2025
Sustainability Report

NORTHROP GRUMMAN

Contents

Leadership Message

"Every day, the dedication of Northrop Grumman employees helps bring to life the most sophisticated technology the world has ever seen, enabling us to deliver the capabilities our customers need at speed and scale. In a dynamic global security environment, our commitment to our customers, colleagues and fellow citizens remains steadfast, fueling our business strategy and long-term vision for the future of defense technology."

KATHY J. WARDEN
Chair, Chief Executive Officer and President

Northrop Grumman's proven history of groundbreaking innovation begins with our team's unwavering commitment to our Values and the shared belief that we are building a more secure future. From innovating and efficiently delivering mission-critical capabilities to sourcing the best materials to manufacture our products, we deliver excellence.

As our business has grown, we've reimagined our sustainability goals. We remain committed to providing a safe and sustainable future for our people and our planet. By investing in our business and people, we're creating opportunities to strengthen our communities and protect the security of the U.S. and its allies. Expanded production capacity for essential capabilities like solid rocket motors, microelectronics and satellites ensures we are ready to meet the urgency of this moment. Our advanced manufacturing and technology careers support job creation, economic growth and community impact, driving positive change locally and around the world.

Our focus on safety and quality is central to the future of our business and in this report, you'll see how they're prioritized. We uphold a strong speak-up culture to proactively address opportunities before they arise. Through enhanced collaboration and disciplined execution, we champion safety and quality at every stage of the innovation process and across our value chain. We do what we promise to deliver the safest, highest-quality products to the warfighter when and where they're needed.

This year, we deepened our commitment to the communities where we live and work through giving and volunteering. Within the report, you'll learn more about the $34 million we contributed to and raised for nonprofits and schools, and how we launched a companywide volunteerism challenge for employees, embodying our drive to make a positive impact in our communities.

Artificial Intelligence (AI) is integrated throughout the product lifecycle to improve efficiency and mission performance. We apply responsible AI through a secure, disciplined approach across our business and manufacturing processes, enabling greater operational speed.

Our 2025 Sustainability Report reflects our commitments, highlighting how we drive efficiency, support sustainable growth, foster a strong safety culture and build high-quality products for the future. Leveraging our innovative technologies, we collaborate with value-chain partners to address local and global conservation challenges, protect natural resources and enable long-term business growth.

Sincerely,

Mike Witt

MIKE WITT
Vice President and
Chief Environment, Quality
and Safety Officer
March 16, 2026

Sustainability at Northrop Grumman: Our Approach

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

Our focus on sustainable, boundary pushing technology shapes how we deliver top-tier products and capabilities to our customers with speed. Our nearly 100,000 employees lead with the innovative spirit that has guided us for decades, addressing complex challenges in our industry, communities and planet. We remain mindful of our impact within communities and beyond, and manifest integrity in all we do. This 2025 report reflects our commitment to advancing technology and global security, delivering quality products and governing from our foundational Values. We aim to connect and protect the world, while strengthening our resilience against critical challenges. This report captures who we are at Northrop Grumman—technological pioneers dedicated to creating a safer, more sustainable future for all.

Non-Financial Performance Metrics

Our commitment to building a sustainable, inclusive workplace while maintaining an unrelenting focus on quality and customer satisfaction is embedded in our culture and compensation plan. We use financial and strategic performance metrics to assess our performance and progress. Our strategic performance metrics demonstrate our commitment to a high level of performance on sustainability as part of our overall strategy. These non-financial metrics account for 10% of the overall 2025 annual incentive plan score.

For more information regarding our annual incentive plan, please see our **Proxy Statement**.

- Quality
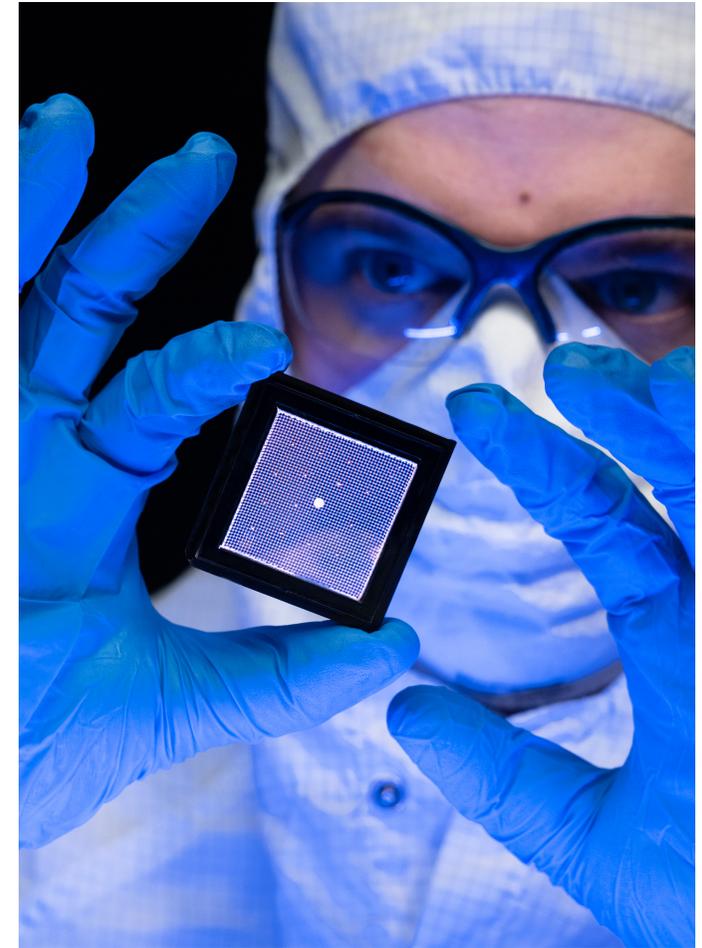- Customer Satisfaction
- Inclusion and Belonging
- Environmental Sustainability

Our Values

Our Values embody our identity as a company, reflecting who we are and how we operate as we deliver on our shared purpose. Our Values are the foundation of our culture and set our company apart.

We do the right thing

We commit to shared success

We do what we promise

We pioneer

Advanced Technology and Manufacturing

We pioneer technologies at the edge of every frontier to consistently deliver world-changing capabilities. Our success is built on our rich legacy of designing and manufacturing innovative solutions for the future, seamlessly integrating our cutting-edge research and development into every step of the process. As we innovate within, we design and enhance our manufacturing facilities to maximize efficiency—with the goal of moving from design to production with unprecedented speed and precision, using fewer resources as we go.

In the past five years, Northrop Grumman has invested $13.5 billion in U.S. infrastructure and R&D, including new advanced manufacturing facilities in California, Maryland and Florida. With over 30 million square feet of manufacturing space, we have the scale and agility to drive innovation at unprecedented speeds. This expansive capacity allows us to rapidly adapt and deploy next-generation technologies.

Across our microelectronics foundries, we produce millions of microchips annually. This includes the world's fastest terahertz microchip—operating at speeds 1,000 times faster than the average smartphone. We are the only U.S. defense company with two secure foundries and with an advanced packaging facility on U.S. soil.

We continually identify, leverage and assess emerging technologies to maintain our leadership in the rapidly evolving technology landscape. In 2025, we invested $1.1 billion (2.6% of total sales) in company sponsored R&D, which allows us to create and identify over-the-horizon technologies while integrating them into our proven systems and services. Energized by the challenge of solving our customers' toughest problems, our approach to R&D and manufacturing positions us for ongoing mission success.

Innovating with Project Talon

As a company at the forefront of cutting-edge solutions, we are committed to continually advancing the technologies that empower our customers and strengthen mission success. We strive to deliver efficient, forward-thinking capabilities that not only meet today's needs but anticipate tomorrow's challenges.

Talon IQ™ is our next-generation autonomous testbed ecosystem designed to accelerate the development and deployment of new autonomous mission capabilities.

Built around the Scaled Composites Model 437 demonstration aircraft, Talon IQ serves as a shared ecosystem for testing and refining proven autonomy and AI software in real-world flight scenarios. This environment significantly reduces the time and cost required to bring new, autonomous mission capabilities to market and increases resource efficiency, ensuring our customers are equipped for the future of autonomy.

Talon IQ brings together industry leaders in AI, including companies such as Applied Intuition, Autonodyne, Merlin, Red 6, Shield AI and SoarTech. It bridges the gap between lab-based development and real-world flight testing, and supports future aircraft programs.

Product Safety and Quality

Every product and service we create is backed by our unwavering commitment to excellence, while fostering quality, safety and integrity in everything we do. Our focus on continuous improvement and our dedication to our customers' mission drives our teams to find new ways to push the boundaries of technology and research to deliver industry-leading products.

Our Quality Culture

Our commitment to quality demands that Northrop Grumman employees, suppliers and contractors be responsible and accountable for:

- A culture dedicated to total quality and continuous 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 quarterly. Our shared Values guide our operations and how we collaborate across functions. We foster an environment where employees feel safe to speak up and address potential issues proactively.

All employees with responsibility for quality receive annual training to align with best practices across the company. Our employees evaluate quality through a structured process that examines how each decision influences overall performance, ensuring that every product or service can satisfy or exceed customer requirements and expectations.

We leverage digital solutions to enhance our ability to manage quality more quickly and efficiently. With the advancements we've made to our facilities, our engineers and manufacturing professionals can make data driven decisions, using real-time insight and visibility into our quality processes.

Our suppliers help uphold our culture of quality. By collaborating with suppliers, customers and internal teams, we have implemented rigorous upfront quality processes that ensure products are delivered correctly the first time—without the need for rework or adjustments—driving first-time quality across our entire 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 suppliers that meet our quality and value expectations, and we equip them with the tools, training and mentoring necessary to deliver quality products on time. For more on our supplier performance criteria, see **Global Supply Chain**.

Product Safety

Our focus on safety is woven through all aspects of our product and system development. Our safety management system (SMS) focuses on proactive hazard identification and risk mitigation, and is organized 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.

At the management level, our product safety program is overseen by our Chief Environment, Quality and Safety Officer (CEQSO). Our system safety engineers oversee the safety of our programs, tracking safety risks, providing oversight of hazard analyses and ensuring compliance with applicable standards. They also work closely with customer and regulatory safety personnel to communicate and address any residual risks. Employees with relevant job duties receive periodic training on product safety topics. Our cross-company Safety Communities of Practice share information and safety best practices across our organization.

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 incident response plans with specific customers.

Talent Strategy

At Northrop Grumman, our culture is the driving force behind delivering mission success. We believe leadership is for everyone and that all employees can lead from where they are. We continually invest in our talent, so that as our company evolves, so do our people. This culture enabled us to hire 7,500 employees in 2025.

Talent Attraction

Our success depends on our ability to attract and retain a pipeline of skilled talent. We seek new sources of talent and focus on finding the right skills and capabilities required for the job, whether those skills were developed through higher education, technical skills, military experience or on-the-job. Our skilled workforce is an important source of talent, and we have strong internal talent mobility pathways to deploy talent to high demand programs across our company. With greater visibility into our internal talent pipelines, we can develop proactive strategies to meet ongoing and future talent needs, deepening our commitment to a future-ready workforce.

Internships and Early Career Hiring

Investing in early career pipelines is an investment in the future of our workforce. We collaborate with colleges, universities and technical schools to develop educational initiatives that prioritize the critical skills needed in our industry.

Our internship program offers career preparation through professional networking, exposure to top minds in our industry, real-world experience across multiple business areas and deep integration with our mission and culture. In 2025, our more than 1,900 interns directly contributed to our customers' critical missions. We also seek candidates from apprenticeship programs, including those with specialized skills necessary for our industry, like fabrication and assembly, composite structures, nondestructive inspection and software engineering. Through our partnerships, we aim to upskill talent from non-traditional pipelines, preparing students for skilled-labor and technical engineering roles.

Veteran Hiring Programs

Veterans contribute a mission-driven leadership mindset, critical skills and, oftentimes, real-world experience working with Northrop Grumman products, making them an important source of talent for our company. In 2025, 16% of our total workforce self-identified as veterans and 20% of our external hiring was veterans. We support veterans through several hiring initiatives:

SKILLBRIDGE

Through the U.S. government's SkillBridge program, we host internships for transitioning veterans during their last 180 days of service, followed by a full-time role post internship. Since 2020, we've supported over 700 highly skilled service members in completing the program, with 85% of participants accepting an offer into a full-time role.

OPERATION IMPACT

Operation IMPACT is an award-winning Northrop Grumman program dedicated to assisting injured service members with career support as they separate from the military into a private-sector career. The program extends career support to their immediate family members if the service member is unable to work.

ENTERPRISE MILITARY BASE STRATEGY

Through in-person and virtual outreach at military bases, we directly engage with service members and connect them with career opportunities in the private sector.

Employee Development

Through a culture of consistent feedback, development and growth, we help our employees perform at their best.

Performance Management

Our performance management process facilitates quarterly touchpoints between employees and managers to provide feedback, align on expectations and goals, and discuss career development opportunities. In 2025, there was an average 93% completion rate for these touchpoints. Since implementing this quarterly process, employees report receiving feedback that has helped improve their performance and having more meaningful career discussions with their managers.

Critical Skills Development

We provide best-in-class training and educational assistance to upskill and develop our employees in critical skill areas. We partner with our engineering and technology teams to identify priority areas, like systems engineering and program management, for additional training, standardization and upskilling to meet our customers' needs. In 2025, we invested approximately $47 million in education assistance programs for 7,600 employees who used this benefit to enhance their career journeys through pursuing college degrees, or professional or technical certifications.

Leadership Development

We instill a leadership mindset in employees at all levels of the organization. We identify and develop high-potential talent and maintain robust succession plans to tap into our high-potential talent pipeline for critical positions.

Employee Culture, Safety and Experience

We strive to create a culture of safety and belonging where everyone is welcomed and valued for their unique perspectives. We work to develop and seek feedback on policies, resources, programs and initiatives that support the careers and lives of our employees, creating a safe working environment. Driven by our Values, we work to improve a sense of belonging across our organization and empower our leaders to drive a culture that enhances the employee experience. In 2025, 82% of employees indicated they feel a sense of belonging and inclusion at Northrop Grumman.

Employee Engagement

When our employees feel heard and valued, they bring their best ideas to the table. We solicit feedback through the annual Employee Experience Survey, which allows employees to share feedback on the work-related topics that matter most to them. Every year, we take collective action based on survey feedback to build high-performing teams and make positive changes for our employees and the company.

In 2025, we met or exceeded the Qualtrics Global Benchmark for 10 of 13 core experience areas, with 86% of employees feeling their experience at Northrop Grumman meets or exceeds their expectations. Employees reported pride in the company's products and services, felt that their career goals could be met at Northrop Grumman and noted their direct supervisor's behavior is consistent with company Values. We received over 87,000 comments through the survey where leaders reviewed their team's survey results and collaborated with their teams to take meaningful action.

Well-Being

We help our employees and their families thrive through all the moments that matter in their lives. By building strong well-being programs for our employees, we help them achieve physical, emotional, financial and social success both in their careers and in their personal lives.

We're proud of our programs and initiatives that advance employee health and well-being. We offer numerous benefits including flexible work arrangements, matching 401(k) contributions, mental health support, well-being incentives and more. To see our full list of programs, visit our **Total Rewards Gateway**[2].

We not only offer but encourage employees to take time off from work through paid time off benefits and support for employees in various stages of life. We offer six weeks of Paid Parental Leave for primary and non-primary caregivers, in addition to short-term disability coverage for a birthing parent. For nursing employees returning to work, we provide lactation accommodations, breastmilk shipment through MilkStork and reasonable break times. We also offer Paid Caregiver Leave to help employees who need to take time away from work to provide care for a family member with serious health conditions. Flexible work arrangements, such as every other Friday off with our 9/80 scheduling option, are available at many of our sites.

Employees can take advantage of subsidized back-up child care and elder care 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.

[2] All benefits are generally available to all U.S. employees working over 20 hours or more. U.S. employees are 96% of our employee base.

Employee Health and Safety

Our employees are our most valuable resource, and we're committed to keeping them safe. Safety is foundational to occupational, operational and product quality, and our "speak-up" culture empowers every employee to help create a safer workplace.

Safety at Northrop Grumman is managed at all levels of the organization. The CEQSO has direct oversight of safety at the corporate level. The Corporate Environment, Quality and Safety Council (CEQSC) advises the Environment, Health and Safety (EH&S) Leadership Committee as well as management on health and safety, including procedures and best practices within individual sectors and across the company. Our Safety Committee, consisting of representatives from each of our sectors, meets regularly to share best practices, develop standard procedures and address common challenges. We continue to use Communities of Practice to facilitate knowledge sharing and collaboration on health and safety topics across our sectors.

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. We work with internal and external experts, including certified industrial hygienists and certified safety professionals, to identify and mitigate workplace hazards.

Everyone at Northrop Grumman has the right to work in a safe workplace, the responsibility to safely perform tasks, to identify workplace hazards and to stop work if they feel unsafe or if 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, the OpenLine, without fear of retaliation.

Communication, collaboration and training help ensure employees know what safety means for them. 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 continue our focus on communicating Life Critical Standards for high-hazard work activities through both digital and printed signage. We also prioritize cross-company collaboration and sharing of best practices.

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 **Sustainability Performance Data Matrix** for more information on our safety performance.

While we continue to track the same external metrics, we revamped our internal metrics to focus on leading indicators of safety performance. A proactive approach helps ensure alignment across sectors so we can better track, monitor and report on safety concerns across the business. We also enhanced our emphasis on preventative safety risk assessments and the importance of tracking and reporting on near misses. As a result, we saw a significant increase in reporting, which allows us to take decisive and informed actions to address serious concerns proactively. We also developed and implemented a new standardized risk-profile tool, which all sites use to evaluate risks in a consistent way.

Annual Safety Symposium

We held our annual Safety Symposium in early 2025, bringing together safety professionals from across the enterprise for collaborative engagement. Our CEO and CEQSO stressed the importance of safety across the enterprise, from our people to our products and what we deliver for our customers, setting the tone for our renewed emphasis on safety throughout the year.

Social Impact

At Northrop Grumman, we are part of the communities in which we live and operate. Our industry is a leader in job creation, wages and community impact, and we create positive change in communities locally and around the world. In 2025, we updated our approach to social impact by defining three pillars that collectively focus on supporting active-duty military and their families, transitioning military, veterans and low-income individuals.

FOCAL AREAS

Increasing Access to the Workforce

- Education
- Technical Workforce Development

Addressing Barriers to Education & the Workforce

- Child Care
- Food Security
- Housing Stability
- Mental Health

Building Healthy, Sustainable Communities

- Disaster Response
- Environmental Initiatives
- Volunteerism
- Employee Giving

KEY CHARITABLE PARTNERS

npower

U.S. SPACE & ROCKET CENTER EDUCATION FOUNDATION
IGNITE. EMPOWER. PRESERVE.

NATIONAL AIR AND SPACE MUSEUM
Smithsonian

Habitat for Humanity®

OPERATION HOMEFRONT

USO
FOR THE PEOPLE WHO SERVE.

KEEP AMERICA BEAUTIFUL

The Nature Conservancy

American Red Cross

We recognize that creating healthy, sustainable and resilient communities requires building strong connections, so we provide support, including funding and volunteer time, to a wide range of local, national and international organizations that help create and maintain those connections and generate the largest impact we can.

The Northrop Grumman Foundation's **Matching Gifts for Education program** is designed to acknowledge and support our employees' personal commitment to education. In 2025, 850 employees submitted requests that were matched on a dollar-for-dollar basis for a total of around $884,000. The **ECHO Workplace Giving** program enables employees to make automatic payroll contributions to their favorite charities. Over 2,000 employees participated in ECHO in 2025, with donations totaling nearly $1.6 million.

Employees who volunteer 40 hours or more with one or more organizations are also eligible to earn a $500 **Community Service Grant** for the organization. We experienced a 31% increase in participation in this program in 2025.

Volunteering

As part of our ongoing efforts to drive a culture of volunteerism and giving back throughout the company, in 2025 we set two new employee volunteering goals:

- Increase unique employee volunteer participation to 10%.
- Increase total employee volunteer hours to 150,000.

In support of these new goals, we engaged and equipped leaders to volunteer themselves and drive higher levels of engagement in volunteering opportunities for their teams. We also increased the number of volunteering events both onsite at Northrop Grumman facilities and in the community, hosting over 1,600 volunteer events at company sites

As a result, employees logged over 165,000 volunteer hours valued at $5.7 million and unique employee volunteer participation increased by 55% to include nearly 13% of the employee population.

Northeast Mississippi Community College Partnership

As part of our continuing efforts to support STEM education, Northrop Grumman revealed the future site of a state-of-the-art aerospace lab in partnership with Northeast Mississippi Community College (NEMCC). The new facility, partly funded by a Northrop Grumman Foundation grant, will become an epicenter of advanced manufacturing training, equipping students with the in-demand skills needed for Mississippi's growing aerospace and defense industry. This facility will provide hands-on training in composite material fabrication, repair and inspection, and simulate real-world environments that students may encounter in the workforce. Expected to open in 2026, the facility will help support American jobs for future generations and help drive economic growth in Mississippi.

Social Value Generated
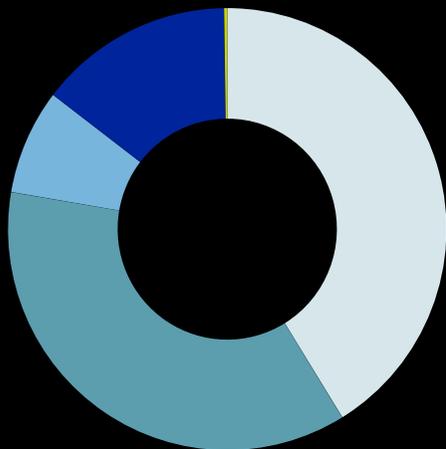
$40 million
in social value generated by Northrop Grumman

- $16M Company Giving
- $15M Foundation
- $6M Employee Volunteerism
- $3M Employee Giving
- $0.1M In-Kind/Non-Cash

Our Environmental Sustainability Strategy

We first established sustainability goals in 2009, ushering in nearly two decades of progress and commitment. Since then, we've operationalized resource efficiency across our business by managing our environmental impact in waste, water, emissions and energy use. In the last six years, our sales have grown nearly 25%. and in 2025, we re-envisioned our goals to align with the growth. Our revised sales intensity goals reflect the next phase of our strategy to strengthen environmental and community resilience, aligning with our mission to create a safer, more sustainable future.

Our Environmental Sustainability Goals

Renewable Energy

BY 2030
50% renewable
Source 50% of electricity from renewable sources by 2030

GHG Emissions

BY 2030
50% reduction
Reduce GHG emissions intensity by 50% from 2023 to 2030

BY 2035
Net Zero GHG emissions
Achieve Net Zero GHG emissions in our operations (Scopes 1 and 2) by 2035

Waste

BY 2030
15% Reduction
Reduce waste intensity by 15% from 2023 to 2030

Water

BY 2030
**15% Reduction**
Reduce water intensity by 15% from 2023 to 2030

Conservation

Through our Technology for Conservation (T4C) program, develop, integrate and deploy technologies leveraging Northrop Grumman expertise and resources, in collaboration with our external partners, to address local and global conservation challenges

Environmental Operations and Management

We drive progress in our footprint goals through strong programs, collaboration across the company and targeted project investments. In 2025, we allocated $8 million through our environmental and efficiency program, centralizing investment decisions and allocating capital to impact-oriented initiatives aligned to our strategy. We executed projects across our operations that drive efficiency and performance toward our waste, water, energy and emission goals.

Sustainability Goal
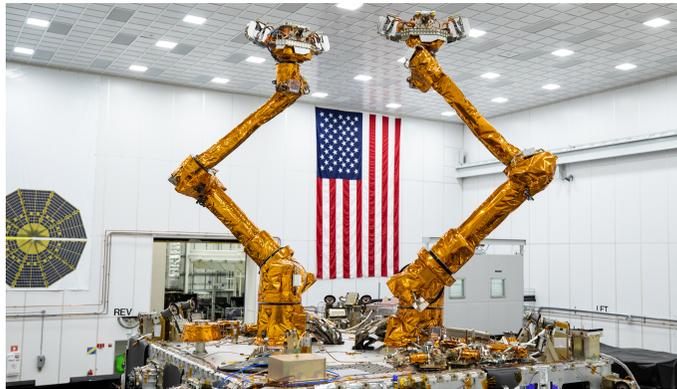
BY 2030

50% Renewable
Source 50% of electricity from renewable sources by 2030

Energy Conservation

We're committed to reducing our carbon footprint through efficient and clean power use. By prioritizing both energy conservation and renewable energy, we drive efficiency across our operations and lower operating costs, which supports a more resilient and responsible energy future.

Our energy conservation strategy leverages internal initiatives and external partnerships. We build energy efficient practices into everyday facility operations, aligning with best practices and processes from ENERGY STAR and International Organization for Standardization (ISO) 50001 Energy Management Standards. We have 15 green buildings in our portfolio, certified to ENERGY STAR and/or U.S. Green Building Council LEED standards (including 10 buildings certified to LEED Silver and above), and totaling approximately 2.1 million square feet of floor space.

We engage employees to reduce energy and implement sustainability projects at their facilities. Our internal Energy Management Committee is a collaboration forum to share information, best practices and trends in energy management. With over 100 members, this committee identifies and encourages action on opportunities to improve energy use and mitigates barriers to achieving our goals.

In 2025, our electricity consumption increased 2% and natural gas usage increased by 5% when compared to 2024, driven largely by program timing and activities. We remain committed to implementing effective measures and projects that reduce operational costs and make progress towards our goals, offsetting our growth in operations to support new business.

Renewable Energy

Sourcing renewable electricity advances our mission to reduce our carbon footprint. Approximately 60% of our operational emissions come from purchased electricity, driving our continued efforts to evaluate and invest in both onsite and offsite renewable energy projects as we work toward achieving our goal of 50% renewable electricity by 2030. By 2030, we are projected to source over 60% of our electricity consumption with renewable energy in many of our key operating states.

By committing to long-term power purchase agreements (PPAs) in the communities in which we live and work, we can access renewable energy at scale through Renewable Energy Certificates we receive from investing in the development of these projects, without having to install significant on-site infrastructure to meet our energy demands. These PPAs help support local jobs, grid modernization and broader clean energy transition efforts. Onsite renewable energy projects also remain an important part of our Net Zero strategy.

In 2025, we sourced 13% of our electricity consumption from renewables. We also had one offsite solar development come online and completed two onsite solar installations.

GHG Emissions

We remain focused on implementing projects that reduce our emissions and improve operational performance. In 2025, our total GHG emissions decreased 4% compared to 2024. Although our operations are growing to support our business, we continue to diversify our energy portfolio with renewables and are focused on driving efficiencies at our major manufacturing sites.
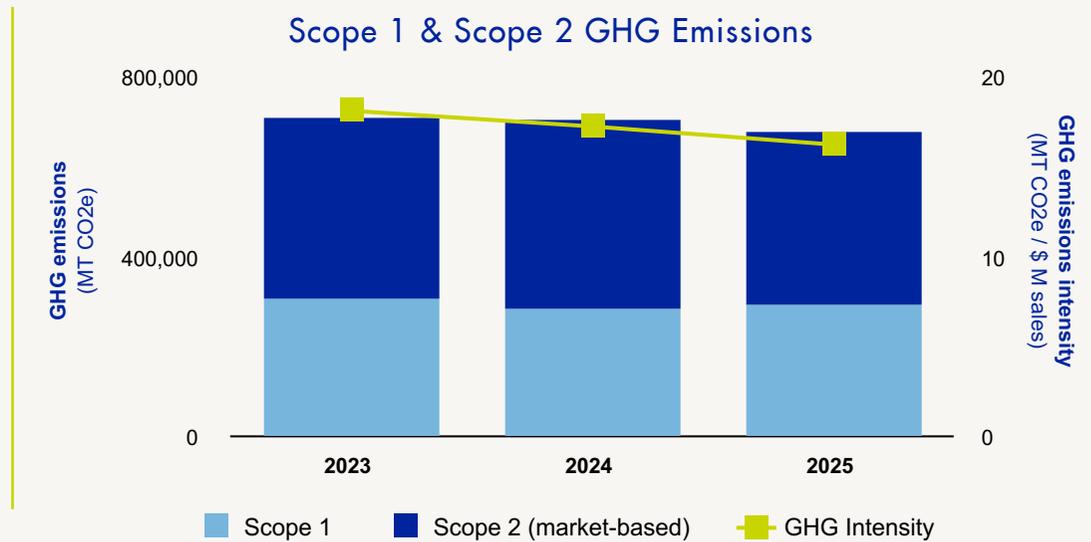
Our Net Zero transition plan includes a multifaceted strategy focusing on:

- 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 feasible.

Sustainability Goal

BY 2035

Net Zero GHG emissions
Achieve Net Zero GHG emissions in our operations (Scopes 1 and 2) by 2035

BY 2030

50% reduction
Reduce GHG intensity by 50% from 2023 to 2030

Scope 1 & Scope 2 GHG Emissions

Y-axis left: GHG emissions (MT CO2e), scale 0 / 400,000 / 800,000
Y-axis right: GHG emissions intensity (MT CO2e / $ M sales), scale 0 / 10 / 20
X-axis categories: 2023, 2024, 2025

Legend: Scope 1 | Scope 2 (market-based) | GHG Intensity

2025 GHG Performance Highlights

7,910 MT CO$_2$e
Implemented 39 greenhouse gas and energy projects across the company, estimated to reduce emissions by 7,910 MT CO$_2$e annually.

5,210 MT CO$_2$e
Invested in operational equipment such as HVAC, boiler and steam line systems, expected to reduce emissions by 5,210 MT CO$_2$e annually.

910 MT CO$_2$e
Invested in submetering equipment that will support proactively addressing energy spikes and energy efficiency, expected to reduce emissions by 910 MT CO$_2$e annually.

15% reduction
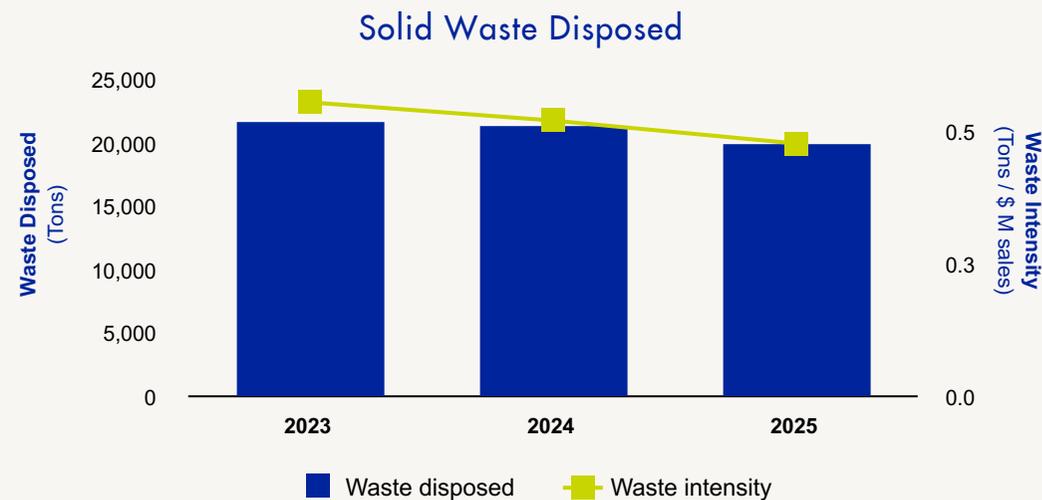Over the last six years, we've reduced our operational emissions by 15%.

Waste

Waste reduction and responsible materials management a key sustainability priorities across our operations. Our updated waste intensity goal aligns with our commitment to grow our business while reducing our impact. Compared to 2024, our disposed waste decreased 6% in 2025, despite growth in our business. This was primarily driven by significant waste management improvements, including recycling additional waste streams and program activity reductions at our largest manufacturing sites.

We continuously assess waste streams at our sites and focus on maximizing site-level waste management practices, optimizing material use in our programs, refining our procurement practices and conducting waste audits to identify innovative ideas for source reduction and recycling.

We prioritize the proper management of our waste streams in adherence with applicable regulatory requirements. We regularly evaluate all hazardous waste treatment, storage and disposal facilities currently in use for design and history, financial strength, regulatory compliance and management practices. We only permit our authorized waste vendors to utilize those that demonstrate reasonable oversight and risk control.

Sustainability Goal

BY 2030

15% Reduction
Reduce waste intensity by 15% from 2023 to 2030

Solid Waste Disposed

Legend: Waste disposed (bar) — Waste intensity (line)

2025 Waste Performance Highlights

280 tons
Implemented 8 solid waste projects across the company, estimated to divert or reduce 280 tons from landfills annually.

113 tons
Installed ultrafiltration system to improve coolant lifespan, estimated to reduce 113 tons of waste oil annually.

80 tons
Installed a dedicated recycling compactor at a significant site, estimated to divert 80 tons annually.

9 tons
Upgraded wastewater treatment system, estimated to reduce 9 tons of filter waste annually.

Water

Water is an essential and finite resource that supports both our company operations and the communities in which we live and work. Our updated water goal builds on our existing efforts to integrate sustainable water management into our core strategies and practices to sustainably grow our operations.

We strive to maintain efficient water usage and instill water conservation practices at our operations. Our water withdrawals decreased 2% from 2024 due to optimizing water intensive proce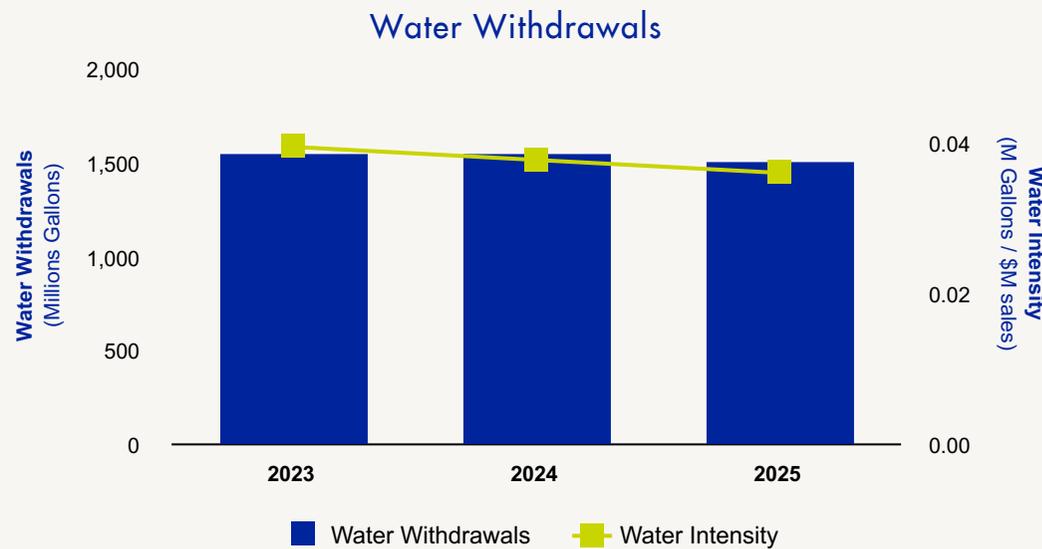sses and the repair and replacement of equipment. As we continue to grow our operations, we seek opportunities to drive efficiencies and reduce impacts, particularly in water-stressed regions.

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

Sustainability Goal

BY 2030

15% Reduction
Reduce water intensity by 15% from 2023 to 2030

Water Withdrawals

	2023	2024	2025
Water Withdrawals (Millions Gallons)	~1,550	~1,500	~1,480
Water Intensity (M Gallons / $M sales)	~0.040	~0.039	~0.037

- Water Withdrawals
- Water Intensity

2025 Water Performance Highlights

59 million gallons
Implemented 20 water conservation projects across the company expected to reduce 59 million gallons of water annually (75% in water-stressed locations).

30 million gallons
Improved water metering and leak detection systems at 3 sites, all of which are in water-stressed areas, with an expected annual reduction of 30 million gallons.

28 million gallons
Upgraded water-intensive equipment and/or processes at 14 sites, 70% of which are in water-stressed areas, with an annual anticipated reduction of 28 million gallons.

Environmental Management

We commit to conducting all operations in an environmentally responsible manner with a focus on the health and safety of our employees, contractors, visitors and communities. We work together as a team to act responsibly and sustainably. We are committed to sound environmental management and we continuously strive 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 strong program 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 2025, we conducted compliance and management systems audits at 31 of our sites, which account for roughly 38% 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 is based on ISO 14001. Currently, 19 of our sites hold an external environmental certification, such as ISO 14001. These sites account for approximately 21% 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 2025 to address emerging chemical regulations and other EH&S 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.

Within our broad environmental management program, we maintain a robust management system to identify, assess and mitigate risks associated with harmful chemicals in our products and processes. A team of experts from across the company's sectors and functional groups collaborate to track regulatory changes, identify hazardous chemicals used in our operations and contained in our products, and develop procedures to eliminate or reduce the impact to our employees and customers.

Conservation and Biodiversity

Biodiversity is critical to maintaining the stability of natural resources and providing resilience in the face of environmental events. We believe the most important role we can play in protecting ecosystems is through our technological contributions that support conservation efforts for critical habitats around the world.

Northrop Grumman's **Technology for Conservation (T4C)** projects allow the company to partner with conservation organizations while enabling our employees to showcase their talents and pioneering spirit. T4C teams design unique solutions that third-party organizations and Northrop Grumman engineers use to collect data in harsh, remote and oftentimes sensitive conditions. Our partner organizations leverage our advanced systems and engineering expertise to scale conservation programs, while our employees use their technical skills to help their communities and the planet.

T4C projects, including the two highlighted, currently focus on applying our technology to address four critical areas—Wildland Firefighting, Detection and Monitoring, Marine Mammal Tracking and Ocean/Aquatic Sciences, Historic and Cultural Preservation, and Biodiversity Monitoring and Terrestrial Sciences.
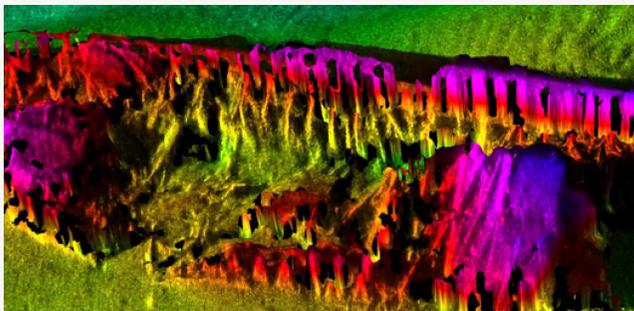
USS *Monitor*

Deep below the surface of the Atlantic Ocean off the North Carolina coast exists the USS *Monitor*, a historic shipwreck and our nation's first national marine sanctuary. In 2025, T4C collaborated with the National Oceanic and Atmospheric Administration (NOAA), Stantec (a global leader in environmental conservation design and engineering), and SEARCH (a global leader in maritime archaeology and cultural heritage services), to bring Northrop technologies to the USS *Monitor*. T4C team members used a Remus 300 unmanned underwater vehicle to complete multiple scans of the vessel. These data products will transform how Monitor National Marine Sanctuary visualizes, studies and protects the USS *Monitor*—advancing both heritage preservation and ocean science.

VR SAFE

As wildfires become more frequent and severe, wildland firefighters need training that goes beyond the classroom. The Virtual Reality Scenarios Assisting in Firefighting Exercises (VR SAFE) project delivers immersive virtual reality technology to bridge the gap between training and real-world scenarios. In 2025, we expanded the reach of this program, with around 120 new wildland firefighters trained using VR SAFE as part of their U.S. Forest Service Wildland Firefighter Apprenticeship Program. This module will continue to be used for future training opportunities, along with our latest module, VR SAFE: Structures, which trains firefighters on how the design of manmade structures and surrounding conditions impact fire behavior and firefighting tactics.

13 projects
We have 13 active T4C projects, including 6 new projects in 2025.

580 employees
580 employees participated in T4C in 2025, with 70 new employees engaged.

8,600 students
T4C projects contributed to the STEM and cultural education of over 8,600 students in 2025.

22 structures
22 structures and 8 artifacts were scanned by Cultural SITES during a visit to Salmon Ruins in New Mexico.

16,000 visitors
Over 16,000 visitors learned about New Mexico's history through Cultural SITES scans provided to the Wonders on Wheels mobile museum.

Governance Structure

We are committed to upholding high standards of corporate governance through a robust framework grounded in our **Principles of Corporate Governance** and **Standards of Business Conduct**. Our governance framework promotes accountability, transparency and ethics, aligning our policies with our Values. By regularly reviewing our governance practices and integrating stakeholder feedback and best practices, we drive sustainable growth.

Board of Directors

Oversight of Northrop Grumman's corporate governance starts at the top with our Board of Directors (Board). Our highly qualified, well-informed and talented Board has the wide-ranging skills and perspectives necessary for effective governance and oversight, best positioning us to advance the long-term interests of our shareholders, employees, customers, partners and communities. For more information regarding Northrop Grumman's governance structure, including information regarding our Board, committees of the Board and their roles and responsibilities, please see our most recent **Proxy Statement**, committee charters and other corporate governance policies available on our **website**.

Sustainability Oversight

BOARD OF DIRECTORS

Oversight of sustainability matters ultimately rests with our Board, with particular areas delegated to its committees for specific oversight, leveraging the Board's particular skills, expertise and ability to dedicate sufficient time to consider each area of responsibility.

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.
- Reviews and discusses with the CECO the company's ethics programs and policies, including contacts received through the company's OpenLine and other formal reporting channels.
- Reviews with our General Counsel other significant legal, compliance or regulatory matters.
- Assists the Board in providing effective oversight of enterprise risk management at large, helping to ensure that a committee or the full Board is providing oversight of the company's management of its different significant risks.
- Provides oversight and reviews the company's assessment and management of its financial risks, including related to, among other things, insurance, nuclear and environmental matters.
- Provides oversight of the company's assessment and management of cybersecurity risks.
- Provides oversight of audit and assurance processes for sustainability reporting.

COMPENSATION AND HUMAN CAPITAL COMMITTEE

- Oversees the company's management of human capital risks, oversees and reviews the results of the Company's policies and practices with respect to employee experience and engagement, and oversees and reviews a risk assessment of the company's compensation programs.
- Approves annual and long-term performance goals, including financial and non-financial metrics.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

- Reviews the company's corporate governance policies and practices and oversees the company's management of its governance-related risks, including risks related to corporate culture.
- Discusses Board succession planning and reviews and makes recommendations to the Board with respect to the general responsibilities and functions of the Board and the organization, structure and composition of the Board and its committees.

POLICY COMMITTEE

- Reviews and provides oversight of the company's policies and programs with respect to sustainability and environmental matters, human rights, health and safety, political contributions, community relations and support of charitable organizations.
- Reviews and oversees relevant sustainability- and environmental-related reports, including our annual Sustainability Report.

MANAGEMENT'S ROLE

Our management team, under the oversight of the Board, executes the company's sustainability strategy and is the first line of defense in identifying emerging risks.
Sustainability is a cross-functional effort, involving various inputs at multiple levels. Personnel from across the company lead and manage relevant sustainability efforts from the ground up. Our team members work together, setting up multidisciplinary working groups as needed for emerging sustainability topics as they become relevant. Our CEQSO, who reports directly to our CEO, leads our efforts to set and make progress toward our environmental sustainability goals, overseen by our Board and its committees.

Ethics

Our Values exemplify our collective approach to ethics and integrity. Ethics and integrity serve as the foundation of our business culture, through which we have built a work environment where our employees are encouraged to speak up if they witness actions that cause concern.

Northrop Grumman's Chief Ethics and Compliance Officer (CECO) oversees our ethics and compliance program and chairs the Compliance Council, which is responsible for assessing compliance risks and opportunities across functions and integrating best practices for monitoring and mitigating risks.

Our **Standards of Business Conduct** provide employees with clear guidance and resources for ethical decision-making. We require all new employees to take ethics training during onboarding, and annual ethics training is required for all full- and part-time employees. We expect our partners to share our commitment and to comply with all applicable laws and regulations, and we assess partners for compliance with these expectations.

Our "Speak-Up" Culture

We foster a culture where employees feel safe speaking up and challenging business practices without fear of retaliation. We implement this speak-up culture by educating and encouraging employees to ask questions and raise concerns through their managers, members of our Human Resources or Law Department teams, or through the global **OpenLine** reporting system. Available 24/7 in multiple languages, the OpenLine is a toll-free, third-party phone number and web-based reporting tool that 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. Parties who contact us through the OpenLine typically share their names but can remain anonymous. Full-time ethics directors and advisors implement our programs and initiatives with support from Business Conduct Advisors, who promote ethics awareness, respond to questions and concerns, and coach colleagues through ethical dilemmas.

We direct reports made through the OpenLine to the appropriate subject-matter experts, with allegations of misconduct handled by one of our teams of specialized investigators, inquiries addressed by knowledgeable personnel and a dedicated tracking system to ensure proper follow-through. In 2025, 38% of allegations to the OpenLine and other formal reporting channels were substantiated, resulting in 855 personnel actions taken. The percentage of substantiated allegations was lower than the NAVEX average report of 46%.

We analyze reporting metrics quarterly to identify trends and areas of potential concern. Findings are shared with the Corporate Ethics Committee, which consists of leaders from various functions; with members of the Executive Leadership Team; with external auditors; and with the Audit and Risk Committee of the Board. We communicate quarterly reporting metrics and address trends with department and site leadership.
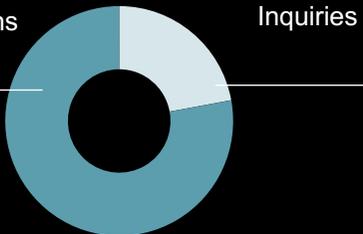
For more information on our policies and practices, please see our **Ethics and Business Conduct** webpage.

2025 Allegations And Inquiries

3,464
Total Contacts

2,698 OpenLine Allegations

766 OpenLine Inquiries

BUSINESS CONDUCT
965 Allegations
45% substantiated

TOP ALLEGATIONS
478 Time Reporting/Mischarging/Overpayments
110 Security, Threats, Violence, or Unauthorized External Contact
91 Quality/Manufacturing

EMPLOYEE RELATIONS
1,733 Allegations
34% substantiated

TOP ALLEGATIONS
451 Other Workplace Concern
429 Unprofessional Communication or Conversation
302 Unfair Treatment

2025 Personnel Actions Taken[1]

As a result of investigations substantiated in whole or in part

Coaching or Counseling	290
Written Warning	183
Terminations	145
Memo of Expectations	110
Suspension and Demotion	15
Verbal Warning	12

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

Responsible Business Practices and Compliance

Our commitment to the highest standards of ethics, integrity and transparency underpins our continued ability to deliver sustained excellence. That commitment is reflected in our approach to doing business, whether it's in our engagement with employees, suppliers, the political process or our customers. Compliance at Northrop Grumman is more than just meeting a regulatory requirement—it's about doing the right thing, always.

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** that addresses how we do business and work with our supply chain. This policy is supported by other company policies, practices and procedures that address discrimination, harassment and retaliation, freedom of association, fair working conditions, ethical procurement practices, health and safety, support for our communities and the protection of the environment. The Policy Committee of the Board provides oversight of the company's policies and programs with respect to human rights.

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. In the U.S., Northrop Grumman was one of 20 companies across all industries to receive a 100% score in the 2025 CPA-Zicklin Index.

For more information on our political activity practices and links to publicly available disclosure reports, please see our **Political Contributions** webpage.

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 help 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.

Additional Policies and Practices

Northrop Grumman maintains a wide variety of additional practices and programs to help ensure we operate with integrity and transparency and hold our value chain partners to the same standards. For more information on our commitments to responsible business practices and managing our compliance expectations, please refer to the following resources:

- **Anti-Corruption Compliance**
- **Standards of Business Conduct for Suppliers and Other Trading Partners**
- **Anti-Human Trafficking Compliance**
- **Conflict Minerals Statement**

Artificial Intelligence

Northrop Grumman has been leading in Artificial Intelligence (AI) technology for more than 40 years, leveraging it in our operations and products. Our AI experts have long recognized the potential AI has to transform the systems, products and services that we produce for our customers worldwide.

Our AI governance structure is described in our **Proxy Statement**. We continue to work with government and trade organizations, as well as industry and academic partners, to develop policies for implementing AI in national security. We will continue to closely collaborate with our customers and partners to mitigate risks and build trusted AI systems. We built upon our early work with the National Institute of Standards and Technology (NIST) and continued engagement through the NIST AI Consortium, developing voluntary reporting frameworks and verification techniques to safeguard AI systems. We are actively involved in the National Defense Industrial Association's AI working group to advise on safeguards and standards for AI in our industry.

We require 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. This training:

- Informs employees on the basics of AI.
- 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.

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

Cybersecurity

We commit to 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, technology and the threat environment evolve. We remain vigilant in protecting our networks, systems and intellectual property, as well as company, customer, partner and employee data. We strive to protect our computing environments, employees and products from cybersecurity threats through multi-layered defenses and apply lessons learned from our defense and monitoring efforts. This helps prevent future attacks and enables us to share threat information with our community and suppliers.

We utilize automation in data analytics to detect anomalies and search for cyber threats. We strive to enable the use of AI by protecting data models and prompt mechanisms against cyber compromise, and by protecting our electronic assets against compromise that could be caused by the adversarial use of AI.

We create and exercise resilience plans to leverage the advantages of AI while mitigating the risk of electronic compromise or cybersecurity threats to or by the technology. 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 **2025 Form 10-K**.

Data Privacy

We implement leading data protection standards through a comprehensive approach in compliance with applicable laws. Our Corporate Privacy Practice 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 and domestic privacy laws, 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

Our manufacturing and technology development is enabled by a robust network of approximately 9,000 suppliers. The vast majority of our supply chain is sourced domestically, including in our lower-level supply chain, adding to our resiliency and ability to deliver results for our customers with speed and innovation.

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 partnerships with suppliers who regularly demonstrate strong performance, responsible sourcing practices and ethical business operations.

Small business suppliers are important partners in our supply chain. In 2025, $3.5 billion of our domestic subcontractor spend was awarded to small business suppliers, representing 34% of our total domestic spend. We prioritize engagement opportunities with our small business suppliers by hosting events to facilitate engagement between small business suppliers and Northrop Grumman procurement professionals.

Supply Chain Risk Management

The Enterprise Global Supply Chain Risk Council has implemented a structured approach to identify, assess and mitigate risks in sourcing the best materials to manufacture our products. This process incorporates input from a 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.

Supplier Responsibility and Performance

We manage our supply chain with a strong emphasis on performance, risk management and transparency, and we hold our suppliers to high standards of ethics, human rights and regulatory compliance. Our expectation is that they act in alignment with our Values, while also meeting critical performance, quality and reliability requirements.

Our responsibility 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 AI.
- 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.

To promote shared success, we offer comprehensive support through our online portal **OASIS (Online Automated Supplier Information System)**, which provides training materials and resources to our suppliers to support engagement, collaboration 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.

We base our evaluations of supplier performance on several metrics, including management, technical, schedule, cost, quality, mission assurance, security, cybersecurity and customer satisfaction. Our current and potential suppliers are monitored and assessed by a variety of risk and resilience factors to gauge their ability to meet current and expected supply chain demands. Suppliers who are most vital to our core business requirements receive added scrutiny, and they are evaluated via essential supplier criteria including:

- Program criticality and 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 reinforce this commitment by helping us identify superior supplier performance, drive future sourcing decisions and proactively address potential issues. Whether conducted during onboarding, through annual certification reviews or in response to significant business experiences, these evaluations strengthen our ability to manage supply chain risks.

Our employees use Global Supply Chain Elevate—a learning platform that provides them with standardized, on-demand training specific to our supply chain to ensure that we are managing our suppliers to achieve shared success.

Supply Chain Sustainability

Sustainability is one element of our supplier responsibility program. We actively collaborate with our peers on value chain engagement through various industry groups. Through our **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 ISO 14001 or the equivalent, to systematically approach the management of risks and opportunities associated with the environment.

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 SmartWay Transport Partner since 2008, we use SmartWay Carrier Partners across our business and continue to integrate sustainability requirements into transportation contracts and all new requests for proposals.

Our transportation strategy prioritizes environmental impacts through shipment consolidation, shifts from air to ocean or surface transport where feasible, partnerships with carriers using Sustainable Aviation Fuel, zero-emission vehicles or alternative fuels and continued efforts to improve emissions measurement through additional Tier 2 and 3 supplier data.

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 on how to prevent, detect and mitigate counterfeit parts in 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.

Appendix

Our Sustainability Report has been prepared with reference to the GRI Standards and the SASB Aerospace and Defense standards. See our **Sustainability Reports webpage** for our GRI Standards Content Index and SASB Index.

Sustainability Performance Data Matrix

TOPIC	2023	2024	2025	GRI	SASB
COMPANY DATA					
Sales (million USD)	$39,290	$41,033	$41,954	102-7	
Employees	101,000	97,000	95,000	102-7	RT-AE-000.B
Floor space (thousand square feet)	51,310	52,144	52,695	102-7	
SOCIAL IMPACT					
Direct community investment through philanthropy (million USD)[1]	$30.8	$29.9	$31.0	201-1	
Company in-kind and non-cash contributions (million USD)	$2.4	$1.1	$0.1	201-1	
Charitable donations as measured by Business for Societal Impact (company and foundation) (%)	19%	10%	4%	201-1	
Community investments as measured by Business for Societal Impact (company and foundation) (%)	81%	90%	96%		
Employee giving (million USD)[2]	$3.6	$3.4	$3.1		
Employee volunteerism (hours)	98,350	137,460	165,140		
ENVIRONMENT					
Sites with ISO 14001 certification	20	20	19		
Significant fines and penalties (shown in years paid) ($)	$32,000	$6,500	$0		
Tons of toxic release inventory	590	494	N/A	103	
HAZARDOUS WASTE					
Hazardous waste generation (tons)	3,430	3,840	3,350	306-3	RT-AE-150a.1
Hazardous waste (number of reportable spills)	1	0	0		RT-AE-150a.2
Hazardous waste recycled	0.3%	6%	17%	306-3	
SOLID WASTE (Non-Hazardous + Hazardous)					
Reuse (tons)	110	50	320	306-4	
Recycling (tons)	19,640	20,160	18,640	306-4	

[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	2023	2024	2025	GRI	SASB
Composting (tons)	960	770	1,570	306-4	
Recovery (including energy recovery) (tons)	1,050	1,200	1,060	306-4	
Landfill (tons)	20,700	20,110	18,910	306-5	
Diversion rate	49%	50%	50%	306-4	
Waste Intensity (disposed tons/million USD sales)	0.55	0.52	0.48		
ENERGY					
Energy consumption (GJ)	10,928,080	10,688,470	11,076,100	302-1	RT-AE-130a.1
Renewable energy consumption (GJ)	922,540	678,100	779,540		
Percentage of energy that is renewable	8%	6%	7%	302-1	RT-AE-130a.1
Percentage of energy supplied from grid electricity	51%	53%	52%		RT-AE-130a.1
Energy intensity (Joules/USD sales)	278,140	260,490	264,010	302-3	
Electricity consumption (MWh)	1,587,790	1,609,020	1,644,870		
Renewable electricity consumption (MWh)	256,260	188,360	216,540		
Onsite renewable electricity generation (MWh)	690	580	510		
Percentage of electricity that is renewable	16%	12%	13%		
EMISSIONS					
Direct (Scope 1) greenhouse gas emissions (tonnes CO_2e)	310,350	286,480	294,570	305-1	
Indirect (Scope 2) market-based greenhouse gas emissions (tonnes CO_2e)	398,880	418,630	383,680		
Total Greenhouse emissions (market-based) (tonnes CO2e)	709,230	705,110	678,250		
Greenhouse gas emission intensity (Scope 1 and Scope 2—market-based) (tonnes CO2e/million USD sales)	18.1	17.2	16.2	305-4	
WATER					
Water withdrawal (potable)—total (gallons)	1,550,195,000	1,547,675,000	1,510,159,000	303-3	
Water withdrawal source (potable)—surface water (gallons)	167,176,000	221,334,000	186,906,000	303-3	
Water withdrawal source (potable)—groundwater (gallons)	440,594,000	367,420,000	344,338,000	303-3	
Water withdrawal source (potable)—municipal supply (gallons)	942,425,000	958,921,000	978,915,000	303-3	

TOPIC	2023	2024	2025	GRI	SASB
Water withdrawal (potable and nonpotable)—total (gallons)	1,608,832,000	1,606,116,000	1,578,001,000	303-3	
Water withdrawal source (nonpotable)—municipal reclaimed (gallons)	58,637,000	58,440,000	67,843,000	303-3	
Water withdrawal source (nonpotable)—rainwater (gallons)	0	0	0	303-3	
Water intensity (million gallons/million USD sales)	0.039	0.038	0.036		
ETHICS AND INTEGRITY					
OpenLine inquiries	722	739	766	102-17	
OpenLine allegations	2,124	2,583	2,698	102-17	
HEALTH AND SAFETY[3]					
Work-related fatalities	2	0	1	403-9, 403-10	
Total case rate (per 100 workers)	0.96	0.87	0.83	403-9, 403-10	
Employee lost work day rate (per 100 workers)	13.63	18.46	15.29	403-9, 403-10	
Days away case rate (per 100 workers)	0.37	0.35	0.31	403-9, 403-10	
Lost-time injuries frequency rate (per one million hours worked) (LTIFR)	1.85	1.73	1.53		
Total recordable incident rate (TRIR)	0.96	0.87	0.83		
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	$1,100	$1,100	201-1	
TALENT MANAGEMENT[3]					
Part-time employees	1,600	1,600	1,500	102-8	
Employee average age	42	43	43		
U.S. employees covered by collective bargaining agreements	4%	4%	5%	102-41	
Average training hours per FTE[4]	18.6	16.8	14.9	404-1	
Total external hires	14,500	7,400	7,500	401-1	

[3] Indicates data reflect U.S. population only, which represents 96% of our employees. For additional demographic information, please see our **EEO-1 reporting**.

[4] On average, 14.9 training hours per person were completed through our learning platform, GLX, in 2025. This does not include the other formal and on-the-job opportunities our employees access regularly.

Environmental Data Accountability Methodology

We continue to prioritize tracking and maintaining high-quality data about our key operational environmental metrics, including greenhouse gas (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 CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 and NF_3. 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. As of 2026, waste sent to waste-to-energy facilities is considered diverted rather than disposed.

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," "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 report, 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.