



INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

CONTACT:

Susana McDermott

Director of Communications

Interfaith Center on Corporate Responsibility

212-870-2938

smcdermott@iccr.org

FOR IMMEDIATE RELEASE

**NEARLY A QUARTER OF NORTHROP GRUMMAN SHAREHOLDERS VOICE SUPPORT FOR IMPROVED
HUMAN RIGHTS DUE DILIGENCE**

High vote behind shareholder proposal seen as a strong call to address human rights risks.

NEW YORK, NY, Wednesday, May 15th, 2019 – At today’s annual meeting for Northrop Grumman, preliminary calculations of approximately 24% of shareholders cast votes in favor of a [resolution](#) calling for a report on how the company is implementing its human rights policy.

The resolution was prompted by ongoing investor concerns over the human rights impacts of Northrop Grumman’s core defense businesses as well as newer, lesser-known businesses developing technologies that may enable increased surveillance of immigrant communities, including a contract with DHS to build a database that will house sensitive biometric and biographical data. As San Francisco recently [voted to ban use of facial recognition technology](#) by police and other agencies, there is increased concern about the risks to privacy and an overly repressive surveillance state.

The resolution was filed by the Sisters of St. Dominic of Caldwell, Sisters of St. Francis of Philadelphia, and School Sisters of Notre Dame Cooperative Investment Fund, faith-based investors and members of the Interfaith Center on Corporate Responsibility (ICCR), that have been engaging the defense company for decades on a variety of human rights impacts.

As she moved the shareholder resolution at the meeting, Sister Nora Nash of the Sisters of St. Francis of Philadelphia presented serious ethical challenges to the members of the Board and CEO, urging them to use their power and expertise as a company with global reach for the benefit of all humanity. Sister Nora issued a passionate call to Northrop Grumman to be proactive and demonstrate leadership thinking about the human rights risks to people before pursuing contracts as opposed to only considering risks to the business. ***“Northrop adopted a [human rights policy](#) in 2013 following our urging along with other ICCR members Mercy Investment Services. However, given its recent business actions, it’s hard to see how, if at all, the policy has been operationalized or how it has impacted business decisions in relation to personal human rights and human rights of communities.”***

Specifically, the resolution called on Northrop Grumman to assess the human rights impacts of their business activities, consider human rights risks when vetting potential contracts, mitigate potential harm when carrying out contracts, consult with potentially impacted stakeholders and provide remedy when rights are violated.

Said Mary Beth Gallagher of the Tri-State Coalition for Responsible Investment whose members Sisters of St. Dominic of Caldwell and School Sisters of Notre Dame filed the resolution, ***“While the Chair of the Board responded that they cannot share proprietary business information about their contracting processes, proponents believe respect for human rights is a fundamental issue related to human dignity and companies have a responsibility to conduct human rights due diligence. Disclosure demonstrating how Northrop Grumman implements its human rights policy to mitigate the serious human rights risks of its business is warranted, and is clearly supported by a significant segment of their shareholders, as we saw today.”***

Northrop is the [fourth largest](#) defense contractor in the United States, with revenues of \$21.7 billion in 2018. The company has four business segments, including Aerospace Systems, Mission Systems, Technology Services, and Innovation Systems, yet defense technologies ultimately account for 84 percent of the company’s sales. Northrop Grumman’s largest customer is the U.S. Government, accounting for 82 percent of sales in 2018. The company’s sales to international governments are also growing.

Northrop’s portfolio of products include missiles, bombers, drones, chain guns, automatic cannons, ammunition, and nuclear weapons. The company’s weapons, defense technologies, and surveillance systems are used by governments in times of war and conflict and also contribute to increased militarization of our nation’s borders. Northrop plays a significant role in the current U.S. immigration agenda in ways that have a chilling effect on immigrants’ ability to participate freely in everyday life. Northrop has a contract with the DHS to develop technology for the Homeland Advanced Recognition Technology (HART) database, which will collect, store, and share sensitive biometric and biographical data on immigrants as well as citizens entering and leaving the United States. Northrop’s board has asserted that the responsibility for overseeing the ethical use of facial recognition technology lies with the government, not the developer of the technology: Investors strongly disagree.

“Northrop has a responsibility to assess how its products may contribute to adverse human rights impacts and to take steps to prevent harm,” said Sr. Nora Nash. ***“If Northrop’s products and services were used by the government to cause harm or to violate human rights, the company may face serious legal, reputational, and financial consequences. We hope today’s vote sends a clear signal to the company’s board and executive leadership that it cannot operate without respecting the human rights of the people directly impacted by their products.”***

Sr. Pat Daly raised questions during the meeting related to the role of the Board in overseeing human rights and Natalie Wasek raised the responsibilities under UN Guiding Principles on Business and Human Rights and the regulatory risk the company faces.

Proponents will continue to engage Northrop Grumman’s leadership and employees on the corporate responsibility to respect human rights moving forward and the need to consider and address the serious human rights impacts of their business on the global community.

About the Interfaith Center on Corporate Responsibility (ICCR)

Celebrating its 49th year, ICCR is the pioneer coalition of shareholder advocates who view the management of their investments as a catalyst for social change. Its 300 member organizations comprise faith communities, socially responsible asset managers, unions, pensions, NGOs and other socially responsible investors with combined assets of over \$400 billion. ICCR members engage hundreds of corporations annually in an effort to foster greater corporate accountability. www.iccr.org