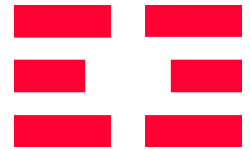




Northrop Grumman

Locations: Virginia (HQ)
Industries: Capital Goods

RISK LEVEL:



High Risk

DESCRIPTION:

Northrop Grumman scored a 100 on the 2023 Corporate Equality Index (CEI) from the Human Rights Campaign (HRC), a political stakeholder group. By complying with the HRC's controversial demands, Northrop Grumman increases the risk of dividing employees, alienating customers and harming shareholders. The company covers transgender-related medical costs for its employees and their children and provides specific sexual orientation and gender identity-based benefits. It also uses sex and gender ideology criteria in employee recruitment, vendor selection, marketing, and philanthropic support. Northrop Grumman forces employees to undergo multiple ideological trainings and uses its reputation, corporate funds, and political influence to support controversial sex and gender ideologies, organizations, and legislation. Northrop Grumman is a Platinum corporate sponsor of the HRC and pledged \$2 million to BLM and related causes. Northrop Grumman supports and funds LGBTQ causes and organizations. Northrop Grumman is a signatory of the Business Roundtable's 2019 Statement on the Purpose of Corporation, which promotes stakeholder capitalism. The company is a member of the MCCA, indicating its focus on recruiting, retaining, and promoting employees based on race. For these reasons, Northrop Grumman receives a High Risk rating.

Corporate Weaponization

Has denied service to customers, suppliers, or vendors due to their political views or religious beliefs OR corporately boycotts, divests, or sanctions regions, people groups, or industries. **Medium Risk**

Northrop Grumman received a score of 100 recruits employees based on sexual identity issues. The company discriminates against vendors that do not promote divisive sex and gender policies, indicating it prioritizes sexual issues over merit (1)(2). Northrop Grumman has a written policy requiring suppliers to abide by its code of conducts including discrimination based on sexual orientation (3). Northrop Grumman has not publicly fired customers, suppliers, or vendors based on political views or religious beliefs.

Charitable giving (including employee matching programs) policies or practices discriminate against charitable organizations based on views or religious beliefs. **High Risk**

Northrop Grumman (1)(2).

Employment policies fail to protect against discrimination based on political affiliation/views and/or religion. **High Risk**

Northrop Grumman indicates the company forces employees to attend multiple, controversial trainings on gender identity, sexual orientation, transgender issues, and divisive racial ideology. The company provides gender transition guidelines for its employees and specific benefits guide with a comprehensive explanation of transgender services funded by the company (1)(2). Northrop Grumman

does not provide viewpoint protections for its employees (3).

Corporate Governance and Public Policy

Uses corporate reputation to support ideological causes and/or organizations hostile to freedom of expression. High Risk

Northrop Grumman is a member of the Business Coalition for the Equality Act and discusses race-based recruiting efforts and DEI training for employees in its 2022 ESG report (1)(2). CEO Kathy Warden is a member of the Business Roundtable and signed its 2019 Statement on the Purpose of Corporation, which promotes stakeholder capitalism over traditional obligations to shareholders and customers (3)(4). Northrop Grumman indicates the company agrees to allow a controversial stakeholder group focused on sexual identity issues to dictate marketing or advertising strategy (5)(6). By doing so, the company risks dividing employees, alienating customers and harming shareholders.

Uses corporate funds to advance ideological causes, organizations, or policies hostile to freedom of expression. High Risk

(1)(2)(3). Northrop Grumman pledged \$2 million to the Black Lives Matter organization and related causes (4)(5). Northrop Grumman indicates the company covers transgender related costs for its employees and their children, including paid short-term leave, puberty blockers, cross-sex hormones, chest surgeries, genital surgeries, medical visits and lab monitoring, travel and lodging. Additionally, the company has pledged philanthropic support of at least one organization or event that promotes sex and gender ideology (6)(7). By allowing a political stakeholder group to dictate operations, the company increases health care costs and risks dividing employees, alienating customers and harming shareholders. Northrop Grumman is a member of the MCCA, indicating its focus on recruiting, retaining, and promoting employees based on race (8)(9).

Uses corporate political contributions for ideological, non-business purposes.

High Risk

Northrop Grumman indicates the company publicly advocated for controversial sex and gender ideology through local, state or federal legislation or initiatives (1)(2). By allowing a political stakeholder group to dictate operations, the company risks dividing employees, alienating customers and harming shareholders. Northrop Grumman has not used its PAC donations for ideological purposes and lobbies in a manner consistent with its business interests (3)(4).

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