



Huntington Ingalls Industries, Inc. Greenhouse Gas (GHG) Emissions Report

About This Report

The Greenhouse Gas (“GHG”) Emissions Report (“GHG Emissions Report” or “Report”) is being provided for Huntington Ingalls Industries, Inc. (together, with its consolidated subsidiaries, unless the context otherwise indicates, “HII,” the “Company,” “we,” “us,” or “our”). All data in this Report is provided for the year-ended December 31, 2023, unless otherwise noted. This Report is presented in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), published by the World Resources Institute and World Business Council for Sustainable Development (the “GHG Protocol Corporate Standard” or “GHG Protocol”).

About HII

HII is America’s largest shipbuilder and a global, all-domain defense provider. With a more than 138-year history of advancing U.S. national defense, we are united by our mission in service of the nation, creating the advantage for our customers to protect peace and freedom around the world. Our dedicated and skilled workforce of over 44,000 employees, buoyed by our deliberate business strategy, is deeply committed to making a positive impact across all fronts. In our Newport News, Virginia headquarters and across our three divisions worldwide, we supply the world’s most powerful, survivable naval ships, and technologies to safeguard our seas, sky, land, space, and cyber.

HII is an active corporate partner in the communities where we do business and is dedicated to being a workplace of choice, recognized by Forbes as one of America’s best large employers for three years in a row. Every day, we make a commitment to and hold ourselves accountable for doing the right thing and meeting the highest standards of ethics, compliance and integrity.

GHG Emissions and the Climate

As a company in an energy-intensive sector, HII recognizes the complexity of climate impact and management. The Company’s footprint involves GHG emissions from the energy we purchase for our offices and facilities and direct combustion to produce energy used to bend and shape steel to ensure our ships and products are safe and of the highest quality. HII strives to manage and mitigate the impact of our operations through a variety of energy and GHG emissions initiatives.

GHG Emissions Results

Reporting Base Year

HII selected the fiscal year ended December 31, 2022 as the base year for its Scope 1 and Scope 2 emissions. 2022 was chosen because it was the first year for which HII formally calculated and reported Scope 1 and Scope 2 emissions for the consolidated Company.

Emissions Results

The data tables below present the Company's Scope 1 and Scope 2 GHG emissions for its base year 2022 and reporting year 2023.¹

Table 1: Scope 1 and 2 GHG Emissions in metric tons of CO₂ equivalents ("mtCO₂e")

HII Consolidated ²	2022	2023	% Change from 2022
Scope 1	102,002	84,379	-17%
Scope 2 (Location-Based)	246,234	229,095	-7%
Scope 2 (Market-Based)	248,951	219,862	-12%
Total Scope 1 and 2 Emissions (Location-Based)	348,236	313,474	-10%
Total Scope 1 and 2 Emissions (Market-Based)	350,953	304,241	-13%

Table 2: Scope 1 and 2 GHG Emissions by Division in metric tons of CO₂ equivalents ("mtCO₂e")

	2022	2023	% Change from 2022
Newport News Shipbuilding (includes HII Corporate)			
Scope 1	84,575	63,013	-25%
Scope 2 (Location-Based)	147,434	134,759	-9%
Scope 2 (Market-Based)	149,750	124,666	-17%
Total Scope 1 and 2 Emissions (Location-Based)	232,009	197,772	-15%
Total Scope 1 and 2 Emissions (Market-Based)	234,325	187,679	-20%
Ingalls Shipbuilding			
Scope 1	16,246	20,117	24%
Scope 2 (Location-Based)	86,951	83,448	-4%
Scope 2 (Market-Based)	87,316	83,976	-4%
Total Scope 1 and 2 Emissions (Location-Based)	103,197	103,565	0%
Total Scope 1 and 2 Emissions (Market-Based)	103,562	104,093	1%
Mission Technologies			
Scope 1	1,181	1,250	6%
Scope 2 (Location-Based)	11,849	10,888	-8%
Scope 2 (Market-Based)	11,884	11,220	-6%
Total Scope 1 and 2 Emissions (Location-Based)	13,030	12,138	-7%
Total Scope 1 and 2 Emissions (Market-Based)	13,065	12,470	-5%
HII Consolidated²			
Scope 1	102,002	84,380	-17%
Scope 2 (Location-Based)	246,234	229,095	-7%
Scope 2 (Market-Based)	248,950	219,862	-12%
Total Scope 1 and 2 Emissions (Location-Based)	348,236	313,475	-10%
Total Scope 1 and 2 Emissions (Market-Based)	350,952	304,242	-13%

¹ The 2022 data was not subject to the Independent Accountant's Review Report described on Page 6, nor was the percentage change from 2022; accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.

² The 2022 and 2023 consolidated Scope 1 and Scope 2 location-based emissions detailed in this report differ from those which the Company reported in its Sustainability Report published in April 2024, which was not subject to assurance. HII has revised the emissions resulting from refinement in the Company's internal and external data sources as we improved our processes and controls over the accuracy of the calculation. Going forward, the Company will only revise historical amounts if they are over the significance threshold discussed later in this Report.

Table 3: Scope 1 and 2 GHG Emissions by Gas Type in metric tons

HII Consolidated	2022	2023
Scope 1		
Scope 1 – CO ₂	101,395	82,860
Scope 1 – CH ₄	2	2
Scope 1 – N ₂ O	0	0
Scope 1 - HFCs	0	1
Scope 2 (Location-Based)		
Scope 2 – CO ₂	244,986	228,007
Scope 2 – CH ₄	20	17
Scope 2 – N ₂ O	3	2
Scope 2 (Market-Based)		
Scope 2 – CO ₂	247,650	218,699
Scope 2 – CH ₄	20	17
Scope 2 – N ₂ O	3	2

Significant consumption changes from 2022 to 2023

Newport News Shipbuilding - Reduction in Scope 1 Natural Gas Emissions in 2023

Through the burn of natural gas, the Nancy Lee, Newport News Shipbuilding’s (“NNS”) 40 year-old barge, provides main operating steam to aircraft carriers undergoing refueling and complex overhaul (“RCOH”) in the shipyard, enabling NNS to perform critical outfitting and testing of equipment. The Nancy Lee’s steam production, as part of the CVN 73 (*USS George Washington*) RCOH process, ceased in February 2023 and was idle the remainder of the year, driving the reduction in NNS’ 2023 Scope 1 natural gas emissions as compared to 2022. Steam production is expected to recommence in late 2024 as part of the RCOH on CVN 74 (*USS John C. Stennis*).

Newport News Shipbuilding - Reduction in Scope 2 Electricity Emissions in 2023

As the RCOH process concluded on CVN 73 (*USS George Washington*) in 2023, the departure of the carrier from the shipyard created a significant reduction in electrical load for Newport News Shipbuilding, as compared to 2022.

Ingalls Shipbuilding – Increase in Scope 1 Emissions in 2023

Ingalls Shipbuilding’s Scope 1 emissions increased from 2022 to 2023 due to higher consumption of Natural Gas, Diesel, Propane, and Propylene cutting driven by weather impacts, material handling equipment fuel usage, the type and quantity of oxy-fuel cutting, and differences in the mix of manufacturing activities as compared to 2022.

Approach to Measuring GHG Emissions

Significance Threshold

In accordance with GHG Protocol, HII established a significance threshold, against which the company will assess any changes, including those resulting from improvements in accuracy of emissions factors or usage data, reporting errors, inventory boundary, organizational methodologies, or any other relevant factors, to determine whether recalculation of a prior period is warranted. The determined threshold is 5% of combined Scope 1 and 2 emissions of the respective reporting year.

Organizational Boundary

Related to the Company's operational emissions and this Report, HII uses the operational control approach to define its GHG organizational boundary. Under this method, Scope 1 and 2 GHG emissions are evaluated and reported from operations over which HII has operational control. This includes all owned or leased facilities that the Company occupies and all vehicles that the Company owns or leases and operates. The Company's equity method investments are excluded under this boundary.

GHG Emissions Reported

This Report includes Scope 1 and 2 location-based and market-based emissions, presented in accordance with the GHG Protocol. GHG emissions in this Report include, but are not limited to, emissions from electricity and fuel consumption—carbon dioxide ("CO₂"), methane ("CH₄"), and nitrous oxide ("N₂O") — as well as emissions from hydrofluorocarbons ("HFCs") from fugitive emissions of refrigerants used in HVAC systems. Emissions from sulfur hexafluoride ("SF₆"), perfluorocarbons ("PFCs"), and/or nitrogen trifluoride ("NF₃") are not included in this quantification as the Company has deemed these GHGs to be irrelevant to the Company's operations.

The Company applied the Intergovernmental Panel on Climate Change's ("IPCC") Global Warming Potentials ("GWP") from the IPCC Fourth Assessment Report ("Climate Change 2013: The Physical Science Basis" – Table 8.A.1) to convert GHG emissions into carbon dioxide equivalents ("CO₂e"). The table below shows the 100-year time horizon GWP relative to CO₂. The Company utilized these GWP factors in emissions calculations for both its base year 2022 and reporting year 2023.

Greenhouse Gas	GWP Values 100-Year Time Horizon	GWP Factor Source (Published Date)
Carbon Dioxide - CO ₂	1	US Environmental Protection Agency GHG Emissions Hub (2023)
Methane - CH ₄	25	
Nitrous Oxide - N ₂ O	298	

Exclusions

GHG emissions reported by HII represent only those in the United States. Emissions from HII's international operations have been excluded and are immaterial to the Company's calculation.

Scope 3 emissions are not reported. HII's Scope 3 emissions have not yet been evaluated or quantified as of December 31, 2023. Examples of Scope 3 indirect emissions include but are not limited to purchased goods and services, upstream emissions of purchased fuels, processing and disposal of waste sent to offsite disposal sites, and transportation of company employees for business-related activities and between their homes and worksites.

Methodology

Scope 1

The Company's Scope 1 emissions primarily include, but are not limited to:

- Direct emissions from stationary combustion sources – GHG emissions produced by stationary sources or equipment that use fuels such as propane or diesel. Examples include, but are not limited to boilers, engines, ovens, and heaters
- Direct emissions from mobile combustion sources – GHG emissions produced by mobile sources typically burning fuel such as diesel, gasoline or propane
- Direct emissions from process releases – GHG emissions produced by welding operations, including CO₂ emissions from the Company's foundry where molding for ship castings are created

Scope 2

The Company's Scope 2 emissions primarily include, but are not limited to, indirect emissions from purchased electricity and steam. The Company calculated both location-based and market-based Scope 2 emissions from purchased electricity in accordance with the GHG Protocol. Examples include, but are not limited to:

- Electricity used by manufacturing processes
- Building and facility wide lighting
- Vessel construction and overhaul
- Dry dock and pier operations
- Equipment power usage

Actual data are collected where available, and estimates are made when necessary. The estimates included in this report are primarily attributable to Mission Technologies' Scope 2 emissions for operating leases where the Company has operational control but does not directly receive invoices for purchased electricity. These estimates consider the facility's square footage and utility data for similar locations in the same regional area.

The location-based methodology reflects the average emissions intensity of grids on which energy consumption occurs (using grid-average emission factor data).

The market-based methodology reflects the electricity mix reporting rates from the direct suppliers of electricity, when available, or the residual mix for the region when not available.

Emissions Factor Sources

Scopes	Covered Emissions	Emissions Factor Sources (Published Date)
Scope 1	Stationary Combustion: Natural Gas, Diesel, Propane	2022 and 2023 - EPA GHG Emissions Factors Hub (2023)
	Mobile Combustion: Gasoline, Diesel, Cutting Fuel	2022 and 2023 - EPA GHG Emissions Factors Hub (2023)
	Process Releases: Welding Shielding Gas, Foundry	2022 and 2023 - EPA GHG Emissions Factors Hub (2023)
	Refrigerants/AC Equipment Use: R-12, HFC 134a, R-22, R-404a, R-410a	2022 and 2023 - 100-year GWPs from IPCC Fourth Assessment Report (AR4), (2007)
Scope 2	Location-Based Purchased Electricity	2022 - U.S. EPA eGRID 2021 database (2023) 2023 - U.S. EPA eGRID 2022 database (2024)
	Market-Based Purchased Electricity	2022 - Supplier specific electricity mix reporting rates published by the Edison Electric Institute (EEI) 2022 database (2024) Green-e® Residual Mix Emissions Rates 2021 Data (2023) U.S. EPA eGRID 2021 database (2023) for calculation of CH ₄ and N ₂ O 2023 - Supplier specific electricity mix reporting rates published by the Edison Electric Institute (EEI) 2023 database (2024) Green-e® Residual Mix Emissions Rates 2021 Data (2023) U.S. EPA eGRID 2022 database (2024) for calculation of CH ₄ and N ₂ O

Important Notes & Limitations

Estimates were made in calculating the information provided herein, including, without limitation, situations where activity (e.g., energy consumption) data was unavailable. We base our estimates and judgments on historical or similar period property data and other assumptions that we believe are reasonable under the circumstances. These assumptions, estimates and/or judgments, however, are often subjective. The use of different assumptions could produce materially different results. The Company evaluates assumptions and estimation methodologies on an ongoing basis and may make changes as is deemed appropriate by management.

Independent Accountant's Review Report

We engaged Deloitte & Touche LLP ("Deloitte") to perform a review engagement on management's assertion that the Scope 1 and Scope 2 Greenhouse Gas Emissions metrics presented within the Huntington Ingalls Industries, Inc. Greenhouse Gas (GHG) Emissions Report for the year-ended December 31, 2023 (the "subject matter") are presented in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Resources Institute/World Business Council for Sustainable Development (the "criteria").

Management's Assertion

Information outside of the subject matter, including linked information, was not subject to Deloitte's review and, accordingly, Deloitte does not express a conclusion or any form of assurance on such information. Further, any information relating to periods prior to the year-ended December 31, 2023, or information relating to forward-looking statements, targets, goals and progress against goals, was not subject to Deloitte's review and, accordingly, Deloitte does not express a conclusion or any form of assurance on such information. See Deloitte's report starting on the next page.

HII management is responsible for the disclosure of the subject matter included in this GHG Emissions Report for the year-ended December 31, 2023. HII management is responsible for the interpretation of the criteria, the assessment of relevant information for inclusion or exclusion, and the application of estimation techniques in order to compile a complete and accurate Report. HII management is also responsible for the presentation of the information included in the Report, and HII management asserts that the subject matter within this Report for the year-ended December 31, 2023 is presented in accordance with the criteria.

Independent Accountant's Report

To Those Charged with Governance:

We have reviewed management of Huntington Ingalls Industries, Inc.'s assertion that the Scope 1 and 2 Greenhouse Gas Emissions metrics presented within the accompanying Greenhouse Gas (GHG) Emissions Report as of and for the year ended December 31, 2023 (referred to as the "subject matter") are presented in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Resources Institute/World Business Council for Sustainable Development (the "criteria"). Huntington Ingalls Industries, Inc. management is responsible for its assertion. Our responsibility is to express a conclusion on the subject matter based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the subject matter in order for it to be in accordance with (or based on) the criteria. The procedures performed in a review vary in nature and timing from and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether the subject matter is in accordance with (or based on) the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The procedures we performed were based on our professional judgment. In performing our review, we conducted inquiries and performed analytical procedures. For a selection of the subject matter, we performed tests of mathematical accuracy of computations, compared the disclosures to underlying records, or observed the data collection process.

The preparation of the subject matter included within the accompanying Huntington Ingalls Industries, Inc. Greenhouse Gas (GHG) Emissions Report requires management to interpret the criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect the reported information. Measurement of certain amounts and metrics may include estimates and assumptions that are subject to substantial inherent measurement uncertainty, including for example, the accuracy and precision of conversion factors or estimation methodologies used by management. Obtaining sufficient appropriate review evidence to support our conclusion does not reduce the inherent uncertainty in the amounts and metrics. The selection by management of a different but acceptable measurement method, input data, or model assumptions, may have resulted in materially different amounts and metrics being reported.

Information outside of the subject matter was not subject to our review and, accordingly, we do not express a conclusion or any form of assurance on such information. Further, any information relating to periods prior to the year ended December 31, 2023, or information relating to forward looking statements, goals and progress against goals, was not subject to our review and, accordingly, we do not express a conclusion or any form of assurance on such information.

Based on our review, we are not aware of any material modifications that should be made to the subject matter, in order for it be in accordance with the criteria.

/s/ Deloitte & Touche LLP

October 29, 2024