

Task Force on Climate-Related Financial Disclosures (TCFD) Report

Data from January – December 2024

GENERAL DYNAMICS

CONTENTS

Introduction.....	2
Governance	3
Risk Management	5
Strategy.....	6
Metrics and Targets.....	10
About this Report	12
Forward-Looking Statements	13

INTRODUCTION

General Dynamics is a global aerospace and defense company that specializes in high-end design, engineering and manufacturing to deliver state-of-the-art solutions to our customers. We offer a broad portfolio of products and services in business aviation; ship construction and repair; land combat vehicles, weapons systems and munitions; and technology products and services. We offer these products and services through our 10 business units, which are organized into four operating segments: Aerospace, Marine Systems, Combat Systems and Technologies.

To optimize market focus, customer intimacy, agility and operating expertise, each business unit is responsible for the development and execution of its strategy and operating results. This structure allows for a lean corporate function, which sets the overall strategy and governance for the company and is responsible for allocating and deploying capital.

Our commitment to sustainability is rooted in our culture of operational excellence and continuous improvement. Our focus on efficient operations drives us to optimize our use of resources and streamline our processes while continuing to deliver quality services and products.

This report assesses specific risks and opportunities related to climate and the environment in alignment with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework.¹ Descriptions provided in this report outline our processes during the reporting period.² See the About this Report and Forward-Looking Statements disclaimer at the end of the document for additional details about the information used in this report.

¹ This report is prepared in alignment with the Recommendations of the TCFD (published June 2017).

² This report is informed by the Recommendations of the TCFD. In this report, terms quantifying the potential impact of sustainability matters (e.g., “material,” “materiality,” “substantially” and other similar words and expressions) are made in the context of such standard or refer to topics that substantially influence the assessments and decisions of a diverse set of stakeholders. We are not using these terms as they are used under the securities or other laws of the United States or any other jurisdictions, or as these terms are used in the context of financial statements and financial reporting.

GOVERNANCE

Governance for matters related to climate and the environment are addressed as part of our overall governance framework, as outlined in **Figure 1**. Management has day-to-day responsibility, with significant matters escalated to senior leadership. Our Board of Directors, both as a whole and through its fully-independent Sustainability committee, exercises oversight on this process, with a focus on the most significant risks and opportunities for the company.

Board

Our Board oversees management's identification and prioritization of risk, focusing on the most significant current and emerging risks facing the company, including those related to climate. The Board's fully-independent Sustainability Committee oversees corporate sustainability management and practices, including those related to climate. The committee has received briefings from the CEO and senior management on the company's sustainability efforts at least annually. The Board's Compensation Committee oversees incentives for our named executive officers. These incentives are based on accomplishment of financial, strategic and operational goals. Strategic and operational performance measures may include sustainability management among other fundamental business priorities.

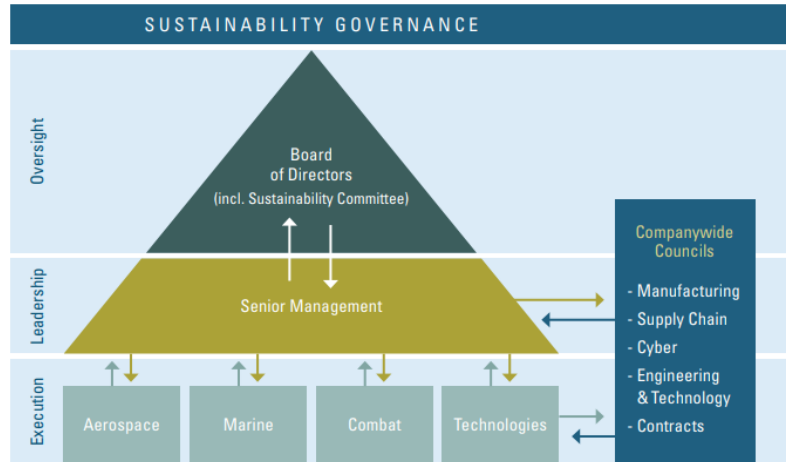
Further details regarding the Board's duties and incentives for named executive officers are included in our [Proxy Statement](#).

Management

Management is accountable to the Board in managing risks and opportunities. Annually, our management team develops business plans that include strategic, operational, and financial plans and goals. As part of this process, they focus on identifying, monitoring, planning for and responding to short- and long-term risks and opportunities, including those that arise from exogenous events and conditions. Business unit management has responsibility for identifying, assessing, prioritizing and mitigating specific risks facing their business, including those related to natural disasters that may affect operations. They are informed about relevant climate-related issues through their business's risk management processes, operational teams and companywide councils. Significant risks are escalated from business unit management to the CEO as needed and appropriate.

General Dynamics has companywide councils, made up of senior operational executives from our business units, that share information and best practices to help address issues of shared importance and enable early identification of risk across the enterprise, including those relating to climate. The chair of each council reports directly to the CEO on council matters, with mentorship from an assigned executive vice president. Our Manufacturing Council includes committees focused on sustainability and environment, health and safety (EHS). These committees directly address safety, energy and environmental issues, and support companywide initiatives.

Figure 1.



RISK MANAGEMENT

We manage climate-related risks within our overall risk management process, led by senior management and overseen by the Board. The Board focuses on the most significant and emerging risks facing the company that could have a substantive financial or strategic impact.

Risk management is integral to our business planning process and, therefore, would include the identification of risks that could lead to significant potential decreased demand for our products and services, as well as legal and reputational risks associated with ongoing and planned operations. Under this process, senior management, including business unit leadership, is responsible for day-to-day risk management and conducts a risk assessment through internal management processes and controls. Our business units operate across diverse sectors and locations, and evaluate risks, including those related to climate, based on relevance and potential impact to their operations. Their assessments take into account the totality of the circumstances including quantitative analyses of potential financial and operational impact, as well as qualitative factors such as compliance with laws, pending regulations and the potential reputational impacts. In addition to internal assessments, our business units may use information from third party providers, such as our property insurance provider to help inform their understanding of potential physical risks and the exposure of various facilities according to various climate scenarios in the short- and long-term.³ Management reviews identified risks and determines the appropriate path forward, including the potential escalation of the issue to the Board or applicable Board committee, as needed. We prioritize management of risk and opportunities that are assessed to be the most relevant to our business.

Risks identified through our risk management process that are assessed to be material to the business are included in our 10-K. For the purposes of this report, we have included discussion of climate-related risks and opportunities relevant to our business. Discussion of risks and opportunities in this report does not mean that any risk or opportunity, individual or in the aggregate, is material.

³ Reports from our property insurance provider utilize Representative Concentration Pathways (RCPs) adopted by the Intergovernmental Panel on Climate Change (IPCC) to understand the impact of potential physical hazards under different climate scenarios. The scenarios analyzed include “Low” based on the RCP 2.6, “Intermediate” based on RCP 4.5, and “High” based on RCP 8.5.

STRATEGY

For the purposes of this report, climate-related risks and opportunities are discussed within the following time horizons:

- Short-term: 0-1 years
- Medium-term: 1-5 years
- Long-term: 5+ years

This report applies TCFD's two major categories of climate-related risks: (1) risks related to the potential transition to a low-carbon economy and (2) risks related to the physical impacts of climate events. Subcategories under each of these categories, as defined by TCFD, are provided in Appendix A. TCFD divides climate-related opportunities into five major categories, outlined in Appendix A.

Risks		
Time Horizon	Category	Description
Short	Physical, Acute	Extreme Weather Events Extreme weather events, such as disruptive wind, flood and hurricanes, can increase the cost of property insurance and cause extensive damage to property and goods, disrupting production and business operations. Our business units have specific procedures and business continuity plans to mitigate risk to staff, facilities and operations during severe weather events. For example, Gulfstream has a well-rehearsed hurricane plan and mature response strategy that includes aircraft relocation, facility preparation and plant shut-down activities.
Medium	Physical, Acute	Extreme Temperature Heatwaves may disrupt business operations for work performed outdoors and increase costs associated with cooling our facilities. These factors could impact operating costs and reduce productivity. We utilize data and analyses from our insurance provider, among other resources, to identify locations with the largest exposure to extreme temperatures. Business units, especially those in warmer climates, consider extreme heat within our risk management framework and adapt their operating procedures and energy procurement strategies as appropriate.

Long	Physical, Chronic	<p>Coastal Flooding</p> <p>Strong storms increase the risk of coastal flooding, which can result in higher insurance premiums and damages to facilities and equipment. Each of our shipyards monitor sea levels and the potential impact to their facilities. All General Dynamics shipyards maintain storm response procedures to minimize disruptions to critical yard operations and mitigate damage to equipment and infrastructure. Our Marine business units also consider the impacts of FEMA 100-year floodplain levels on their facilities, performing risk assessments and adapting their facility strategy as needed. For example, Bath Iron Works sets the foundations of new facilities at elevations higher than future anticipated floodplain levels, proactively incorporating potential sea levels. This strategic planning strengthens infrastructure resilience, helping facilities withstand stresses and minimize potential damage.</p>
Medium	Transition, Policy and Legal	<p>Compliance Costs</p> <p>Regulations and laws such as mandatory reporting of climate-related data, more stringent certification standards, carbon taxes, or changes to procurement policies could increase our operating costs. Adapting to new requirements may involve increased operational cost and assurance expenses, new reporting systems or higher administrative costs, especially given our global footprint and complex supply chain.</p> <p>We continuously monitor the risk of new regulation impacting our operations, adapting business practices and disclosures where appropriate. The probability of more stringent noise and emissions standards are considered as we develop new products.</p>
Medium	Transition, Technology	<p>Transitioning to Renewable Energy</p> <p>Shifting to renewable or low-carbon energy sources could present transition risks including inconsistent availability of energy sources in regions where we operate, procurement costs, price fluctuations, and challenges navigating evolving energy markets.</p> <p>The cost of energy procurement and transition to renewable energy may be included in capital spending plans and operating cost assessments. The initial decisions to make a capital expenditure for individual</p>

projects are made at the business unit level with approval from the corporate office depending on the value of the expenditure. The business units are best positioned to determine what energy agreements are most appropriate for their operations and deliver the best return, including reduced carbon emissions and lower operating and capital costs.

Several of our business units have transitioned to renewable energy options through PPAs and Renewable Energy Certificates. Examples of these efforts are included in our Sustainability Report [on our website](#).

Opportunities

Time Horizon	Category	Description
Medium	Products and Services	<p>Potential Demand for Sustainable Products and Services</p> <p>Demand for more efficient and environmentally conscious products and services presents a strategic opportunity for our Aerospace businesses. Our analysis suggests that Gulfstream’s next-generation aerodynamic design and efficient engines make its aircraft 33% more fuel efficient than predecessor models.⁴ In addition, both Gulfstream and Jet Aviation have prioritized the ability for customers to seamlessly use SAF. Gulfstream is engaged with the leaders in the SAF industry to continue to increase both the company’s and its customers’ use of SAF. In 2023, Gulfstream completed the first transatlantic flight using 100% neat SAF on a G600 aircraft. Jet Aviation also offers a “Book & Claim” program that broadens access to SAF while avoiding the need to transport it physically. Customers worldwide can place orders for SAF, after which the volume is tracked and verified, and a certificate of credit for carbon reduction is issued. This promotes production and future availability of SAF for any customer at any time, even in locations where SAF is not yet available.</p>
Short	Products and Services	<p>Technology services to support resiliency and decision making</p> <p>Accurate and timely weather modeling and forecasting can help strengthen resilience planning for severe</p>

⁴ Based on Gulfstream’s analysis of fuel burn per cabin size for a theoretical 3,000 nm/5,556 km NBAA IFR mission at Mach 0.85 with 8 passengers.

weather events. General Dynamics Information Technology (GDIT) provides supercomputing services to support these missions, which may see an increase in demand overtime. GDIT also provides mission technology services in sciences and public health that can support the resilience of organizations and communities.

For example, GDIT deployed and operates twin supercomputers that power the National Oceanic and Atmospheric Administration's (NOAA) complex, real-time weather prediction models. Each supercomputer ingests billions of weather observation data points every day to allow NOAA to produce 140 million model products. These advanced models made possible by GDIT's supercomputers are essential for more accurate and timely forecasts and weather warnings to protect life and property.

General Dynamics considers climate risks and opportunities within its business strategy and promotes continuous improvement initiatives that enable long-term resilience. We look for opportunities to create efficiencies and develop sustainable products and services in response to customer demands.

Our balanced business model and diverse lines of business across multiple states and countries are designed to enable each business to develop its own set of operating objectives to address climate-related risks and opportunities that are relevant to their individual circumstances.

We identify and prioritize the risks and opportunities in this report consistent with the process outlined in the Risk Management section. Our established, well-functioning risk management process is tailored to our business model and is designed to ensure relevance across our diverse operations. Consistent with this approach, climate risks and opportunities are assessed on a case-by-case basis by individual business units with oversight from senior management and the Board. As a result, we do not conduct a dedicated climate-specific scenario analysis. Our business units consider the potential impact of climate events, the resiliency of their operations, and appropriate mitigation measures as part of their risk management program and overall strategy. In addition, business units may use information from scenario analyses conducted by our property insurance provider to help inform their understanding of potential climate-related physical risks.

METRICS AND TARGETS

Relevant emissions metrics from 2019, our base year for our emissions reduction target, and 2024, our current reporting year, are provided below. Greenhouse gas emissions data is calculated in line with the Greenhouse Gas Protocol.

	2019	2024
Greenhouse Gas Emissions (MT CO₂e)⁵		
Scope 1	629,358	523,038
Scope 2 (market-based)	448,982	362,239
Total emissions (Scope 1 and Scope 2 – market-based)	1,078,340	885,277
Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)	237,020	198,782
Category 5: Waste generated in operations ⁶	-	1,717,458
Category 6: Business travel	126,147	92,642
Carbon Intensity (MT CO ₂ e/\$M Revenue)	27.4	18.6
Energy		
Energy consumption (GJ)	34,305,635	21,581,801
Percent renewable or carbon-free energy ⁷	0.11%	2.31%
Percent grid electricity	14.98%	22.09%
Electricity from renewable sources	0.7%	3.0%
Electricity from nuclear power	0%	7.5%
Percent of electricity from renewable or carbon-free sources	0.70%	10.5%

Targets

We have a companywide target of reducing absolute Scope 1 and Scope 2 GHG emissions by 40% by 2034, from a 2019 base year. The target was developed using the science-based standards articulated by the Greenhouse Gas Protocol at the time, aligned to the “well below 2 degrees” ambition.

⁵ General Dynamics engages a third party to provide independent verification of our GHG emissions information. Verification statements are available on our website.

⁶ Emissions from waste generated in operations were not reported prior to 2023. In 2024, we incorporated more detailed waste categories and disposal methods into our calculation methodology and applied estimations for sites where actual data was not available. We continue to refine our methodology to improve accuracy and completeness of the data.

⁷ “Carbon-free” energy consumption includes energy sources that do not generate greenhouse gases, such as nuclear.

Our strategy to achieve our emissions reduction target is aligned with our business model. We leverage each business' knowledge of its market, customer base and supply chain. Accordingly, each business unit follows its own emissions reduction path that aligns with the overall companywide target. Each business unit's approach is tailored to the specific operational needs and customer demands of its business.

As a government contractor, our ability to meet our emissions targets depends in part on our customers' conduct and direction. For example, some of our contracts specify the manner, means or place of performance in ways that constrain our ability to reduce GHG emissions associated with contract performance. In other instances, we perform work at government-owned facilities, where emissions may be attributable to us under disclosure protocols but where we have limited or no ability to change relevant aspects of the facility.

We regularly assess our progress in reducing GHG emissions and evaluate our emissions reduction target to consider whether it remains the most effective measure of our performance. Factors such as organic business growth, the increasingly complex global threat environment, the evolution and commercial availability of technology, and changes in the renewable energy market, laws, regulations, standards or public policy (including relating to government procurement), among others, influence our progress. Our ongoing assessments aim to ensure that our climate goals remain ambitious yet achievable, adapting to both internal and external changes.

ABOUT THIS REPORT

Except where otherwise noted, the information covered in this report highlights the company's performance and initiatives in fiscal year 2024. This report is not intended to create legal rights or obligations. Calculations and statistics included in this report are in part dependent on the use of estimates and assumptions based on historical levels and projections and are therefore subject to change. Statements regarding General Dynamics' targets, goals, commitments and objectives, including related statistics or metrics, are aspirational and may be based on estimates and assumptions under developing standards that may change in the future; as such, no guarantees or promises are made that they will be met or successfully executed, and actual results may differ, possibly materially.

This report is informed by recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In this report, terms quantifying the potential impact of sustainability matters (e.g., "material," "materiality," "substantially" and other similar words and expressions) are made in the context of such standards or refer to topics that substantially influence the assessments and decisions of a diverse set of stakeholders. We are not using these terms as they are used under the securities or other laws of the United States or any other jurisdictions, or as these terms are used in the context of financial statements and financial reporting.

Discussion of risks and opportunities in this report should not be read to mean any risk or opportunity, individual or in the aggregate, is material. It is also not possible to predict the outcome of any particular climate risk, scenarios, preventative measures or mitigation taken by General Dynamics or our stakeholders. Factors and uncertainties relating to climate risk and opportunities are difficult to predict and many are outside our control. Any particular risk or opportunity in this report does not reflect any assessment or conclusion that it is reasonably likely to have a material effect on our liquidity, financial condition or results of operations. Likewise, examples of particular risks, opportunities or business initiatives are not intended to be a complete list for our entire organization.

This report is not intended to communicate any material investment information, and no part of this report constitutes, or shall be taken to constitute, an invitation or inducement to invest in the company or any other entity and shall not be relied upon in any way in connection with any investment decisions. This report has not been externally assured or verified by an independent third party. The inclusion or absence of information in this report is not an indication that the subject or information is material to our business or operating results. This report does not address the performance or operations of our suppliers, contractors or partners.

FORWARD-LOOKING STATEMENTS

This report contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. All statements other than statements of historical fact could be forward-looking statements. When used in this report, the words “believe,” “expect,” “could,” “may,” “would,” “will,” “trend,” “intend,” “aim,” “estimate,” “drive” and other similar words and expressions are intended to identify forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements that relate to future prospects, developments and business strategies, as well as sustainability targets, goals and commitments outlined in this report or elsewhere. Forward-looking statements are based on management’s expectations, estimates, projections and assumptions. In making forward-looking statements, we rely on assumptions and analyses based on our experience and perception of historical trends; current conditions and expected future developments; and other factors, estimates and judgments we consider reasonable and appropriate based on information available to us at the time. Forward-looking statements are not guarantees of future performance and involve factors, risks and uncertainties that are difficult to predict, and many of which are outside of our control. Actual future results and trends, including the achievement of targets, goals, objectives or commitments, may differ materially from what is forecast, expressed or implied in any forward-looking statements made by General Dynamics or on its behalf due to a variety of factors.

Additional information regarding these factors is contained in the company’s filings with the Securities and Exchange Commission (SEC), including our Proxy Statement, Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and these factors may be revised or supplemented in future SEC filings. All forward-looking statements speak only as of the date they were made or as of the date of this report. All subsequent written and oral forward-looking statements attributable to General Dynamics or any person acting on our behalf are qualified by the cautionary statements in this section and in the “About This Report” section. General Dynamics does not undertake any obligation to update or publicly release revisions to any forward-looking statements, including to reflect events, circumstances or changes in expectations after the date of this report, except as required by applicable law. Neither future distribution of this material nor the continued availability of this material in archive form on our website should be deemed to constitute an update or reaffirmation of figures or statements contained herein as of any future date.

Appendix

a) Climate-related risks and opportunities as defined by TCFD.

Risks	
Transition Risks <ul style="list-style-type: none">- Policy and Legal- Technology- Market- Reputation	Physical Risks <ul style="list-style-type: none">- Acute- Chronic
Opportunities	
<ul style="list-style-type: none">- Resource Efficiency- Energy Source- Products and Services- Markets- Resilience	