quality
		Environmental Operations and Management
		Pioneering People
		A Culture of Inclusion and Belonging
		Employee Health and Safety
		Environmental Operations and Management
		Environmental Operations and Management
		Corporate Citizenship

Topic-Specific Disclosures

DISCLOSURE		LOCATION (OR DIRECT INFORMATION)
ECONOMIC		
ECONOMIC PERFORMANCE		
201-1	**Direct economic value generated and distributed**	Company Performance; Annual Report; Sustainability Performance Data Matrix
PROCUREMENT PRACTICES		
204-1	**Proportion of spending on local suppliers**	Global Supply Chain
ANTI-CORRUPTION		
205-1	**Operations assessed for risks related to corruption**	Ethics, Compliance and Responsible Business Practices; **Standards of Business Conduct**; Form 10-K, p. 9-25 (Business and Operational Risks)
205-2	**Communication and training about anti-corruption policies and procedures**	Governance Structure; Ethics, Compliance and Responsible Business Practices
205-3	**Confirmed incidents of corruption and actions taken**	Northrop Grumman OpenLine
ENVIRONMENTAL		
ENERGY		
302-1	**Energy consumption within the organization**	Sustainability Performance Data Matrix; 2024 CDP Response
302-3	**Energy Intensity**	Sustainability Performance Data Matrix
302-4	**Reduction of energy consumption**	Energy Conservation
WATER AND EFFLUENTS		
303-1	**Interactions with water as a shared resource**	Water
303-2	**Management of water discharge-related impacts**	Water
303-3	**Water withdrawal**	Water; Sustainability Performance Data Matrix
EMISSIONS		
305-1	**Direct (Scope 1) GHG emissions**	Environmental Operations and Management; Sustainability Performance Data Matrix; 2024 CDP Response
305-2	**Energy indirect (Scope 2) GHG emissions**	Environmental Operations and Management; Sustainability Performance Data Matrix; 2024 CDP Response

DISCLOSURE		LOCATION (OR DIRECT INFORMATION)
305-3	**Other indirect (Scope 3) GHG emissions**	2024 CDP Response
305-4	**GHG emissions intensity**	Sustainability Performance Data Matrix
305-5	**Reduction of GHG emissions**	Sustainability Performance Data Matrix; 2024 CDP Response
WASTE		
306-3	**Waste generated**	Waste; Sustainability Performance Data Matrix
306-4	**Waste diverted from disposal**	Waste; Sustainability Performance Data Matrix
306-5	**Waste directed to disposal**	Waste; Sustainability Performance Data Matrix
SUPPLIER ENVIRONMENTAL ASSESSMENT		
308-1	**New suppliers that were screened using environmental criteria**	Global Supply Chain - Supplier Performance
308-2	**Negative environmental impacts in the supply chain and actions taken**	Global Supply Chain- Supplier Performance
SOCIAL		
EMPLOYMENT		
401-1	**New employee hires and employee turnover**	Sustainability Performance Data Matrix
401-2	**Benefits provided to full-time employees that are not provided to temporary or part-time employees**	Employee & Family Well-Being; **My Well-being**
401-3	**Parental leave**	Employee Resource Groups
OCCUPATIONAL HEALTH AND SAFETY		
403-1	**Occupational health and safety management system**	Employee Health & Safety
403-2	**Hazard identification, risk assessment and incident investigation**	Employee Health & Safety
403-3	**Occupational health services**	Employee & Family Well-Being; **Northrop Grumman Total Rewards**
403-4	**Worker participation, consultation and communication on occupational health and safety**	Employee Health & Safety
403-5	**Worker training on occupational health and safety**	Employee Health & Safety

DISCLOSURE		LOCATION (OR DIRECT INFORMATION)
403-6	**Promotion of worker health**	Employee Health & Safety; Employee & Family Well-Being
403-7	**Prevention and mitigation of occupational health and safety impacts directly linked by business relationships**	Global Supply Chain: Supplier Responsibility; **Supplier Standards of Business Conduct**
403-8	**Workers covered by an occupational health and safety management system**	Employee Health & Safety
403-9	**Types of injury and rates of injury, occupational diseases, lost days and absenteeism and number of work-related injuries**	Sustainability Performance Data Matrix
TRAINING AND EDUCATION		
404-1	**Average hours of training per year per employee**	Talent Strategy; Sustainability Performance Data Matrix
404-2	**Programs for upgrading employee skills and transition assistance programs**	Talent Strategy
404-3	**Percentage of employees receiving regular performance and career development reviews**	Talent Strategy
NON-DISCRIMINATION		
406-1	**Incidents of discrimination and corrective actions taken**	Ethics and Compliance; Northrop Grumman OpenLine
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
407-1	**Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk**	Labor Relations; Sustainability Performance Data Matrix
CHILD LABOR		
408-1	**Operations and suppliers at significant risk for incidents of child labor**	Ethics and Compliance

DISCLOSURE		LOCATION (OR DIRECT INFORMATION)
FORCED OR COMPULSORY LABOR		
409-1	**Operations and suppliers at significant risk for incidents of forced or compulsory labor**	Anti-Human Trafficking and Forced Labor
SUPPLIER SOCIAL ASSESSMENT		
414-1	**New suppliers that were screened using social criteria**	Global Supply Chain - Supplier Performance
414-2	**Negative social impacts in the supply chain and actions taken**	Global Supply Chain - Supplier Performance
PUBLIC POLICY		
415-1	**Political Contributions**	**Northrop Grumman Political Contributions**

SASB Index

The table below identifies the SASB indicators for which we have publicly available information, relevant to the Aerospace & Defense Standard (Version 2018-10).

METRIC CODE	ACCOUNTING METRIC	LOCATION OR DIRECT INFORMATION
ENERGY MANAGEMENT		
RT-AE-130a.1	(1) Total energy consumed (in gigajoules (GJ))	(1) 10,533,620 GJ
	(2) Percentage of grid electricity	(2) 51%
	(3) Percentage renewable	(3) 6%
HAZARDOUS WASTE MANAGEMENT		
RT-AE-150a.1	Amount of hazardous waste generated, percentage recycled	3,670 tons 1% recycled
RT-AE-150a.2	Number and aggregate quantity of reportable spills, quantity recovered	0 reportable spills
DATA SECURITY		
RT-AE-230a.2	Description of approach to identifying and addressing data security risks in company operations and products	Cybersecurity & Data Protection
PRODUCT SAFETY		
RT-AE-250a.2	Number of counterfeit parts detected—While this quantitative metric is not reported, we provide a qualitative description of our management approach to protecting the integrity of our supply chain.	Global Supply Chain
RT-AE-250a.3	Number of Airworthiness Directives received; total units affected	0 Airworthiness Directive received 0 units affected
FUEL ECONOMY & EMISSIONS IN USE-PHASE		
RT-AE-410a.1	Revenue from alternative energy-related products	Not collected
RT-AE-410a.2	Description of approach and discussion of strategy to address fuel economy and GHG emissions of products	We promote principles like material efficiency, product design and lifecycle assessments to advance sustainability.
MATERIALS SOURCING		
RT-AE-440a.1	Description of the management of risks associated with the use of critical materials	Responsible Business Practices Global Supply Chain
BUSINESS ETHICS		
RT-AE-510a.3	Discussion of processes to manage business ethics risks throughout the value chain	Ethics and Compliance Global Supply Chain
ACTIVITY METRIC		
RT-AE-000.B	Number of employees	97,000

Sustainability Performance Data Matrix

TOPIC	2022	2023	2024	GRI	SASB
COMPANY DATA					
Sales (million USD)	$36,602	$39,290	$41,033	102-7	
Employees	95,000	101,000	97,000	102-7	RT-AE-000.B
Floor space (thousand square feet)	51,508	51,310	52,144	102-7	
CORPORATE CITIZENSHIP/COMMUNITY					
Direct community investment through philanthropy (million USD)[1]	$33.4	$30.8	$29.9	201-1	
Company charitable grants—education (%)	56%	58%	40%	201-1	
Company charitable grants—military and veterans (%)	14%	15%	23%	201-1	
Company charitable grants—health and human services (%)	14%	9%	8%	201-1	
Company charitable grants—environment (%)	4%	7%	10%	201-1	
Company in-kind and non-cash contributions (million USD)	$0.8	$2.4	$1.1	201-1	
Charitable donations as measured by Business for Societal Impact (company and foundation) (%)	18%	19%	10%	201-1	
Community investments as measured by Business for Societal Impact (company and foundation) (%)	82%	81%	90%		
Employee giving (million USD)[2]	$4.0	$3.6	$3.4		
Employee volunteerism (hours)	76,750	98,350	137,460		
STEM experiences provided to students	8,718,000	4,850,000	4,255,000		
Meals donated towards hunger relief	4,158,000	1,777,000	2,627,000		
ENVIRONMENT					
Sites with ISO 14001 certification	21	20	20		

[1] Includes investments from Northrop Grumman and the Northrop Grumman Foundation; excludes donations from Northrop Grumman to the Northrop Grumman Foundation.

[2] Includes giving through ECHO, matched gifts and employee fundraising.

TOPIC	2022	2023	2024	GRI	SASB
Significant fines and penalties (shown in years paid) ($)	$12,000	$32,000	$6,500		
Tons of toxic release inventory	57	590	N/A	103	
HAZARDOUS WASTE					
Hazardous waste generation (tons)	3,480	3,430	3,670	306-3	RT-AE-150a.1
Hazardous waste (number of reportable spills)	1	0	0		RT-AE-150a.2
Hazardous waste recycled	1%	0%	1%	306-3	
SOLID WASTE (Non-Hazardous + Hazardous)					
Reuse (tons)	240	110	50	306-4	
Recycling (tons)	19,910	19,640	19,980	306-4	
Composting (tons)	1,230	960	770	306-4	
Recovery (including energy recovery) (tons)	680	860	1,010	306-4	
Landfill (tons)	21,060	20,900	20,300	306-5	
Diversion rate	50%	49%	49%	306-4	
ENERGY					
Energy consumption (GJ)	10,377,680	10,919,180	10,533,620	302-1	RT-AE-130a.1
Renewable energy consumption (GJ)	564,640	922,550	678,090		
Percentage of energy that is renewable	5%	8%	6%	302-1	RT-AE-130a.1
Percentage of energy supplied from grid electricity	51%	49%	51%		RT-AE-130a.1
Energy intensity (Joules/USD sales)	283,530	277,910	256,710	302-3	
Electricity consumption (MWh)	1,567,040	1,587,790	1,570,070		
Renewable electricity consumption (MWh)	156,840	256,260	188,360		
Onsite renewable electricity generation (MWh)	660	690	580		
Percentage of electricity that is renewable	10%	16%	12%		

TOPIC	2022	2023	2024	GRI	SASB
EMISSIONS					
Direct (Scope 1) greenhouse gas emissions (tonnes CO_2e)	281,340	309,030	284,710	305-1	
Indirect (Scope 2) market-based greenhouse gas emissions (tonnes CO_2e)	422,300	398,970	409,980		
Total GHG emissions (market-based) (tonnes CO2e)	703,650	708,010	694,690		
Greenhouse gas emission intensity (Scope 1 and Scope 2—location-based) (tonnes CO_2e/ per USD sales)	0.00001922	0.00001802	0.00001693	305-4	
Reduction of greenhouse gas emissions (from 2019 base year)	-12.1%	-11.5%	-13.2%	305-5	
WATER					
Water withdrawal (potable)—total (gallons)	1,481,870,000	1,458,252,000	1,460,204,000	303-3	
Water withdrawal source (potable)—surface water (gallons)	125,394,000	167,176,000	221,334,000	303-3	
Water withdrawal source (potable)—groundwater (gallons)	519,761,000	440,594,000	367,420,000	303-3	
Water withdrawal source (potable)—municipal supply (gallons)	836,715,000	850,483,000	871,451,000	303-3	
Water withdrawal (potable and nonpotable)—total (gallons)	1,543,403,000	1,516,889,000	1,518,645,000	303-3	
Water withdrawal source (nonpotable)—municipal reclaimed (gallons)	61,533,000	58,637,000	58,440,000	303-3	
Water withdrawal source (nonpotable)—rainwater (gallons)	0	0	0	303-3	
ETHICS AND INTEGRITY					
OpenLine inquiries	614	722	739	102-17	
OpenLine allegations	1,564	2,124	2,583	102-17	
GOVERNANCE					
Members on the Board of Directors	13	13	13	102-18, 102-22	
Independent directors on the Board	12	12	12	102-18, 102-22	

TOPIC	2022	2023	2024	GRI	SASB
HEALTH AND SAFETY[3]					
Work-related fatalities	0	2	0	403-9, 403-10	
Total case rate (per 100 workers)	1.52	0.96	0.87	403-9, 403-10	
Employee lost work day rate (per 100 workers)	17.56	13.63	18.46	403-9, 403-10	
Days away case rate (per 100 workers)	0.87	0.37	0.35	403-9, 403-10	
Lost-time injuries frequency rate (per one million hours worked) (LTIFR)	4.34	1.85	1.73		
Total recordable incident rate (TRIR)	1.52	0.96	0.87		
PRODUCTS					
Number of airworthiness directives received	0	0	0		RT-AE-250a.3
Number of airworthiness directives, units affected	0	0	0		RT-AE-250a.3
RESEARCH AND DEVELOPMENT AND INNOVATION					
Company-sponsored R&D expense (million USD)	$1,200	$1,200	$1,100	201-1	
SUPPLY CHAIN					
Domestic spend on subcontractors (billion USD)	$11.0	$12.4	$12.5		
Amount awarded to small business suppliers (billion USD)	$3.9	$4.1	$4.3		
Percent of Small Business	36%	33%	35%	102-9	
TALENT MANAGEMENT[3]					
Part-time employees	1,400	1,600	1,600	102-8	
Employee average age	43	42	43		
U.S. employees covered by collective bargaining agreements	4%	4%	4%	102-41	
Average training hours per FTE[4]	11.0	18.6	16.8	404-1	
Total external hires	16,100	14,500	7,400	401-1	

[3]   Indicates data reflect U.S. population only, which represents 97% of our employees.

[4]   On average, 16.8 training hours per person were completed through our learning platform, GLX, in 2024. This does not include the other formal and on-the-job training opportunities our employees access regularly.

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