

# 2022 Human Rights Report



**NORTHROP  
GRUMMAN**





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### About Our Cover

Employees in our Falls Church, Virginia office volunteering at a meal packing event in coordination with Rise Against Hunger. Volunteers scooped, measured, sealed and packaged nutritious ingredients for delivery by Rise Against Hunger. These meals will help provide healthy options throughout the world in school food programs, orphanages and crisis relief efforts. In 2022, we collaborated with Rise Against Hunger to conduct 26 meal packing events at Northrop Grumman sites across the country.



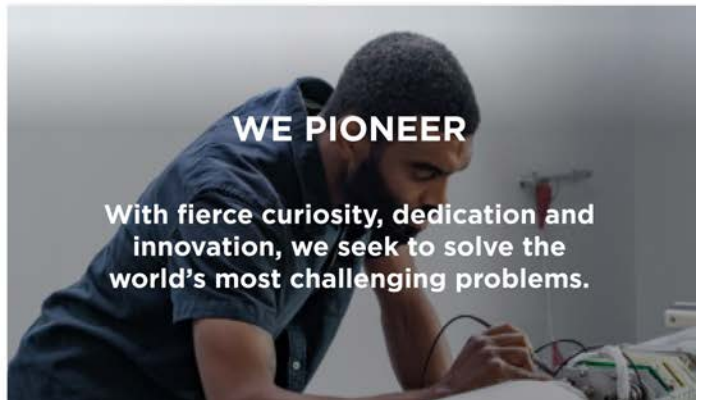
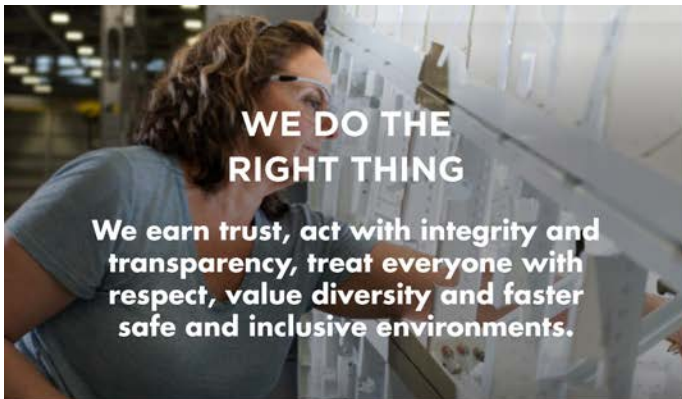


# Introduction

At Northrop Grumman, we have a strong culture. It is founded in our values and reflects, among other things, our high standards of ethics and integrity, and our deep respect for individuals and human rights. Our policies, practices and procedures help to ensure we conduct business globally in a manner consistent with our values, and critical to our long-term success. Our [Human Rights Policy](#), in particular, reflects how we apply our values and culture and demonstrate our respect for individuals and human rights across various aspects of our business.

As always, we start with our values:

## OUR VALUES



Our [Standards of Business Conduct](#), together with other company policies, practices, and procedures, reflect and implement our values. They apply to our directors, officers and employees, and set forth specific requirements for how we do business. Our [Standards of Business Conduct for Suppliers and Other Trading Partners](#) (Supplier Standards of Business Conduct) seek to ensure that our suppliers and other partners share and exhibit our values as well. As noted above, our Human Rights Policy focuses in particular on how we treat people and how we operate consistent with our commitment to individual and human rights. Our Human Rights Policy and other related documents are available through the [Ethics and Business Conduct](#) portion of our website.



# OVERVIEW OF OUR COMPANY

We are 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 95,000 employees define possible every day.

We deliver a broad range of products, services and solutions to U.S. and international customers, and principally to the U.S. Department of Defense (DoD) and intelligence community. Our broad portfolio is aligned to support national security priorities and our solutions equip our customers with capabilities they need to connect, protect and advance humanity.

We are a leading provider of space systems, advanced aircraft, missile defense, mission systems, networking and communications, strategic deterrence systems, advanced weapons, and breakthrough technologies, such as advanced computing and cyber. We are focused on competing and winning programs that enable continued growth, performing on our commitments and affordably delivering capability our customers need. With the investments we've made in advanced technologies, combined with our talented workforce and digital transformation capabilities, Northrop Grumman is well positioned to meet our customers' needs today and in the future.

We are aligned in four operating sectors:



### Mission Systems

is a leader in advanced mission solutions and multifunction systems, primarily for the U.S. defense and intelligence community and international customers. Major products and services include command, control, communications and computers, intelligence, surveillance and reconnaissance (C4ISR) systems; radar, electro-optical/infrared (EO/IR) and acoustic sensors; electronic warfare systems; advanced communications and network systems; cyber solutions; intelligence processing systems; navigation; and maritime power, propulsion and payload launch systems.

### Space Systems

is a leader in delivering end-to-end mission solutions through the design, development, integration, production and operation of space, missile defense, launch and strategic missile systems for national security, NASA, civil government, commercial and international customers. Major products include satellites and payloads; ground systems; missile defense systems and interceptors; and launch vehicles and related propulsion systems; and strategic missiles.

### Aeronautics Systems

is a leader in the design, development, production, integration, sustainment and modernization of aircraft systems for the U.S. Air Force, the U.S. Navy, other U.S. government agencies and international customers. These aircraft systems support four mission areas: strike; air dominance; battle management and control; and intelligence, surveillance and reconnaissance (ISR).

### Defense Systems

is a leader in the design, development, production, integration, sustainment and modernization of weapon and mission systems for U.S. military and civilian agency customers, and a broad range of international customers. Major products and services include integrated battle management systems, weapons systems and aircraft and mission system sustainment and modernization.



## OVERVIEW OF OUR HUMAN RIGHTS POLICY

Human rights are often defined as the basic freedoms believed to be inherent to all people, including as addressed in the **Universal Declaration for Human Rights**. The Universal Declaration focuses on dignity, respect and equity, without discrimination. These are principles that lie at the core of our company’s values and our Human Rights Policy. We are committed to treating all of our stakeholders – including our employees, customers, shareholders and suppliers, and the communities in which we operate – with dignity, respect and equity.

Our **Human Rights Policy**, grounded in our values, culture and commitment to ethics and integrity, is robust and far-reaching, addressing many of the critical aspects of human rights. Our policy is focused broadly on **Our People, Our Supply Chain, Our Programs and Products, Our Communities and Environment** and **Our Commitment to Integrity**. It provides for effective oversight by both management and the Board of Directors.

### OUR PEOPLE

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- We treat our employees with respect and dignity, actively protecting and progressing their human rights.
- We value and embrace diversity of thought and opinion. We recognize the world we serve is diverse, and we respect and embrace those differences.
- We do not tolerate discrimination and work hard to provide a work environment free from discrimination, harassment and retaliation.
- We treat with dignity and respect those with whom we do business – including customers, suppliers, partners and competitors.

### OUR SUPPLY CHAIN

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- We are dedicated to serving as a good partner to the many companies who help us meet our mission.
- We work with suppliers to help them to embrace similar values and further our commitment to human rights.
- We require our suppliers to adhere to our Supplier Standards of Business Conduct which, consistent with our values, sets forth our requirements related to ethics and integrity and the protection of human rights.

### OUR PROGRAMS AND PRODUCTS

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- We are committed to high standards of ethical and business conduct in how we develop, offer and provide our products and services.



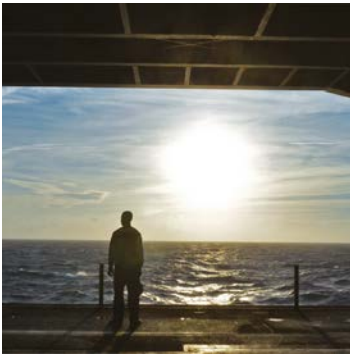


## OUR COMMUNITIES



- We believe in being a good corporate citizen – strengthening our communities and improving the lives of the people in the communities where we live and work.
- We strive to be a thought leader and consensus builder, advancing our values of respect for all individuals, equal opportunity, diversity and inclusion and protecting our environment.

## OUR ENVIRONMENT



- We conduct our operations in an environmentally responsible manner and are committed to protecting natural resources and lessening our environmental impacts to support a sustainable future.
- We establish, implement, monitor and report on progress on specific environmental goals which are intended to reduce our environmental footprint, reduce the production of waste, reduce our use of scarce natural resources and protect our global environment.

## OUR COMMITMENT TO INTEGRITY



- We are committed to ethics and integrity, consistent with our values, and our guided by this commitment in everything we do.

This report is intended to provide additional insights into our policy and the various aspects of it.

# Our People







# Our People

Our people, anchored and empowered by our company's culture and values, are at the core of our business. We work every day to ensure an open, inclusive and ethical work environment in which our employees can strive to do the right thing, to serve our many stakeholders and to ensure the long-term success of our enterprise.

We respect and value the rights of our employees and strive to provide them with a safe and inclusive environment in which they can excel. We treat our employees with respect and dignity, actively protecting and progressing their human rights. We seek to be a preferred place to work, where all are invited to speak up.

## OUR CULTURE

Our values provide the foundation for our strong corporate culture and success. Our culture is reflected in our commitment to ethics, integrity, inclusion and respect, and is focused on enduring performance, innovation, agility and accountability to enable our success and long-term sustainable growth. Culture is critical to who we are and how we do business. Our culture enables us to attract and retain talent, to perform, to earn trust, to serve our customers and to deliver long-term value for our shareholders. We all have a shared responsibility to maintain and enhance it.

We believe our culture and values are vital to the ongoing success of the company, including our ability to attract and retain a talented and diverse workforce. We are proud of our long-standing advancement of diversity, equity and inclusion, our service to our communities and the progress we have driven across all aspects of sustainability.

Our annual engagement survey gives employees a voice and a mechanism to provide feedback on our culture. This survey is managed by a third-party vendor to encourage employee candor on key engagement drivers, including company leadership, culture, inclusion and career development. In 2022, 79 percent of employees responded to the survey, an indication that our employees believe their feedback matters, and we were again named a “High Performing Company” by the third party vendor based on our survey results. Our leaders review the survey responses and work collaboratively with their teams to take meaningful actions based on survey results.







## DIVERSITY, EQUITY, INCLUSION AND NON-DISCRIMINATION

We realize that the world we serve is diverse in its social customs and cultural traditions, and we respect and embrace those differences. We believe the differing viewpoints that we each bring to the workplace challenge and enable us to think more broadly and allow us collectively to better serve our customers and communities.

At Northrop Grumman, we believe that every person has the right to be treated with fairness, dignity and equitable consideration. We do not tolerate discrimination based on an individual’s protected status and strive to ensure equal pay for equal work. We work hard to provide a work environment free from discrimination, harassment and retaliation.

We have more than 14 employee resource groups (ERGs), in which more than 28,000 of our employee ERG members participate, that help inform and implement strategies and initiatives that progress our business imperatives and values. Our ERGs play an important role in supporting our diversity, equity and inclusion efforts and help promote talent acquisition and retention.



We continue to be committed to building and sustaining a diverse, equitable and inclusive team and aim to be transparent about our diversity, equity and inclusion efforts.

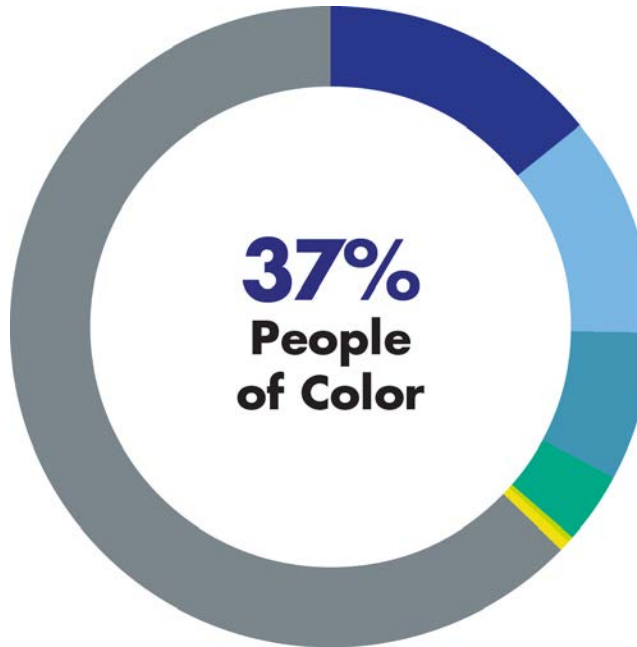
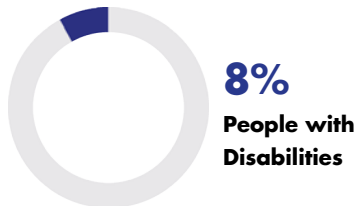
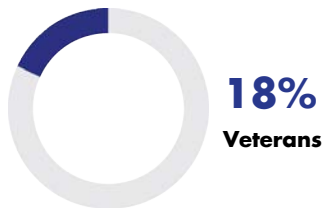
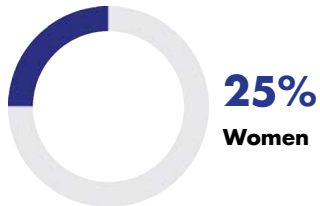
For more information about our team and our progress to date, including our performance against our five-year diversity plan, see our [2022 ESG Report](#) and our [Building Our Diverse Team](#) website.





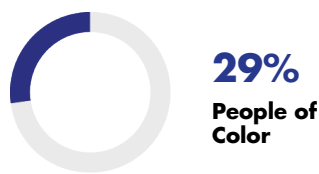
# OUR DIVERSE WORKFORCE

## TOTAL POPULATION<sup>1</sup>



- 62.7%** White
- 14.4%** Hispanic/Latino
- 11.1%** Asian
- 7.4%** Black/African American
- 3.6%** Two or More Races
- 0.4%** American Indian/Native American or Alaska Native
- 0.4%** Native Hawaiian/Other Pacific Islander

## LEADERSHIP – TOTAL MANAGEMENT POPULATION<sup>1</sup>



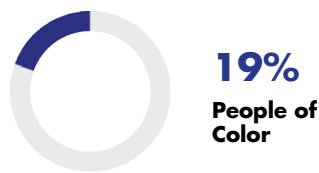
## 2022 HIRES<sup>1,2</sup>

**16,000**  
External Hires

**3,900**  
Women

**6,800**  
People of Color

## LEADERSHIP – VICE PRESIDENT & ABOVE POPULATION<sup>1</sup>



**3,300**  
Veterans

**1,300**  
People with Disabilities

<sup>1</sup> All demographic data reflects U.S. population only.  
<sup>2</sup> New hires may fall into one or more diversity categories.





## HEALTH AND SAFETY

People are our most valuable resource, and we work diligently to protect the health, safety and well-being of our employees, customers, contractors, visitors and others at our facilities. It is our policy to conduct our operations in accordance with all applicable federal, state and local laws and regulations and to strive for continual improvement in our environmental, health and safety (EHS) performance. We focus on training, risk and hazard identification, abatement and prevention. Everyone has a responsibility to identify workplace hazards and other safety concerns, and we empower employees to report these concerns without fear of retaliation. We evaluate the effectiveness of our health and safety programs externally, through benchmarking with industry peers and the U.S. Bureau of Labor Statistics. Internally, we help determine program effectiveness by conducting trend analyses of our past performance. Information about the key elements of our EHS Policy are available on our [Environmental, Health and Safety](#) website.

## FAIR WORKING CONDITIONS AND FREEDOM OF ASSOCIATION

Our employees have the right to fair working conditions, competitive wages, and reasonable working hours. We do not tolerate the use of child labor, forced labor, bonded labor or human trafficking of any kind.

We respect the rights of employees to form, join or not join labor unions. This includes the right to freedom of association and collective bargaining. Additionally, we work together and make every effort to reach an agreement through open and constructive negotiations.

## WORKPLACE ACCOMMODATIONS AND ACCESSIBILITY

We provide reasonable accommodations for qualified persons based on disabilities, religious beliefs, and pregnancy/childbirth (and related conditions). We strive for our facilities, websites, information, communications and technology to be accessible to all in their audiences.

## PROTECTION OF PRIVACY

We respect the privacy of our employees and business partners who trust us with their personal information. We have policies in place that are designed to safeguard personal information and ensure that personal information is collected, used and shared in an appropriate manner and in conformity with our promises and legal obligations. It is critical that we safeguard personal information and respect the privacy of individuals. We work to abide by all applicable privacy-related laws and regulations in the various countries where we operate.







# Our Suppliers







# Our Suppliers

We are committed to high standards of ethical and business conduct as it relates to our procurement of goods and services. We treat our suppliers and trading partners (which, for the purposes of this report, include our prime contractors, resellers/distributors, teaming partners, and other companies we may conduct business with and who are collectively referred to as “partners”) with respect and integrity and are dedicated to serving as a good partner to the many companies who help us meet our mission.

We expect our partners to maintain high standards of ethics and integrity, comply with laws, regulations, contractual obligations and standards of business conduct. Our suppliers must act ethically at all times and ensure the integrity of their operations. Acting with integrity means being accountable for high standards of behavior.

In addition, our suppliers must comply fully with all applicable laws and regulations, their contractual obligations with us and our **Supplier Standards of Business Conduct**. Among other things, the Supplier Standards of Business Conduct sets out requirements related to ethics and integrity, labor and employment practices, protecting human rights, sustainability, and diversity and inclusion. The Supplier Standards of Business Conduct requires our suppliers to protect the rights of workers in our extended supply chain, including with regard to health and safety standards, and local wage and hour laws.

We work with our suppliers to help them to embrace similar values and further our commitment to human rights. In furtherance of this business imperative, we utilize a comprehensive set of policies, procedures and other practices designed to ensure compliance with applicable law, consistent with our values.

## ANTI-CORRUPTION COMPLIANCE

We explicitly prohibit offering bribes, paying bribes or providing other improper things of value, directly or indirectly, in connection with our government or commercial business. We maintain a comprehensive set of policies and procedures as part of our anti-corruption compliance program. Recognizing that the risk of corruption can arise in connection with many different business activities, our **Anti-Corruption Compliance Program** includes both broad-based components and more targeted policies, procedures and training requirements aimed at particular areas of risk.

Our suppliers must comply with all applicable anti-corruption laws, directives and regulations, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. We maintain robust procedures to ensure that appropriate risk-based due diligence is conducted, and periodically refreshed, on various third parties providing goods or performing services on behalf of the company. For higher risk transaction types, we also conduct due diligence on second and lower tiered subcontractors and may require the third party to “flow-down” anti-corruption compliance undertakings to its subcontractors in those circumstances.

We reserve the right to terminate agreements with suppliers for violation of anti-corruption compliance representations, warranties, and covenants, among other reasons.





## ANTI-HUMAN TRAFFICKING / MODERN SLAVERY

We support the elimination of human trafficking and slavery throughout businesses and supply chains. Our Supplier Standards of Business Conduct prohibit the use of forced labor, child labor or human trafficking of any kind. We specifically require compliance with each of the Federal Acquisition Regulation Combatting Trafficking in Persons, UK Modern Slavery Act, Australia Modern Slavery Act, and California Transparency in Supply Chains legislation. We publish annually an [Anti-Human Trafficking and Slavery Statement](#) (available on our website) that addresses our business and supply chain, modern slavery risks and efforts taken to mitigate those risks.

We believe our Supplier Standards of Business Conduct helps to mitigate the risk of human trafficking in our supply chain. In addition, our standard procurement terms and conditions contain provisions requiring our suppliers to comply with applicable laws and regulations regarding modern slavery and anti-human trafficking and to incorporate these requirements into their lower-tier subcontracts.

## CONFLICT MINERALS

We are committed to the responsible sourcing of minerals through our global supply chain. We proactively seek to mitigate the risk of conflict minerals (tantalum, tin, tungsten and gold) (3TG) in our supply chain, both through our Supplier Standards of Business Conduct and our conflict minerals programs as referenced in our [Conflict Minerals Statement](#). Our program makes clear our expectations that our products will not contain conflict minerals that directly or indirectly finance or benefit such armed groups.

Our global supply chain is complex and includes many third parties in the supply chain between us and the original source of 3TG minerals in our products. We rely on our direct suppliers to provide information regarding the presence of 3TG minerals in components and materials that they supply to us and the origin of those 3TG minerals - including sources of 3TG minerals that lower tier suppliers supply to them.

We report annually to the U.S. Securities and Exchange Commission in our conflict minerals report on the use of 3TG minerals originating in the Democratic Republic of Congo (DRC) or any of the DRC's adjoining countries in products manufactured by the company (collectively, Covered Countries).

We exercise due diligence to determine the source and chain of custody of 3TG minerals in our products and have designed our due diligence process to conform to the Organisation for Economic Co-operation and Development ("OECD") Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD, 2016).

We do not, to our knowledge, directly purchase 3TG minerals from any of the Covered Countries. We are a downstream consumer of products that may contain certain 3TG minerals; though even then we are many levels removed from the smelters and refiners who provide minerals and ores to our suppliers.

We continue to engage with trade associations, serving as members of the Aerospace Industries Association and Responsible Minerals Initiative, to benchmark and enhance our processes, and to share best practices.

## SUPPLIER DIVERSITY

We are committed to supplier diversity. Our Global Supplier Diversity Program is designed to expand subcontracting opportunities for all small business concerns, including small disadvantaged, minority, and women-owned; historically underutilized business zones; veteran and service-disabled veteran-owned; lesbian, gay, bisexual, transgender and questioning-owned; disability owned; historically black colleges and universities; minority institutions; and Alaska Native Corporations and Indian Tribes. We actively seek full engagement of these businesses; they have been, and continue to be, important team members. Our Global Supplier Diversity Program is comprised of a series of statutory programs and company initiatives. For more information about our program, see our [Global Supplier Diversity](#) website and our [2022 ESG Report](#).





## DUE DILIGENCE / RISK MANAGEMENT

We seek to do business with suppliers who share our values and our commitment to integrity and performance. Before entering into supply agreements, we undertake due diligence on potential suppliers to assess whether they will be able to meet our standards and requirements. Our supplier onboarding and evaluation process generally requires prospective suppliers to complete a due diligence process during which we: (1) collect information from the supplier; (2) review the supplier's reputation and background, considering their ability to perform; and (3) conduct a risk-based assessment of certain suppliers operating in international locations. In evaluating third parties with whom we may wish to do business, we focus on risk-based analyses, applying greater scrutiny where we find the risk is higher. During performance on contracts, we continue to monitor our suppliers' performance. We take very seriously any issues with poor performance or misconduct in our supply chain, including related to human rights or other aspects of labor practices. We seek to investigate allegations of misconduct, or have our suppliers do so, and we take appropriate remedial action, including termination of contracts.

## TRAINING AND COMMUNICATION

We provide training and other resources and information for our suppliers, including via our [OASIS Supplier Portal](#). This portal serves as a communication and collaboration hub for suppliers to obtain important, necessary information to ensure their success as a supplier with us, consistent with our values and further facilitate compliance with our Supplier Standards of Business Conduct and applicable law.

We also utilize OASIS to provide periodic training and other updates on various compliance matters, including those related to human rights, such as Anti-Human Trafficking, Conflict Minerals and Anti-Corruption compliance, among others. We periodically refresh and tailor our training, as we work to ensure that it remains current with applicable law and other requirements.





# Our Products and Services







# Our Products and Services

We are committed to high standards of ethical and business conduct as it relates to how we develop, offer, and provide goods and services. We conduct business globally in a manner consistent with our values, as well as applicable laws. We consider potential risks and impacts— including risks to human rights, as well as risks related to technical issues, legal requirements, financial considerations or performance obligations, and risks to the company's reputation, sustainability and long-term value – at different stages throughout the life-cycle of a product. Importantly, 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 we can and should sell them. We are mindful of how our products might be used over time and potential unintended uses.

We have robust processes and procedures in place to help ensure we do not do business in countries, or sell products to customers, not properly approved by the United States government. In addition, the company has procedures in place to engage in due diligence, to assess and potentially to mitigate risks – including to human rights or, more broadly, the reputation of the company – before undertaking certain business opportunities, even if they are or would be approved. Where the risks of pursuing such a business opportunity are unacceptable, we will decline the opportunity regardless of whether it is legally permissible.

## WEAPONS

As discussed above, we will decline opportunities and/or cease to continue certain activities where the risks of such activities are unacceptable, including where they are inconsistent with our values and culture, including our commitment to human rights. Consistent with this principle, we have made the following commitments:

- 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.
- 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.
- 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 “Chemical Weapons Convention.”
- We do not manufacture or sell white phosphorus weapons or components of such articles.

In addition, in 2022 we announced our decision to exit our prime role in depleted uranium ammunition.

## RESPONSIBLE ARTIFICIAL INTELLIGENCE

Artificial intelligence (AI) is fundamentally changing the way we work and the way our solutions perform. We are committed to delivering AI technology to our customers in a safe, effective and ethical way. AI presents us with an opportunity to harness advanced technologies to enhance performance for next-generation mission solutions. With that opportunity comes the responsibility to develop our AI products and systems ethically and securely. We have worked with government and trade organizations, as well as industry and academic partners, to build policies for implementing responsible AI and to refine our approach to AI development, testing and operations. This is to help us continue to meet the highest ethical standards and expectations set by our values and our customers. For more information, please visit our [Artificial Intelligence and Machine Learning](#) website.



# Our Communities and Environment







# Our Communities and Environment

We are committed to serving as thought leaders and consensus builders in our communities, advancing our values of respect for all individuals, equal opportunity, diversity, equity and inclusion, and protecting our environment.

## CORPORATE CITIZENSHIP

At Northrop Grumman, being a good corporate citizen means supporting communities and improving the lives of the people in the communities where we live and work. We invest heavily in our communities, providing funding and other support to a wide range of local, national and international causes across the globe. Our current efforts are focused on education, advancing diversity, equity and inclusion, science, technology, engineering and mathematics (STEM), the well-being of our veterans and members of the military (and their families), human dignity, and environmental stewardship.

We released a Community Impact Report in 2022, which highlights the important role we aim to play in strengthening our communities. For more information see our [Corporate Citizenship](#) website.





## ENVIRONMENTAL SUSTAINABILITY

We conduct our operations in an environmentally responsible manner, in compliance with applicable legal requirements and good governance. In addition, we establish, implement, monitor and report on progress against specific environmental goals. Those goals are intended to reduce our environmental footprint, reduce the production of waste, reduce our use of scarce natural resources, and protect our global environment. In 2022, we announced our next generation environmental sustainability goals. These goals focus on our facilities, as well as our supply chain partners and customers.

### OUR GOALS

<p><b>MISSION 1 FOOTPRINT</b></p>  <p>Address the fundamental needs driving environmental sustainability by minimizing the footprint of our operations.</p>	<p><b>MISSION 2 HANDPRINT</b></p>  <p>Enhance sustainability within the aerospace &amp; defense industry by supporting customer needs and supply chain objectives.</p>	<p><b>MISSION 3 BLUEPRINT</b></p>  <p>Affirm our leadership in sustainability by collaborating to protect ecosystems and define environmental opportunities in our communities.</p>
<p><b>FOOTPRINT GOALS INCLUDE:</b></p> <ul style="list-style-type: none"> <li>■ Net Zero greenhouse gas emissions in our operations (Scopes 1 and 2) by 2035. Interim target of 50% reduction by 2030.</li> <li>■ Source 50% of total electricity from renewable sources by 2030.</li> <li>■ <b>Reduce</b> 10% of absolute water withdrawals, <b>reuse</b> 10% of water withdrawals and <b>replenish</b> 10% of water withdrawals, focusing in water-stressed regions - all by 2030.</li> <li>■ Reduce solid waste sent to landfill and incineration by 10% by 2030.</li> </ul>	<p><b>HANDPRINT GOALS INCLUDE:</b></p> <ul style="list-style-type: none"> <li>■ In collaboration with key customers, work to develop a pioneering product stewardship program focused on material efficiency, product design and life cycle assessment.</li> <li>■ Update the company's "Standards of Business Conduct for Suppliers and Other Trading Partners" to incorporate industry-leading sustainability practices in 2023.</li> </ul>	<p><b>BLUEPRINT GOALS INCLUDE:</b></p> <ul style="list-style-type: none"> <li>■ Expand Technology for Conservation (T4C) initiatives in proximity to Northrop Grumman's U.S. locations by 2030, in collaboration with external partners.</li> </ul>

1. Indicated footprint reduction goals and/or targets have a base year of 2019.

2. The water and waste goals listed under footprint replace our initial water and waste goal, originally written as "Strengthen leadership in operational footprint reduction through setting and achieving pioneering targets in environmental stewardship by 2025, including potable water use and solid waste to landfill."

Environmental stewardship is a critical component of our operations. We work to consider and address potential environmental impacts as we design and develop manufacturing processes for our products. It is important to our company, our employees, our shareholders, our customers, and our local communities that we are striving proactively to manage our environmental impacts and to continue to enhance the sustainability of our operations. For more information, see our [Environmental Sustainability](#) and [ESG Reports](#) websites, our [2022 ESG Report](#), and our [2023 Task Force For Climate-Related Financial Disclosures](#).





# Our Commitment to Integrity





# Our Commitment to Integrity

Our commitment to integrity lies at the core of our values and our culture. We work every day to ensure an open, inclusive and ethical work environment in which our employees strive to do the right thing to serve our stakeholders and to ensure the company’s long-term success with integrity.

We strive to conduct business in ways that reflect our Standards of Business Conduct, collectively as a company and as individual employees within the company. Through robust policies and procedures, communications and training, we link individuals — including our suppliers and business associates — to our values and commitment to human rights. Doing what is right because it is the right thing to do is at the foundation of our culture.

Our Ethics team develops and implements our strategy and initiatives to drive an ethical culture throughout our company. We provide our employees with guidelines and resources both to understand and to do what is right, to make ethical decisions, and to support compliance with company policies, procedures and legal requirements.

For more information about Ethics and Business Conduct at Northrop Grumman, see our [2022 ESG Report](#) and our [Ethics and Business Conduct](#) website.

## TRAINING AND COMMUNICATION

Effective training and communication are critical to the success of our human rights program. We provide annual ethics training to our employees to reinforce our commitment to ethics and keep employees informed and updated on our ethical standards and obligations. Our program begins with ethics onboarding for new employees and requires annual ethics refresher training for all full and part-time employees.

We provide basic training to all employees on elements of our human rights program, and more targeted training to leaders and to employees, depending on their roles and responsibilities. For example, we provide additional training to our Business Conduct Advisors within our Ethics organization who are positioned globally and may be called upon to identify and address human rights related concerns. Also by way of example, we provide additional export training to employees involved in global business. We also provide awareness training to our suppliers, including through our OASIS supplier portal, as described elsewhere in this report.

We communicate broadly with our employees and suppliers about the importance of human rights and the underlying principles of respect, dignity, and equality. We communicate through internal and external communications, leader messages, a robust website, workplace postings, and our supplier portal among other things.







## REPORTING, INVESTIGATION AND CORRECTIVE ACTION

We strongly encourage our employees, suppliers and other external stakeholders to raise concerns or report suspected human rights violations. Any employee who believes there may have been a violation of our Human Rights Policy, in particular, is encouraged to report it through one of many established channels, including to their supervisor, Business Conduct Advisor, the law department or human resources, or through the OpenLine.

The Northrop Grumman OpenLine is an important means to raise concerns or report a suspected violation of our Standards, company policies or the law. Reports to the OpenLine can be made anonymously if allowed by local laws.

Reports of potential violations will be investigated and, if substantiated, remedial action will be taken. We do not tolerate any retaliatory action against someone who comes forward in good faith to raise concerns about possible violations of our Human Rights Policy.

## OVERSIGHT OF HUMAN RIGHTS PROGRAM

We are committed to ensuring that our human rights program is effective and evolves to reflect learning and best practices. We assess potential human rights risks, the severity of the potential risks, and the relevant mitigation measures. We integrate findings into our policies, procedures and practices. We track various aspects of our progress as part of the company's efforts to progress. We also periodically review our Human Rights Policy to maintain currency and applicability to our business and to respond to any applicable changes in legal, regulatory or other requirements.

### ROLE OF BOARD

Our Board of Directors oversees the company's commitment to human rights. The Policy Committee of the Board has specific responsibility to provide oversight of the company's human rights program. Among other responsibilities, the Policy Committee:

- Reviews, monitors and provides recommendations regarding our ethics and corporate social responsibility programs, including our Standards of Business Conduct;
- Reviews and provides oversight and recommendations regarding our policies and practices supporting human rights, as well as health and safety; and
- Receives an update at least annually from the General Counsel, or her designee, on the Human Rights Working Group.

### ROLE OF HUMAN RIGHTS WORKING GROUP

We have established a Human Rights Working Group to help ensure our Human Rights Policy is implemented effectively and achieving our goals. The Human Rights Working Group considers the effectiveness of the program, the nature of the risk environment, and evolving best practices. As appropriate, the Human Rights Working Group will recommend changes to this program. This team is led by the General Counsel (or her designee) and includes senior representatives from, among others, Global Corporate Responsibility, Human Resources, Legal, Global Supply Chain, Investor Relations, Contracts, Environmental, Health and Safety, Global Business Office, Government Relations, Communications, and our sectors.



# Conclusion

As described in this report, we are committed to maintaining a strong culture with a deep respect for individuals and human rights. Our robust and wide-reaching human rights program, grounded in our values and effected through our Standards of Business Conduct and other policies and procedures, reflect and implement this commitment. We also are committed to being transparent with our shareholders and other stakeholders about our human rights program. We provide this report to share important insight and transparency into our program.







# Appendix

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## SELECTED AWARDS AND RECOGNITIONS FOR 2022

- 100% rating for the eighth consecutive year on the Human Rights Campaign's Corporate Equality Index "Best Place to Work for LGBTQ+ Equality"
- 2022 Best of the Best Top Employers and Top LGBTQ+ Friendly Companies by Professional Woman's Magazine
- 2022 Best of the Best Top Employers and Top LGBTQ+ Friendly Companies lists by Black Employment & Entrepreneur Journal
- 2022 Best of the Best Top Supplier Diversity Programs and Top Veteran-Friendly Company by U.S. Veterans Magazine
- 2022 Best of the Best Top Supplier Diversity Programs, Top Employers and Top LGBTQ+ Friendly Companies, Hispanic Network Magazine
- 2022 Best of the Best Top Disability Friendly Companies, DIVERSEability Magazine
- 2022 Columbia Business School Deming Cup for Operational Excellence awarded to Kathy Warden, Chair, CEO and President
- 2022 Gold HIRE Vets Medallion Award from the U.S. Department of Labor
- 2022 JUST Capital's 100 Most JUST Companies
- 2022 Champion Partner in Education Award from the Ogden & Weber School District Foundation
- AA rating from MSCI for ESG management
- American Heart Association Workplace Health Achievement Index Silver Level Recognition
- Champion of Veterans Enterprise Award from the National Veterans Small Business Coalition
- Disability Equality Index "Best Place to Work for Disability Inclusion." Achieved 100% for nine consecutive years
- DiversityInc's Top 50 Companies for Diversity (#20). Specific lists: Top Company for Veterans (#2), ERGs (#3), Native American/Pacific Islander (#5) Top Company for People with Disabilities (#7), Executive Diversity Councils (#10), Black Executives (#16) and ESG (#21)
- Forbes 2022 World's Best Employers List
- INSIGHT Into Diversity Magazine's 2022 Inspiring Programs in STEM Award
- Military Friendly® (Gold) and Military Friendly Spouse awards from Victory Media
- Named to the S&P Global Dow Jones Sustainability Index, North America
- National Organization on Disability Leading Disability Employer for eighth consecutive year
- One of only two A&D companies to receive a 100% Score on the CPA-Zicklin Index for Corporate Political Contributions
- One of Top 50 Employers by CAREERS & the disABLED Magazine and named Private-Sector Employer of the Year for 2022
- One of the Top 50 LinkedIn 2022 Companies for investment in talent and helping employees build their careers for long-term success
- One of 54 organizations recognized by the 2022 Seramount Inclusion Index for creating an inclusive workplace
- Participated in the CDP climate change questionnaire for 11 consecutive years, receiving a B score
- One of the Top 10 supporters of HBCUs
- Veteran's Consortium Pro Bono Program 2022 Pro Bono Mission Partner Award

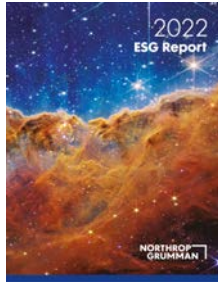






## REPORTS AND AVAILABLE INFORMATION

Additional information about some of the topics discussed in this report and other resources can be found on our website and through the resources below. References to our website in this report, including documents contained therein, are provided as a convenience and do not constitute, and should not be viewed as, incorporation by reference of the information contained on, or available through, our website.



2022 ESG Report



2023 TCFD Report



2023 Proxy Statement



2021 Community Impact Report

### Other Resources:

Standards of Business Conduct	<a href="https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_US.pdf">https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_US.pdf</a>
Human Rights Policy	<a href="https://www.northropgrumman.com/corporate-responsibility/northrop-grumman-human-rights-policy/">https://www.northropgrumman.com/corporate-responsibility/northrop-grumman-human-rights-policy/</a>
Sustainability Website	<a href="https://www.northropgrumman.com/sustainability/">https://www.northropgrumman.com/sustainability/</a>
Diversity Drives Innovation	<a href="https://www.northropgrumman.com/sustainability/diversity-equity-and-inclusion/">https://www.northropgrumman.com/sustainability/diversity-equity-and-inclusion/</a>
Anti-Human Trafficking and Slavery Statement	<a href="https://www.northropgrumman.com/corporate-responsibility/anti-human-trafficking-and-slavery-statement/">https://www.northropgrumman.com/corporate-responsibility/anti-human-trafficking-and-slavery-statement/</a>
Anti-Corruption Compliance	<a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>