



HII Sustainability Commitments

Founded in our sustainability priorities, in 2023, we set ten sustainability commitments to guide our sustainability strategy. These commitments were developed by four teams of subject matter experts from across our three divisions and the corporate office. The teams were charged with developing specific sustainability objectives suited to HII's business and sustainability strategy. In doing so, the teams considered the impact on stakeholders, impact on the business strategy, impact on HII's operations, impact on HII's customers, and regulatory requirements. We look forward to sharing our progress on these goals in our annual Sustainability Reports.

To Secure Our Business:

Supply Chain Management

- By the end of 2025, (a) we will develop sustainability criteria and incorporate them into the Supplier Engagement Plan, and (b) in parallel, update the Supplier Code of Conduct to include a cross-reference to Supplier Engagement Plan for sustainability.
- We will conduct a current state analysis of supply chain risks, capabilities, and processes in 2024. We will develop a roadmap by end of 2025 that will ultimately increase tracing of supply chain risks (e.g., countries of concern, conflict minerals, counterfeit parts, potential environmental/climate-risk disruptions, human capital, and cybersecurity) by 2030 through improved supplier engagement and data tracking.

To Protect Our Resources:

Energy and GHG Management

- By the end of 2024, we will develop a roadmap to exceed 30% reduction in Scope 1 and 2 GHG emissions based on 2022 baseline.
- **We have estimated our 2022 baseline of Scope 1 and 2 GHG emissions to be 323 thousand metric tons of CO₂eq.**

To Build Our Communities:

Employee Engagement

- We will continue to drive increased employee engagement as measured by annual surveys to create value for the company.

Diversity and Inclusion

- We commit to good faith efforts to increase total representation of women and people of color across all levels in accordance with our annual affirmative action plan.
- We commit to increasing the hiring of veterans such that veterans make up 20% of HII's overall workforce by 2030.
- We commit to increasing the percentage of interns and graduates recruited from HBCUs by 10% annually through 2030.

Community Relations

- We will target 40% of our total giving to Education by 2030 while also prioritizing the core areas of Community and Veterans & Military.
- We will make good faith efforts to increase the number of employee volunteers by 10% annually through 2030.
- Focusing on the crisis of health and hunger, HII and our employees will provide 100,000 meals annually to those in our communities facing food and nutrition insecurity.



HII goal development process - Overview

In 2022, HII conducted an initial materiality assessment which culminated in identifying nine primary focus areas.

Those focus areas include:

1. Diversity & Inclusion ★
2. Energy & GHG Management ★
3. Supply Chain Management ★
4. Environmental Compliance
5. Employee Engagement ★
6. Ethical Conduct
7. Community Relations ★
8. Health & Safety* ★
9. Product, Quality & Safety

HII identified **six** of these sustainability topics to focus on and conducted benchmarking against peers in the areas of reporting, initiatives, and goal disclosures in these priority topic areas. HII then brainstormed and decided on the process to set sustainability goals for these topic areas to satisfy stakeholder expectations, meet regulatory requirements and improve business performance. This led to the creation of “**Tiger Teams**” to enable goal development:



★ Priority ESG focus areas

*HII established a Tiger Team to develop goals for Health & Safety in November 2023.



HII goal development process – Tiger Teams

The Tiger Teams were established to enable the development and tracking of each identified priority goal.

HII took steps to identify which internal leaders would be most beneficial to include in the Tiger Teams and oversee the goal development process, which included an executive sponsor, project coordinator, and team members from applicable divisions.

Each Tiger Team collaborated to develop the applicable goal under an executive sponsor, who has the relevant expertise needed to lead each team while the project coordinator managed the goal development process and all team meetings. The teams under the project coordinator are cross-functional and representative of the entire business, as teams are made up of individuals from relevant divisions across HII. The five Tiger Teams worked independently in small teams of 6-8 and reported to the Chief Sustainability Officer on progress.

The Tiger Teams worked from April 2023 through September 2023 to develop and prioritize sustainability goals and then presented the finalized goals to the HII Leadership Team for approval. Based on feedback from the Leadership Team, in November 2023, HII decided to create an additional Tiger Team for Health & Safety, and goal development for this area is currently underway.

