

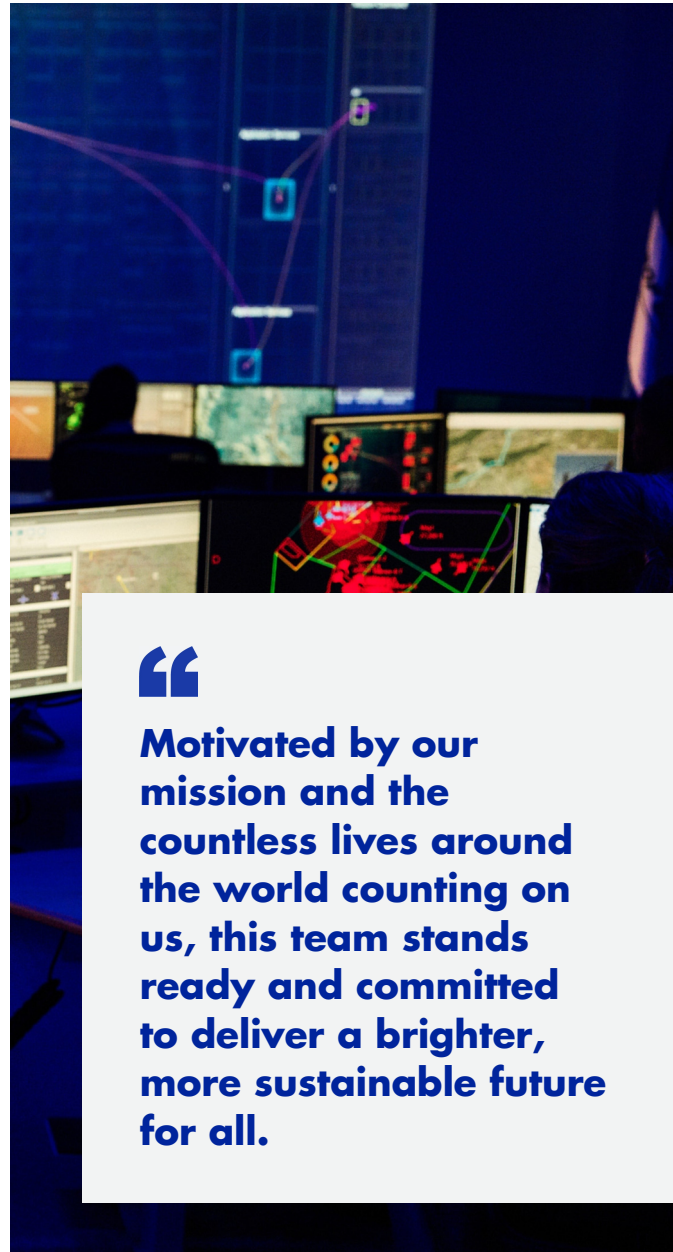
# 2024

## Sustainability Report Executive Summary





# 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 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<sup>1</sup>, 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)**

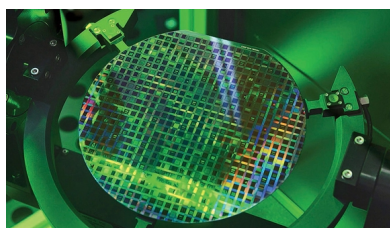
Leader in the design, development, production, integration, sustainment and modernization of military aircraft systems for the U.S. Air Force, the U.S. Navy, other U.S. government agencies and international customers.



## 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**

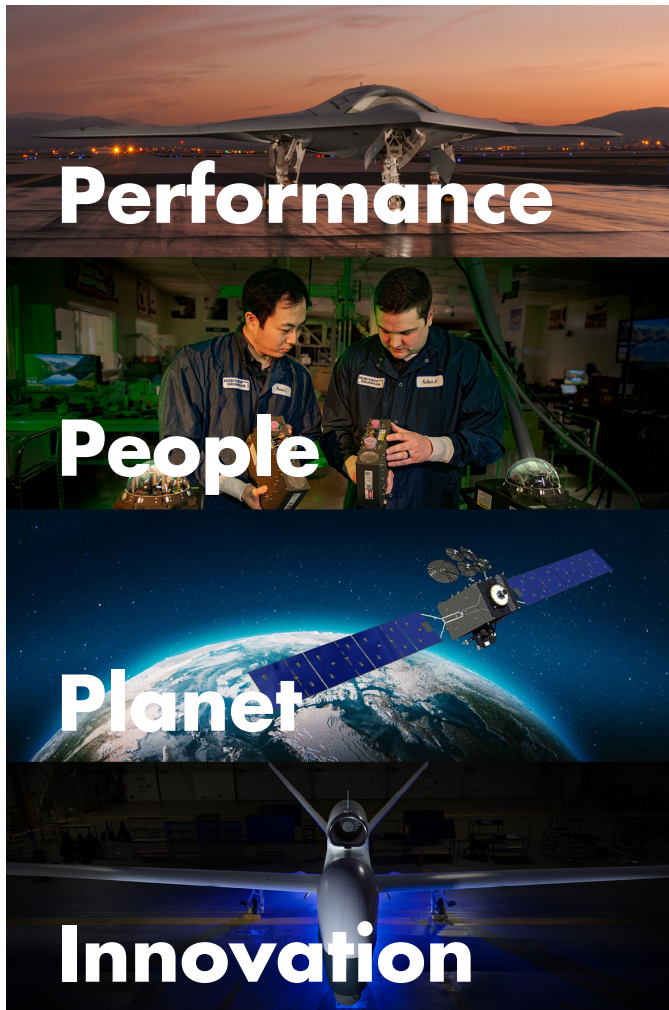
**We do what  
we promise**

**We pioneer**

<sup>1</sup> 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.



# Sustainability at Northrop Grumman: Our Approach



## 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 our 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. Our Sustainability Report captures who we are at Northrop Grumman—technological pioneers dedicated to creating a safer, more sustainable and inclusive future for all.



**Our commitment to safety and environmental protection remains central to our business.**

**MIKE WITT**

Vice President of Corporate Environment, Health and Safety and Chief Sustainability Officer

## 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. Our Sustainability 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.



**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.

	GOALS	2024 PROGRESS
 <b>FOOTPRINT</b> Address the fundamental needs driving sustainability by minimizing the footprint of our operations.	<p>Net Zero greenhouse gas (GHG) emissions in our operations (Scopes 1 and 2) by 2035. Interim target of 50% GHG emissions reduction by 2030.<sup>2,3</sup></p> <p>Source 50% of total electricity from renewable sources by 2030.</p> <p>Reduce 10% of absolute water withdrawals,<sup>3</sup> reuse 10% of water withdrawals and replenish 10% of water withdrawals, focusing in water-stressed regions—all by 2030.</p> <p>Reduce solid waste sent to landfill and incineration by 10% by 2030.<sup>3</sup></p>	<p>Achieved 13% reduction in emissions, compared to 2019 base year, and sourced 12% of electricity from renewable sources.</p> <p>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.</p>
 <b>HANDPRINT</b> Enhance sustainability within the aerospace and defense industry by supporting customer needs and supply chain objectives.	<p>In collaboration with key customers, work to develop a pioneering product stewardship program focused on material efficiency, product design and lifecycle assessment.</p>	<p>Engaged with customers, industry trade associations and internal stakeholders on product stewardship, chemical management, material efficiency, product design and lifecycle assessment.</p>
 <b>BLUEPRINT</b> Affirm our leadership in sustainability by collaborating to protect ecosystems and define environmental opportunities in our communities.	<p>Expand Technology for Conservation (T4C) initiatives in proximity to Northrop Grumman's U.S. locations by 2030, in collaboration with external partners.</p>	<p>Engagement with T4C increased with a 14% growth in participants representing 75 Northrop Grumman sites.</p> <p>Launched several new T4C projects, including Virtual Reality SAFE and the Project Reclaim Recycling Process.</p>

<sup>2</sup> "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.

<sup>3</sup> 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 Structure

We maintain high standards of ethics, integrity and transparency, consistent with our Values, to serve our shareholders, employees, customers and other stakeholders.

- Our Board of Directors oversees our corporate governance program to advance the long-term interests and success of our company, shareholders, customers and other stakeholders.
- 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.

### Ethics, Compliance and Responsible Business Practices

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

- Over 99% of our full- and part-time employees completed ethics training in 2024.
- Received a 100% score on the 2024 CPA-Zicklin Index for the sixth consecutive year, in recognition of our transparency in political contributions disclosure.

### Global Supply Chain

Our robust supplier base supports our ability to perform, and we manage those supplier relationships consistent with our Values and our Standards of Business Conduct for Suppliers and Other Trading Partners.

- Exceeded the U.S. government's 23% small business statutory goal for the 20th consecutive year.
- 35% of our total domestic spend went to small business suppliers.



# 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 talent strategy is focused on broadening our talent pools, enhancing the employee experience, building leaders of the future and enabling employee career growth.

- 86% of employees feel their experience at Northrop Grumman meets or exceeds their expectations, according to our Employee Experience Survey results.
- We invested \$46 million in education assistance for nearly 7,900 employees to enhance their career journeys.



### Employee Health and Safety

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

- 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.



### 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.

- 82% of employees indicated they feel a sense of belonging and inclusion at Northrop Grumman.



### Corporate Citizenship

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.

- Our employees logged nearly 140,000 volunteer hours valued at \$4.6 million and over 2,000 donated over \$1.7 million through our ECHO Workplace Giving Program.

# Pioneering for the Planet

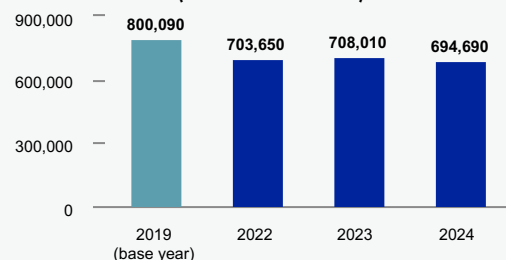
## Environment

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.

### GHG

We focus on implementing projects that reduce our GHG emissions, support energy efficiency and improve operational performance. In 2024, our total GHG emissions decreased 13.2% compared to our 2019 base year.

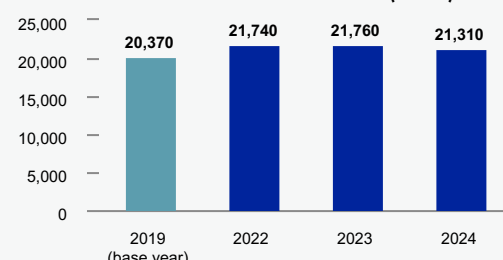
#### SCOPE 1 & SCOPE 2 EMISSIONS (Total MT CO<sub>2</sub>e)



### Waste

Waste reduction and responsible materials management are key sustainability priorities across our operations. Compared to 2023, our disposed waste decreased 2.1% in 2024.

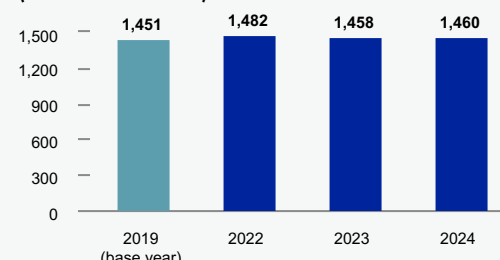
#### SOLID WASTE SENT TO LANDFILLS/INCINERATION (Tons)



### Water

We integrate sustainable water management into our core strategies and practices to sustainably grow our operations. Our water withdrawals were consistent with 2023, with a slight increase of 0.1%.

#### TOTAL WATER WITHDRAWALS (Million Gallons)



## 12%

Of electricity sourced from renewable sources

## 60%

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

## 75 sites

Engagement with Technology for Conservation (T4C) grew to 75 sites in 2024



# 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.



### The Value of Digital Transformation

We lead our industry in harnessing the power of digital transformation to solve our customers' toughest problems.

- Our Digital Pathfinder program leverages digital engineering to quickly move from concept definition through the design, manufacturing and test phases.
- 155 programs and thousands of employees, suppliers and customers operate in our digital ecosystem, allowing them to collaborate easily across the entire program and product lifecycle.



### Quality

Our enduring commitment to quality is ingrained in every aspect of our culture and operations.

- Our sites that provide products and services implement a Quality Management System consistent with either ISO 9001 or the aerospace industry-specific AS9100 standards, as appropriate.



### 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.

- Our SMS is organized around safety policy, safety risk management, safety assurance and safety promotion.



### Artificial Intelligence

We continue to implement strategies to develop, leverage and deploy secure, ethical and responsible Artificial Intelligence (AI) applications to meet evolving customer needs.

- We established a cross-functional AI Governance Board to review new enterprise AI use cases for compliance with our internal policies, applicable laws, regulations and industry best practices.

