

Resolved: Shareholders request the Board of Directors annually conduct an evaluation and issue a public report, at reasonable cost and omitting proprietary information, describing the alignment of its political activities (including direct and indirect lobbying and political and electioneering expenditures) with its Human Rights Policy. The report should:

- list and explain instances of misalignment, and state whether and how the identified incongruencies have or will be addressed.

Whereas: Northrop Grumman (Northrop), in its Human Rights Policy, states its “deep respect for individuals and human rights” and recognizes the UN Guiding Principles on Business and Human Rights as important guidance for companies to meet their human rights responsibilities. However, Northrop’s political activities suggest it actively lobbies, makes political contributions, and otherwise pushes for government sales of its defense products and services to customers linked to irremediable human rights impacts, especially in conflict-affected and high-risk areas. Shareholders lack sufficient disclosure to analyze whether there is alignment with the Company’s stated policies.

Northrop has high-risk business activities in the areas of controversial arms trade, military training, nuclear weapons, and border militarization.¹ Investors lack assurance Northrop’s lobbying activities are not encouraging weak regulation of its sales and products that present significant human rights risks. For example, the Air Force awarded Northrop a \$13.3 billion nuclear missile contract in 2020.² Nuclear weapons are illegal under international law due to their indiscriminate and disproportionate impacts on civilians.³ Before the contract was approved, Northrop lobbied against an amendment which would have required the Pentagon explore alternatives to these missiles.⁴

Research organizations have recorded defense manufacturers exerting “deep influence through money in politics.”⁵ In 2022, Northrop has spent \$8,690,000 on federal lobbying, much of which focused on defense appropriations, export control reform, and foreign military sales.⁶ Investors lack disclosure on these lobbying activities, particularly how they align with the Company’s

¹ <https://investigate.afsc.org/company/northrop-grumman>

² [https://news.northropgrumman.com/news/releases/northrop-grumman-awarded-contract-to-replace-aging-icbm-system#:~:text=8%2C%202020%20%E2%80%93%20Northrop%20Grumman%20Corporation,Ground%20Based%20Strategic%20Deterrent%20\(GBSD\)](https://news.northropgrumman.com/news/releases/northrop-grumman-awarded-contract-to-replace-aging-icbm-system#:~:text=8%2C%202020%20%E2%80%93%20Northrop%20Grumman%20Corporation,Ground%20Based%20Strategic%20Deterrent%20(GBSD))

³ https://treaties.un.org/doc/Treaties/2017/07/20170707%2003-42%20PM/Ch_XXVI_9.pdf

⁴ <https://www.armscontrol.org/act/2021-05/features/inside-icbm-lobby-special-interests-national-interest>

⁵ <https://www.opensecrets.org/news/reports/capitalizing-on-conflict/yemen-case-study>

⁶ <https://www.opensecrets.org/federal-lobbying/clients/summary?id=D000000170>;
<https://lda.senate.gov/filings/public/filing/3003b3cf-512f-4685-99f0-6c54491a91ec/print/>;
<https://lda.senate.gov/filings/public/filing/5063e089-a33a-4222-ac79-6910bd78179a/print/>;
<https://lda.senate.gov/filings/public/filing/f2e51516-09e0-42b5-bd04-5c64dca3746f/print/>

Human Rights Policy.⁷ Additionally, Northrop's significant contributions to think tanks, such as the Center for a New American Security, lack transparency.⁸

Although Northrop commits to declining business opportunities with clients, "regardless whether it is legally permissible," if human rights risks are "unacceptable,"⁹ its political activities appear misaligned with its human rights commitments. For example, in 2020, a notable lobbyist allegedly lobbied for Northrop while simultaneously contacting congressional and State Department officials on behalf of the United Arab Emirates (UAE) regarding arms sales for use in Yemen.¹⁰ Northrop has long-standing arms and services dealings with the UAE and Saudi Arabia, who have repeatedly targeted civilians as part of their military operations in Yemen, and are complicit in a wide range of gross human rights violations.¹¹

Shareholders have an interest in ensuring Northrop's political activities are aligned with its stated human rights commitments. Establishing clear policies and reporting on misalignment can help mitigate material risks that harm shareholder value.

⁷ <https://www.opensecrets.org/orgs/northrop-grumman/congressional-committees?id=D000000170>

⁸ https://3ba8a190-62da-4c98-86d2-893079d87083.usrfiles.com/ugd/3ba8a1_c7e3bfc7723d4021b54cbc145ae3f5eb.pdf

⁹ <https://www.northropgrumman.com/corporate-responsibility/northrop-grumman-human-rights-policy/>

¹⁰ <https://www.opensecrets.org/news/reports/capitalizing-on-conflict/yemen-case-study>

¹¹ <https://www.aljazeera.com/news/2022/2/7/yemen-intensifying-war-worsens-worlds-worst-civilian-crisis>;
<https://www.amnesty.org/en/documents/pol10/4870/2022/en/>