

GENERAL DYNAMICS



2021 Corporate Sustainability Report

TRANSPARENCY.

TRUST.

ALIGNMENT.

HONESTY.

OUR ETHOS

TRANSPARENCY. TRUST. ALIGNMENT. HONESTY.

Our defining moral character sets General Dynamics apart. Our Ethos ensures that each and every one of us behaves according to our shared values and uses those values to guide our every endeavor.

Dedicated to transparency, trust, alignment and honesty, General Dynamics is unified in its commitment to act as a good steward of the investments our shareholders, customers, employees and communities make in us — now and in the future.

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From Our CEO

Dear Fellow Shareholder,

Our commitment to acting responsibly as a company is rooted in our Ethos. This foundation of transparency, trust, alignment and honesty is the defining moral character of General Dynamics. It is the standard to which we hold our senior leadership team and our more than 100,000 employees worldwide. It is the compass we use to navigate as we deliver value to our shareholders, our customers and our communities.

Sustainability requires vigilance and a commitment to continual improvement. We welcome scrutiny and input from our stakeholders. Indeed, ongoing engagement with our stakeholders has shaped our thinking as we have grown and evolved our sustainability program to include greater disclosure of key performance indicators.

This year, for the first time, General Dynamics is making a commitment to reduce our carbon footprint. Our science-based target to reduce greenhouse gas emissions by 40% by 2034 is aggressive yet attainable. This is a key element of our broader commitment to reduce our global environmental impact; protect and promote human rights; increase the diversity and inclusiveness of our workforce; support the health, welfare and safety of our employees; and foster mutually beneficial relationships with our communities.

In this report, you will see our Ethos manifest in our people and actions. Our goals, policies and conduct highlight and demonstrate our commitment to good stewardship and enduring value creation for all our stakeholders.

Thank you for your continued support of General Dynamics.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Phebe N. Novakovic', written in a cursive style.

Phebe N. Novakovic
Chairman and Chief Executive Officer

Our Ethos at Work

TRANSPARENCY, TRUST, ALIGNMENT, HONESTY:

Drive how we operate our business. We pursue operating excellence by anticipating customer needs; driving innovation; improving processes; and reducing waste, emissions and energy consumption. We believe in being wise stewards of capital and resources.

Govern how we engage with our employees, customers, partners and suppliers. We must be forthright and open to change. We seek employees, partners and suppliers that adhere to these values in their businesses and hold them to the same high standards as we hold ourselves.

Guide our interactions with each other. As a community of people, we are dedicated to our company's purpose and to promoting the health, welfare and safety of our employees. We treat each other with dignity and respect, celebrating our similarities as well as our differences, and making an effort to understand and support one another by promoting inclusive work environments.

Ensure fair compensation and equal employment opportunity in principled and productive workplaces. Our values motivate us to promote strong organizational practices with diversity, opportunities for career development and training. We stand behind basic universal human rights, including that all employment must be voluntary. We unequivocally oppose human trafficking in all forms.

Connect us with our communities. Fulfilling our obligation to be a good corporate citizen means that we engage in actions that further the well-being of our communities. We do this by supporting participation in social welfare organizations; promoting volunteerism; and undertaking initiatives to mitigate climate change, drive out hazardous waste from our processes, and protect water resources.

OUR BUSINESS



Piranha vehicle

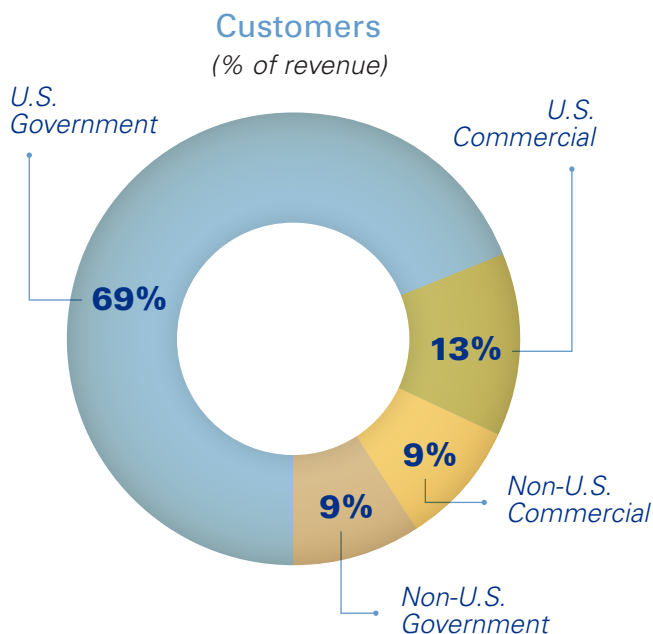
Business Overview

General Dynamics is a publicly traded global aerospace and defense company listed on the New York Stock Exchange. 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.

Our core competency is the design, engineering and manufacturing of complex and differentiated products and services for aerospace and defense. We understand the importance of the solutions we deliver and work to ensure quality and safety in all things we create.



*All data are for the year ended December 31, 2020.



Our Businesses

Overseen by our board of directors, our corporate headquarters is responsible for setting the strategic direction and governance of the company, allocating capital, and ensuring a culture of ethics and integrity that promotes our Ethos and defines how we engage our employees, communities, customers and suppliers. Our operating processes and activities incorporate initiatives to improve diversity, promote inclusion, reduce emissions and waste, and adhere to standards that lower risk and drive a healthier and safer workforce and community.

Each of our 10 business units follows our corporate vision while maintaining individual responsibility for executing operations. This model empowers our businesses to stay close to their customers while having the agility to make wise decisions quickly, anticipating, adapting and reacting to our customers' rapidly changing needs.

Our Business Units

AEROSPACE

Gulfstream®

Gulfstream produces the world's most technologically advanced business jets and offers unmatched customer support.

JET AVIATION A GENERAL DYNAMICS COMPANY

Jet Aviation provides comprehensive business aviation services, custom completions, and a global network of facilities for aircraft owners and operators.

MARINE SYSTEMS

GENERAL DYNAMICS

Bath Iron Works

Bath Iron Works designs and builds guided missile destroyers for the U.S. Navy and provides repair services for multiple ship classes.

GENERAL DYNAMICS

Electric Boat

Electric Boat is the premier designer and builder of nuclear-powered submarines for the U.S. Navy.

GENERAL DYNAMICS

NASSCO

NASSCO specializes in the design and construction of auxiliary and support ships, oil tankers, and dry cargo carriers, and is a major provider of repair services for the U.S. Navy.

COMBAT SYSTEMS

GENERAL DYNAMICS

European Land Systems

European Land Systems is a global leader in the design and manufacture of wheeled and tracked combat vehicles and bridge systems.

GENERAL DYNAMICS

Land Systems

Land Systems produces highly capable military vehicles, including the Abrams tank, Stryker combat vehicle and Light Armored Vehicle.

GENERAL DYNAMICS

Ordnance and Tactical Systems

Ordnance and Tactical Systems is a leading designer, developer and manufacturer of munitions, weapons and tactical systems.

TECHNOLOGIES

GDIT

Information Technology (GDIT) designs, builds and operates large-scale enterprise information systems for the U.S. government, its agencies and others to deliver a broad range of technical, professional and training services.

GENERAL DYNAMICS

Mission Systems

Mission Systems is a leading C5ISR integrator of secure communications and command-and-control systems, sensors and cyber products.

Corporate Responsibility

We endeavor to conduct business ethically and transparently, and to abide by responsible business practices in order to provide our shareholders with a fair return. Our governance processes ensure that our decisions recognize the economic, environmental and social considerations in our operational strategy.

Product Safety

Our customers use our products to perform no-fail missions, and we never compromise on safety. True to our Ethos, we commit to providing our customers with products that raise the bar for safety, performance and quality. Our purposeful investment in research and development propels superior design that incorporates the latest in safety solutions and includes technological advances to create a competitive edge. That edge extends to initiatives that promote operating efficiency that include a reduction in fuel burn and carbon emissions from our aircraft and other vehicles. As a result, we manufacture and operate some of the safest and most advanced products ever made, from nuclear-powered submarines to high-speed, long-range business jets.

Human Rights

We recognize the fundamental human dignity of all people. As a company with operations and suppliers around the world, we appreciate the importance of respect for basic human rights in our business activities, and this core value is embedded at all levels of our business.

Our corporate Ethos, the single most important element of our culture, demands responsible and ethical practices, and that includes those that involve human rights. We respect the dignity of those who work on our behalf, we do not discriminate, and we value the diversity of our workforce and business partners.

We also respect the rule of law. We recognize the special responsibilities that come with providing products and services with lethal capabilities, and we strive to comply rigorously with applicable laws and requirements regarding product safety and end use.

In our complex and international business, some circumstances may be subject to potentially competing imperatives. In carrying out our core commitment to human rights, our North Star is U.S. law and policy. Given our role as a core supplier to the U.S. government and military, we are legally, ethically and morally bound to support its foreign and defense policies.

End-Use Risk

We take a principled approach to addressing end-use risk associated with our products and services. We follow U.S. national security and foreign policy and strictly adhere to applicable export law. The United States' laws and regulations governing the export of weapons and other defense articles encompass U.S. defense and foreign policy goals, including the promotion and protection of human rights and international humanitarian law. This export regime contains express provisions addressing end-use risk of defense articles, including exacting eligibility criteria for non-U.S. purchasers, clear limits on permitted uses of exported defense articles, active end-use monitoring and reporting of transactions to Congress. We have a rigorous compliance process, including comprehensive due-diligence and approval processes, to ensure we follow these laws.

Global Supply Chain

Our suppliers play a critical role in our ability to deliver the quality products and services our customers expect. We expect them to uphold the same high standards that we uphold ourselves.

This means our suppliers are expected to act as good corporate citizens with sustainable business practices and to honor our ethical treatment of employees and customers, including acting with integrity, honesty and respect for others.

Collaboration

Our businesses work together to create value across supply chains. As a result, we have developed best-in-class supply chain relationships and processes. Below are examples of ways we promote continuous improvement and enhance our companywide collaboration.

Supply Chain Management Council: The Council includes experts from across our businesses who share ideas, best practices and business processes. Individual businesses are able to leverage resources, create shared tools and enjoy the benefit of scale. Multiple subcommittees focus on specific areas to improve and achieve cost and time savings, such as travel and transportation and use of e-tools.

Innovation Networks: Our virtual innovation networks allow members to collaborate in a community environment so we can deliver new technologies and innovative capabilities to our customers rapidly. Our mission with these networks is to create and maintain an open environment where partners, suppliers and customers can share, develop and deliver current and emerging technologies and capabilities.

Supplier Diversity

General Dynamics is committed to working with small and diverse businesses. In fact, more than

5,000 of our business partners are minority-, women- or veteran-owned enterprises. These businesses are a vital part of maintaining our competitiveness in the global marketplace. Our supplier diversity program operates under a framework based on four pillars: compliance, early engagement, small business innovation and community outreach.

We partner with small disadvantaged businesses, women-owned small businesses, veteran-owned small businesses, service-disabled veteran-owned small businesses, SBA-certified HUBZone small businesses, Native American-owned small businesses, minority-owned companies and Ability One organizations.

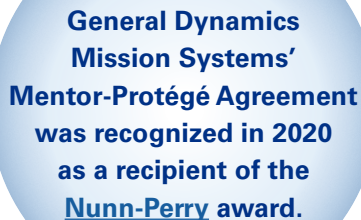
In 2020, we increased the dollar amount of contracts awarded to small businesses by 12% over 2019.

In the year following the outbreak of the COVID-19 pandemic, we advanced more than \$2 billion in accelerated cash payments to thousands of companies in our supply chain, most of them small businesses. These advances provided our suppliers with essential liquidity during an uncertain time, ensuring they could meet their obligations to their stakeholders.

Our 10 business units operate small business programs to facilitate the process of partnering with General Dynamics.

For our U.S. businesses, our supplier diversity program managers attend more than 50 regional and national events annually to meet with potential suppliers. This includes events sponsored by the National 8a Council, Procurement Technical Assistance Centers (PTAC), the National Defense Industrial Association, Women in Defense, the National Veteran Small Business Coalition and the Small Business Administration (SBA).

General Dynamics provides guidance and support to the thousands of small businesses that work with us. We mentor these businesses through their contract involvement, as well as through our small business and supplier diversity offices. We sponsor and host events that allow our business units to meet with interested small business suppliers. These initiatives help small businesses expand their solution sets and marketing channels. Additionally, in response to the COVID-19 pandemic, General Dynamics has begun to host virtual training and outreach sessions for the small and diverse business community.

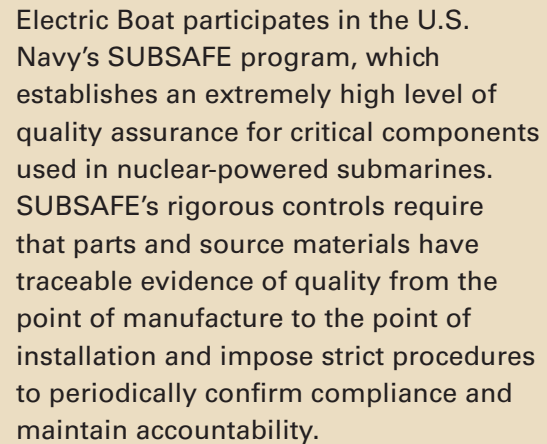


**General Dynamics
Mission Systems’
Mentor-Protégé Agreement
was recognized in 2020
as a recipient of the
Nunn-Perry award.**

Counterfeit Parts Prevention

We have stringent quality-control processes in place to inspect, detect and mitigate suspected or confirmed counterfeit parts in order to prevent

counterfeit parts and software from entering the company’s supply chain. We promptly disclose any findings to the government and the customer.



Electric Boat participates in the U.S. Navy’s SUBSAFE program, which establishes an extremely high level of quality assurance for critical components used in nuclear-powered submarines. SUBSAFE’s rigorous controls require that parts and source materials have traceable evidence of quality from the point of manufacture to the point of installation and impose strict procedures to periodically confirm compliance and maintain accountability.

Materials Sourcing

We are committed to responsible sourcing throughout our global supply chain. That’s why we take steps to vet suppliers for their sustainable labor and materials sourcing practices, purchase long-lasting products with low carbon footprints, deal only with non-embargoed countries, and act to prevent counterfeit parts from entering our supply chain.

We have established mechanisms to assess risk and ensure compliance, and we constantly look for new ways to reduce risk throughout our supply chain.

Modern Slavery and Child Labor

We recognize the importance of ensuring that respect for human rights and dignity is embedded at all levels of our business. We expect strict adherence to these values, as well as to applicable law, everywhere we operate. General Dynamics does not tolerate human trafficking, child labor or forced labor anywhere within our businesses or supply chains.



Virginia-class submarine

Our businesses have sophisticated supply chain management processes to ensure our supply chain meets these standards. Our supply chain management strategy includes risk-based due diligence to identify and address risks among potential suppliers.

Most of our supply base is located in the United States, which presents a far lower risk of forced labor or human trafficking. Many General Dynamics prime contracts with the U.S. government contain Federal Acquisition Regulation (FAR) clause 52.222-50 Combating Trafficking in Persons (48 C.F.R. § 52.222-50). We comply with this clause and require it of our suppliers, where applicable.

A smaller portion of our supply base is located outside the United States. Wherever their location and whatever their role, our suppliers are held to the same high standards we uphold ourselves. Putting a stop to human trafficking and child labor, respecting human rights, and obeying applicable laws are important parts of our supply chain management process.

Conflict Minerals

As part of our commitment to responsible sourcing, we work with our supply chain to trace potential sources of minerals such as tantalum, tin, gold or tungsten, which are known to help finance conflict and contribute to the humanitarian crisis in the Democratic Republic of the Congo. We routinely conduct inquiries of our suppliers to identify potential use of these conflict minerals.

In line with U.S. Securities and Exchange Commission (SEC) requirements, we submit a Specialized Disclosure Report and a Conflict Minerals Report. In our report to the SEC, we address our efforts to understand the presence of these minerals in our supply chain, including:

- *Surveying and working with our suppliers to identify the presence of conflict minerals in products that are supplied to us.*
- *Engaging with many of our suppliers about the potential presence of conflict minerals in materials.*
- *Introducing contractual terms and conditions as appropriate to urge suppliers to report responsibly.*

GOVERNANCE



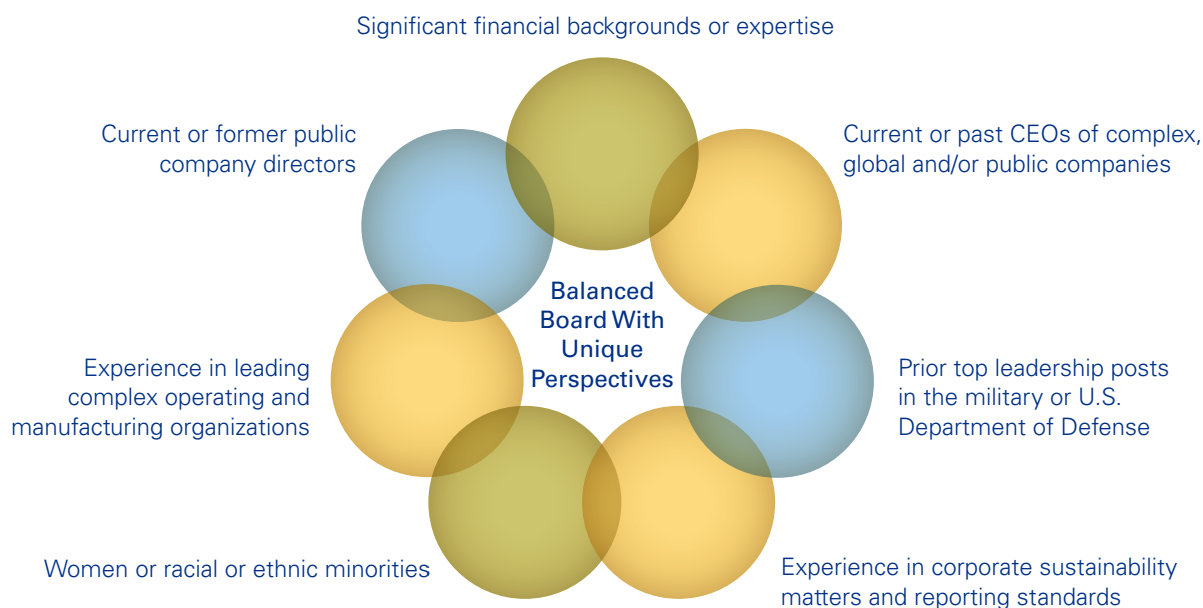
John Lewis-class fleet replenishment oiler construction at NASSCO

Board of Directors

Our board of directors and management team are committed to the principle that good corporate governance enhances shareholder value. Through strong corporate governance practices, we promote a culture of ethics and integrity and empower leaders at all levels to do what is right for our customers, suppliers, employees and communities.

Our deeply engaged and experienced board is central to our company's culture of accountability and continuous improvement. Our board reflects a diverse and well-qualified group of business leaders and aerospace and defense industry experts, as well as financial and strategic advisers.

Other than our CEO, all of our directors are independent. Each of our board committees is chaired by an independent director. Our board includes directors who are or have:



The General Dynamics Corporate Governance Guidelines provide a framework for effective governance of the board and the company. The board's commitment is demonstrated by key corporate governance practices, including:

- *strong board independence;*
- *an independent lead director;*
- *a majority voting standard for the election of directors, coupled with a director resignation policy;*
- *shareholders' right to call a special meeting;*
- *shareholders' right to act by written consent;*
- *shareholders' ability to nominate director candidates and have those nominees included in the company's proxy statement, a process known as "proxy access";*
- *annual board and committee self-assessments;*
- *a robust shareholder engagement program; and*
- *disclosure of corporate political contributions and trade association dues.*

Board Oversight of Risk

Our comprehensive risk management program is conducted by senior management and overseen by the board of directors. In particular, the board oversees management's identification and prioritization of risks. The full board reviews and approves a corporate policy addressing the delegation of authority and assignment of management responsibility annually. This ensures that the responsibilities and authority delegated to senior management are appropriate from an operational and risk management perspective.

The following summarizes the key elements of the roles of the board, senior management and external advisers in our risk management program.

- *The board oversees risk management, focusing on the most significant risks facing the company, including strategic, operational, financial, legal, environmental, cyber and reputational risks.*
- *Each board committee is integral to risk management and reports specific risk management matters as necessary to the full board.*
- *In 2021, the board established a Sustainability Committee, which oversees sustainability practices and management, including those relating to environmental, health and safety, human rights, and social matters.*
- *Senior management is responsible for day-to-day risk management and conducts a thorough assessment through internal management processes and controls.*

- *The board holds two meetings each year dedicated to its assessment of material risks, including comprehensive evaluations of cybersecurity, environmental, safety, human capital, legal and other facets of risk.*
- *The chief executive officer and the senior management team brief the board on specific risks throughout the year as needed.*
- *External advisers provide independent advice on specific risks, and review and comment on risk management processes and procedures as necessary.*



Abrams M1A2 SEPv3

Political Engagement

General Dynamics Corporation does not make political contributions.

We offer eligible employees (as determined by federal election laws) in the United States the opportunity to make political contributions through a political action committee (PAC). The General Dynamics employee PAC is organized and operated on a strictly voluntary, nonpartisan basis and is registered with the Federal Election Commission.

The PAC's political contributions are reported monthly to the Federal Election Commission, where they become a matter of public record and are available for review [online](#). PAC contributions are subject to a robust internal review process to ensure they represent the best interests of the company, its employees and its shareholders. In addition, internal financial controls exist to ensure company compliance with federally mandated contribution limits.

Our employee PAC invests contributions in candidates based on:

- *Support for national security and aerospace*
- *Representation in districts/states where General Dynamics facilities, suppliers or employees are located*
- *Membership on key committees legislating issues important to General Dynamics*
- *Leadership positions*
- *Prior military or aerospace industry experience*

As a guiding principle of our employee PAC, we stay above the normal fray of partisan politics, remaining focused on national security and on advocating for success of General Dynamics and our employees. That means we give to members of both parties, and we delink our support from issues unrelated to our core business. That philosophy has served our industry well over the years, as we have enjoyed strong bipartisan support.

We do not contribute to presidential campaigns, "super PACs," or other 527 or 501(c)(4) organizations. Our employee PAC will not support members of Congress who provoke or incite violence or similar unlawful conduct.

To ensure compliance with all applicable laws relating to political activities and effective corporate governance, we follow a strict policy governing lobbying practices. This includes tracking and reporting lobbying costs and expenses as nondeductible for tax purposes and unallowable for purposes of U.S. government contracts.

Compensation

We deliver fair market-based compensation. Our businesses evaluate all job categories and levels, comparing compensation for similar positions to ensure there are no inadvertent disparate pay conditions, and if any are found, promptly raise pay to remediate the situation.

Our executive compensation is rooted in a longstanding pay-for-performance philosophy. To incentivize this focus on creating long-term value, our executive compensation is tied to defined financial and nonfinancial performance metrics that align with creating shareholder value. These

defined metrics also include a stakeholder-centric strategic and operational component, which incorporates environmental, human and social capital sustainability objectives.

We demonstrate our commitment to aligning management with stockholders by emphasizing a culture of stock ownership, with some of the strictest stock ownership guidelines in the S&P 500 for our executive officers. Our shareholders provide feedback on executive compensation with an annual say-on-pay vote, and in 2021, our say-on-pay vote was 97% in favor.



USNS John Lewis (T-AO 205)

Information Security

General Dynamics is committed to safeguarding employee, customer, national security and third-party information entrusted to our care. We achieve this by executing a proactive, robust and compliant information security program. Our priority is to protect sensitive information from the full range of potential internal and external threats targeting our systems and data.

Data Privacy and Protection

Like all businesses, we handle data that may include personal and sensitive information about our employees, our customers and third parties. Safeguarding this information is critical, and we take this responsibility very seriously.

Our data privacy programs are designed to address the challenges of expanding national and global privacy regulations, the growth in volume and sensitivity of privacy data and the increased use of third-party vendors. Core tenets of our program include collecting the least amount of information necessary to meet our business needs and seeking to ensure that the information we have is used exclusively for valid business purposes in accordance with written policies and procedures. We regularly monitor and update our policy to maintain compliance with national and global data privacy laws and regulations. We also leverage the maturity of our general cybersecurity program with additional targeted privacy controls to protect privacy information against unauthorized access, use or disclosure.

Cybersecurity

As a large, well-known aerospace and defense contractor, we face numerous cybersecurity threats, including threats to our IT infrastructure

and attempts to gain access to information in our care. We also design and manage IT systems for customers, and many of the products we manufacture contain IT systems that are subject to those same threats.

We leverage our experience as a leading cybersecurity provider for national defense customers to continually evolve and enhance our cyber defenses, seeking to monitor, manage and avoid risks to the information on our systems and networks. Moreover, we commit to continuously improving our cybersecurity capabilities and those of our supply chain partners.

Collaboration

Our information security approach, built on strong central governance and a mature policy framework, is an integral component of our company's risk governance. To address the dynamic nature of cyberthreats, we established the General Dynamics Cyber Council to guide our program by recommending updates to cybersecurity policies, supporting executive decision-making on cybersecurity matters and addressing strategic cyberthreats to our business. The Council reports directly to the chairman and CEO on its efforts to enhance our defenses to mitigate advanced and persistent threats to our information systems.

Each business unit designs and operates its own information security program tailored to its market, customer requirements and threats while maintaining compliance with centrally defined policies and standards. These policies and standards are updated regularly to address changes in federal government compliance standards, emerging commercial best practices and the latest cyberthreats to our business.



As part of our information security program, our businesses protect our company from cyberthreats by:

- *identifying cyberthreats and critical information assets;*
- *implementing cybersecurity prevention, detection and response controls;*
- *incorporating cyber risk assessment practices into program activities;*
- *integrating cyber risk management into business risk governance practices; and*
- *engaging with suppliers to address supply chain cyber risks to enable their compliance.*

The maturity of our cyber capabilities was recently affirmed by DoD's pilot audit program to assess control compliance with the Cyber Maturity Model Certification (CMMC) program. The independent audit confirmed General Dynamics' readiness to meet the program's cyber control standards across all defense business units.

We monitor our program's effectiveness by performing audits, leveraging commercial tools for assessing cybersecurity posture and health, and conducting cyber penetration testing. These

penetration tests emulate the most recent techniques used by advanced persistent threat adversaries. The corporate information security team notifies key decision-makers of any breaches and regularly reports to management and the board on the maturity and performance of our cybersecurity program.

General Dynamics maintains cyber defense collaboration capabilities that empower our cyber defenders with high quality, actionable cyberthreat intelligence from government, industry and commercial sources. Our intelligence sharing and analysis center serves as the central hub for threat activity, incident reporting and response, and proactive sharing of the intelligence we develop from those activities with industry peers and supply chain partners. Our incident reporting processes are designed to ensure timely notification and escalation to executive leadership and the board of directors. We are committed to reporting cyber incidents to our customers and in accordance with regulatory or legal requirements. In addition, our business units regularly participate in penetration tests and cyber response exercises to gain experience with the challenging decisions required to optimize outcomes in the event of a real incident.

Every General Dynamics employee plays a critical role on the frontline of our cyber defenses. To counter the pervasive nature of email-based attacks, we require our employees to complete regular cybersecurity awareness training on detecting and reporting suspicious activity and to ensure they understand their role and responsibilities. Training is complemented by regular email “phishing” exercises that provide us feedback on our defensive posture and keep our employees attuned to the risk these threats pose to our business.



GDIT employees

Engaging Our Suppliers on Cybersecurity

The integrity and quality of our products and services are dependent on our supply chain partners. We recognize that scale matters in countering cyberthreats that target the defense industrial base and in addressing new cybersecurity compliance requirements, such as CMMC. Since early 2019, our supplier engagement efforts have been working to build that scale by raising awareness regarding new cyber compliance mandates, sharing cyber best practices through supplier web portals, conducting email campaigns and holding regional cyber meetings.



OUR CULTURE



GD employees volunteer at the annual U.S. Army Ten-Miler.

Ethics

The foundation of our culture is our Ethos, which shapes how General Dynamics employees act according to our shared values of transparency, trust, alignment and honesty. In all things. At all times.



This standard starts with our leaders and serves as the foundation of our company. We understand the magnitude of this responsibility and our role in preserving the General Dynamics brand and reputation.

As a government contractor with nearly 70% of our revenue from the U.S. government, we operate in a highly regulated environment and are subject to regular audit and review by multiple U.S. government agencies to assess our compliance with applicable laws, regulations and standards. The U.S. government also reviews the adequacy of, and compliance with, internal control systems and policies, including our purchasing, property estimating, material, earned value management and accounting systems.

Each and every employee is expected to uphold these standards and is equipped with the tools and resources they need to do so successfully. Our commitment to ethics is reinforced with our employees on their first day of employment and throughout their careers with General Dynamics. Not only do we foster an ethical work environment, we work to create an environment where employees feel safe, empowered, and equipped to speak up and do the right thing.

Leadership Commitment to Ethics

General Dynamics' leadership team lives our values and serves as an example to our employees, customers and shareholders.

Our board of directors and our key financial professionals have adopted ethics codes specific to their roles, which they commit to annually. Both codes have been carefully crafted by leadership to align with our Ethos. With their signature, our chairman, board members and financial leaders promise to manage our business with the highest standards of ethical conduct while aligning to our Ethos, our moral compass.

Leaders throughout the company make decisions through an environmental, social and governance lens to foster ethical and sustainable business practices. This perspective is applied to every step in the process of delivering a product, service or solution to a customer and when engaging with the communities in which we live and work.

Readily Available Tools and Resources

Our commitment to ethics is highly visible, readily available and continually reinforced in numerous ways. We take a number of steps to equip our employees with the tools and resources they need to do the right thing.

One such step is to require new employees to acknowledge receipt of, understanding of and compliance with our Ethos and with *Our Standards of Business Ethics and Conduct* commonly known as the [Blue Book](#). The *Blue Book* states our expectation that all employees conduct business in accordance with our Ethos, applicable laws and our policies.

Our leadership teams and the ethics, human resources and legal departments are equipped to assist and provide guidance as needed as confidential resources to raise questions, get advice and express concerns. They strive to foster an open and safe environment and embed our Ethos and commitment to ethics in ongoing communications.

Each GD facility is equipped with prominent Awareness Centers that reinforce our commitment to our Ethos, outline tools available to employees, and list the Ethics Help Line website and toll-free number. A message from our CEO is included in each Awareness Center to further demonstrate our position.

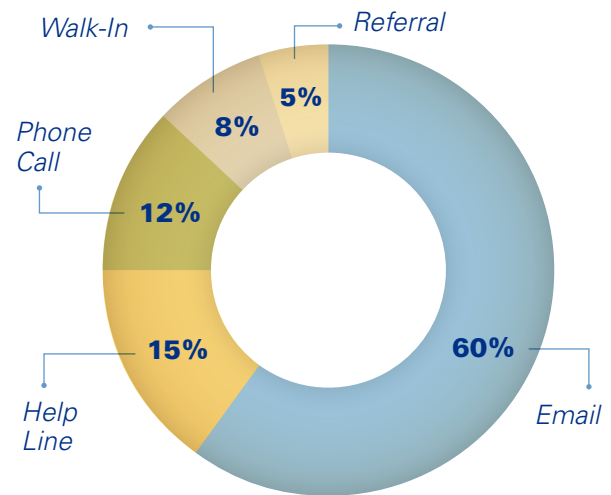
The GD Business Ethics Help Line is a 24-hour helpline, accessible by phone or the web, and available to employees in 13 languages. Questions or concerns can be raised using the Help Line, anonymously or otherwise.

All reported concerns are investigated promptly and in confidence. If we find that our standards have been violated, we take action, including involuntary termination and disciplinary action; implementing systemwide changes; and notifying governmental offices or agencies, customers and/or suppliers.

We strictly prohibit retaliation against anyone who raises an ethics or compliance issue in good faith.

In 2020, 83% of fraud, waste and abuse concerns submitted were made by individuals willing to leave their name (named reporting) versus anonymous reporting. A high volume of named reporting indicates that employees trust the integrity and effectiveness of our program. And they do. Employees use every resource available to them to inform the appropriate individuals of their concerns.

Employee Ethics Help Line Engagement



Our expectations to operate with integrity go beyond our employees; suppliers, vendors, contractors and joint-venture partners are expected to develop effective ethics and compliance programs as well.

Global Network of Ethics Officers

Each of our businesses has one senior ethics officer who has direct access to and meets with the leadership team regularly to discuss trends, opportunities and communication strategies. These senior ethics officers also meet regularly as a group to discuss best practices that can be shared across our portfolio. In addition, they work with other ethics officers in the defense industry through the Defense Industry Initiative to share best practices, continuously improving their programs to protect General Dynamics' brand and reputation.



NASCCO welder

In support of the ethics officers, we have more than 100 part-time local ethics officers (LEOs). Our LEOs, selected based on proven character, are embedded in locations with our largest populations. Working side by side with other employees, LEOs are accessible resources who:

- *answer questions;*
- *provide communications and training;*
- *conduct investigations; and*
- *further ingrain ethics in the everyday activities within our work environment.*

Ethical Business Around the World

As a leader in the aerospace and defense industry, we provide services and products to governments around the world. The laws and regulations relating to doing business with government customers and public officials are complex. As such,

- *We provide our employees with the appropriate resources to comply with applicable laws and regulations.*
- *We abide by the laws and restrictions regarding the import and export of our products,*

information and technical data, including the U.S. International Traffic in Arms Regulations (ITAR) and Export Administration Regulations (EAR). Nearly every country has laws and regulations that control the international movement (e.g., imports, exports, re-exports and technology transfers) of specified product information and services.

- *We ensure that we remain current with these laws and regulations.*

We also have robust compliance programs.

- *General Dynamics complies with the U.S. Foreign Corrupt Practices Act and other applicable anti-corruption laws around the globe.*

We have a robust anti-corruption compliance program rooted in our Ethos and tailored to potential risks faced in our business. Designated anti-corruption officers and other compliance professionals at each business unit help carry out the program and serve as a resource. Elements of the program include written policies and procedures, training, risk-based management and third-party due diligence, multiple reporting systems, and regular compliance audits.

Safety

Maintaining a safe working environment for our employees is paramount. We have clear, consistent policies and standards requiring that we operate in a way that promotes safety and well-being.

Across the business, we take measures to prevent workplace hazards, enforce a culture of continuous improvement to ensure our processes help reduce injuries and illnesses, and comply with governing health and safety laws.

Fifty-seven of our sites operate under ISO 45001, widely regarded as the world's highest occupational health and safety standard, and more are in the

process of achieving certification. Under ISO 45001, workplace safety is not a standalone issue but rather an integral part of the business strategy to maintain a sustainable organization.

As a result of our efforts, many of our business units have been recognized for their success in promoting health and safety among their workers.

SASB identifies recordable cases as an indicator of financially sustainable material impact. As such, our performance has consistently been significantly better than the industry standard.

Safety Data: Industry Comparison

Year	Recordable Case Rate		Absence Case Rate	
	Industry Standard	General Dynamics	Industry Standard	General Dynamics
2013	3.30	2.69	1.40	0.81
2014	2.85	2.65	1.30	0.79
2015	3.05	2.25	1.25	0.72
2016	2.80	1.90	1.25	0.58
2017	2.65	1.64	1.25	0.44
2018	2.35	1.83	1.15	0.54
2019	2.20	2.10	1.05	0.53
2020	2.40	1.64	1.50	0.47

*Industry standard numbers are the average of the recordable cases reported by the Aircraft Manufacturing and Shipbuilding & Repairing industries to the U.S. Department of Labor's Bureau of Labor Statistics.



Diversity, Equity and Inclusion

Across the General Dynamics Corporation, we believe that our competitive advantage lies within our workforce. The unique contributions of each employee are key in our ability to drive innovation and productivity. We proudly support a culture of inclusion and encourage a work environment that respects diverse opinions, values individual skills and celebrates the unique experiences our employees bring to our workplaces. We track, measure and analyze our workforce trends to establish accountability for continuing to cultivate diverse, equitable and inclusive environments across our businesses and at every level of our company.

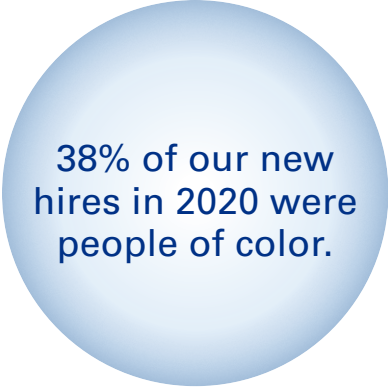
Our Ethos of trust, alignment, transparency and honesty is our moral code, rooted in respect, that guides how we engage with each other. We believe that diversity and inclusion are priorities that further these goals while simultaneously making us a better corporation and enhancing the value we bring to our stakeholders. These efforts demonstrate our Ethos at work.

We continue to work to improve representation of diverse talent at all levels of the corporation so that we reflect the communities in which we operate. Our ongoing efforts include developing ways to attract and retain diverse talent. We gather data about overall demographics, promotions, recruitment and other processes across the employee lifecycle and use that to inform our areas of focus for continued improvement in these areas.

New Hires

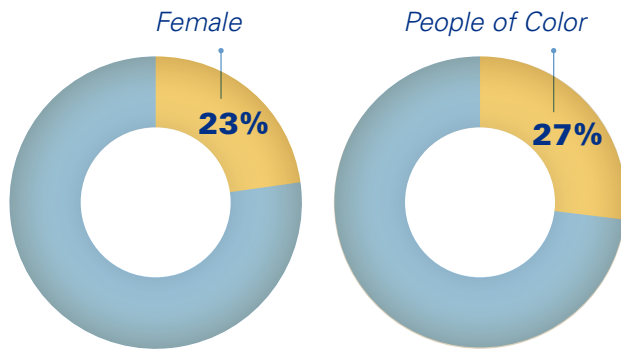
Reflecting our ongoing efforts to develop new pathways for recruiting diverse talent, the percentage of women and people of color we hired in 2020 was higher, in each category, than the proportion comprising our already-diverse workforce.

We are committed to promoting diversity of thought, experience, perspectives, backgrounds and capabilities to drive innovation and strengthen the solutions we deliver to our customers because we believe the results lead to a better outcome. We are dedicated to equal employment opportunity that fosters and supports diversity in a principled, productive and inclusive work environment. We stand for basic universal human rights, including that employment must be voluntary.

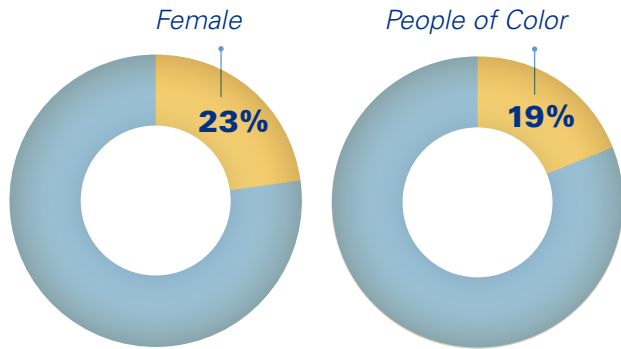


38% of our new hires in 2020 were people of color.

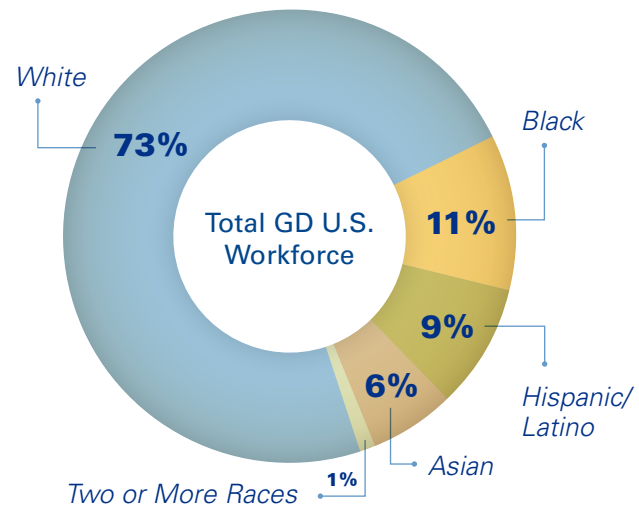
Total U.S. Workforce



Management



Employee Demographics



Employee Resource Groups

Across General Dynamics, supporting employee interests is paramount to our efforts to cultivate inclusive work environments. We take exceptional pride in our employee resource groups (ERGs) and diversity councils.

We offer a robust selection of 26 ERGs, serving 10 distinct employee segments. ERGs are supported and sponsored by senior-level leaders and revered as a cornerstone of our efforts to build an inclusive culture across the corporation.

Over the last year, we have seen increased participation in established groups and have welcomed several new groups across the corporation as well.



Veteran Representation

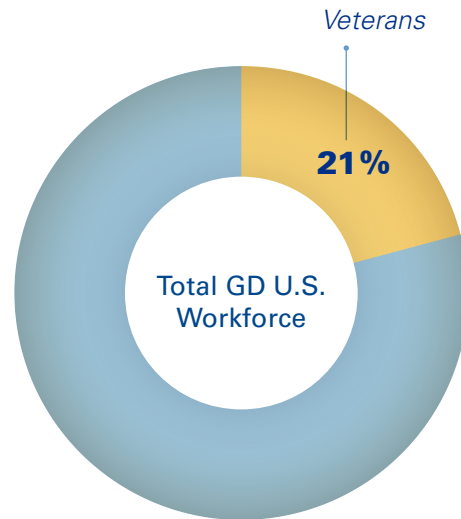
General Dynamics is committed to hiring and retaining the best talent. We believe that our veterans share our devotion to providing the products and services to our nation that secure our liberty. This shared belief strengthens our dedication to hiring, training and upskilling veteran and active military employees and their families.

Our efforts extend to multiple partnerships with organizations that support efforts that better the position of our external and internal military communities.

We offer dedicated employee resource groups and mentoring programs that assist in attracting, transitioning and retaining this critical part of our workforce.

About 21% of our U.S. workforce are veterans. This is three times higher than the number of veterans in the U.S. adult population.

In 2020, we hired 2,209 veterans of the U.S. armed forces.



Veterans Day event at NASSCO

Developing an Inclusive Mindset

Sustainable diversity and inclusion efforts start with developing a mindset that supports and leads a culture of inclusivity.

Across the corporation, we have invested in training and development efforts that build mindsets and skills to model inclusive leadership and behaviors in the service of creating an environment where we empower and equip employees with the tools to foster an inclusive work environment.

These efforts are deployed at all levels of our locations. We believe that advancing in the diversity and inclusion space must be a collective effort across all employee segments.

Over 98% of GDIT's 28,000 employees completed learning modules to recognize unconscious bias and take steps to combat it in everyday work.

WHAT ARE PARTICIPANTS SAYING?

"... enlightening and empowering. It really brings to light how we can better lead our people and cultivate diversity. It encourages us to be bold, listen, embrace, change, promote unity, encourage employees to join a group ..."

"Love the interaction — really one of the best, if not the best, courses I have participated in."



Employee Outreach

General Dynamics embraces the belief that diverse and inclusive work environments strengthen the solutions we provide to our customers. A significant pillar in this effort is understanding the employee expectations of our leaders and workplaces to drive inclusivity.

Across the corporation, we deploy engagement efforts to capture employee sentiments. Our approach goes beyond the traditional employee engagement efforts and uses technology as well as firsthand outreach.

Many of our employee engagement efforts are specific to diversity, equity and inclusion because we believe that this focus garners the best understanding of employee expectations.



GD Ordnance and Tactical Systems' Precision Systems facility in Garland, Texas

Performance and Recognition

To continue to deliver excellence to our customers, General Dynamics demands — and rewards — actions that embody our Ethos: ethical leadership, technical innovation, creativity and proven results. Leaders across the globe leverage performance management tools and succession plans to engage and reward employees and develop future leaders that will impact strategic objectives.

Employees' objectives and development goals are tied to company objectives and customer needs, and, wherever possible, compensation is performance-based. Expectations are transparent and are reinforced through ongoing feedback and semi-annual and annual reviews.

In addition to ongoing and formal reviews, we employ various recognition tools to encourage

innovation, continuous improvement, creativity, teamwork, and our commitment to ethics, our Ethos and our customers. To express gratitude and foster continued engagement, leadership and peers nominate employees to recognize a variety of achievements. Examples of these recognition programs include Gulfstream's Soar, Mission Systems' Recognition Revolution, Electric Boat's Operational Excellence Program and Corporate Headquarters' GD Excellence.

By fostering a culture that celebrates and rewards excellence, we encourage employees to bring their best to work every day.

Labor Relations

Approximately 20% of our employees are represented by labor unions. Our employees are free to exercise their rights of freedom of association and collective bargaining, and we work to maintain positive relations with our employees' representatives and to engage in good-faith negotiations on issues important to our employees, such as wages, benefits, schedules, job progression, health and safety.

We have a proven track record of strong relationships with collectively bargained employees. As agreements expire or incidents arise, we work closely with the bargaining units to seek mutually beneficial outcomes.

This was demonstrated over the past year as we worked to strengthen the relationship with a union at one of our sites following the resolution of a strike. In 2020, members of one of the five local unions representing Bath Iron Works employees went on strike for the first time in 20 years following a disagreement about the use of outside contractors to assist with recovering from schedule delays in delivering ships to the Navy. The dispute was resolved after nine weeks, with 87% of union members approving a new contract. As part of the agreement, union representatives and management formed a joint working group to work collaboratively on identifying and implementing the best courses of action to surge production to meet the shipyard's obligations to the Navy. That process has been effective in improving schedule performance and increasing trust by inviting the input of employees who have a shared interest in improving the shipyard.

Continuous Improvement

General Dynamics is proud of our history of service to the people who comprise the aerospace and defense communities. Since our founding in 1952, we've maintained a laser-like focus on delivering superior products and services, continuously improving our offerings to the communities in which we live and work.

Our transformation from the 1950s to present-day General Dynamics exemplifies this culture of continuous improvement, and the company we are today is a testament to that achievement. Leaders and employees across the globe are encouraged and rewarded for employing a continuous improvement perspective in every aspect of their roles with General Dynamics.

We continually:

- *improve and expand product offerings to our customers;*
- *fortify our diverse portfolio to better serve our shareholders;*
- *enhance community engagement to contribute to the communities where our employees live and work; and*
- *evolve employee benefits to develop and nurture our employees and their families.*

We continue to expand through both organic growth and acquisitions while maintaining our relentless focus on continuous improvement as well as operational excellence. Our Contracts, Manufacturing, Supply Chain Management, Engineering and Technology, and Cyber Councils, which include experts from across our businesses, meet regularly to share ideas and best practices, leverage resources, and create shared technologies and processes.

ENGAGEMENT AND DEVELOPMENT



Jet Aviation employees in Switzerland display an assortment of protective gear.

Engaging and Developing Talent

Given the competition for talent across the economy, engaging and developing current employees while preparing for the workforce of the future is essential to our success. To do so, leaders across the company continually assess available and emerging talent with current and future business needs, developing strategies to address the differences and fill the gaps.

Working with our customers, local governments, colleges, technical and trade schools, and internal and external subject matter experts, we create programs that are tailored to our unique needs and offer employees development opportunities that enhance their present and future potential while delivering excellence to our customers.

Over the past two years, we've invested nearly \$235 million in the development of company training activities, and in 2020, nearly 80% of our U.S.-based employees participated in those activities.



GD Mission Systems

In 2020, General Dynamics offered nearly 700 internship opportunities across the company as well as another 500 traditional apprenticeships in manufacturing or design competencies. At our corporate headquarters in Virginia, we recruited students from diverse backgrounds who were enrolled at area universities, including Historically Black Colleges and Universities. Interns completed a rigorous program that included leadership training, mentoring, multiple assessments, cohort teambuilding and on-the-job training, achieving a 100% hiring rate after completion of the program.

Pipeline Programs and Recruiting

General Dynamics partners with local colleges, universities, high schools and trade schools to provide insight on curriculum development in an effort to build a continual pipeline of talent. We also provide hundreds of internship opportunities where students are exposed to real-world projects through hands-on experiences.

In 2020, we had nearly 700 internships opportunities across the company and approximately 500 traditional apprenticeships in manufacturing or design competencies.

Gulfstream's Dallas facility partnered with the local school district to hire students enrolled in the district's Pathway program, which provides learning opportunities to young people interested in aerospace and aviation careers.

Recruiting Partnerships and Outreach

General Dynamics is honored to be a longstanding partner with global diversity efforts that host opportunities for sponsorships, employee recognition and student recruitment. Through these engagements, we recruit for internships and early career positions. Engagement in these efforts strengthens our access to diverse talent and supports our mission and the missions of our partners.

Through these partnerships, we also have the opportunity to recognize the critical contributions of our diverse workforce.

We celebrate our diversity partnerships:



Gulfstream hosts students at its flight simulator as part of its "Pilot for a Day" program.



“The SkillBridge program has been a superb opportunity for me to bridge from one world-leading organization to another. Gulfstream’s culture, reputation and industry-leading attention to detail are truly in line with the values and expectations of the most trusted institution in our nation, the United States military.”

— Michael S. McFadden,
Operations Sr. Manager, Completions,
Retired U.S. Army Colonel



“If I hadn’t participated in the SkillBridge program, the shock factor of the transition away from active duty would have been much more significant.”

— Cameron Dunkin, Sr.,
Systems Administrator,
Former U.S. Air Force Staff Sergeant

Early Career Programs (Internships and Co-Ops)

We engage in multiple efforts to increase the number of diverse interns across our company.

We recently partnered with additional HBCUs and other schools with highly diverse student populations to expand our recruitment channels.

Military Recruiting Effort

GD engages in several opportunities to assist service members in the transition to civilian life by providing training and work experience at one of our many locations.

Across our businesses, many of our veteran employees come to us as a result of the SkillBridge program. Sponsored by DoD, SkillBridge provides the opportunity for service members to gain work experience through specific industry training, apprenticeships or internships during their last 180 days of service. Engagement in the program elevates our access to a highly trained and motivated candidate pool.

Onboarding and Mentoring

Meaningful and rapid assimilation into our workforce and continued engagement of our new hires is essential to our success and the success of our customers. For this approach to be effective, we begin with clearly articulated job descriptions and well-orchestrated interviews. Human Resources and Operations partner to ensure those we hire know what they will be doing, who they will be doing it with and for and, most importantly, why they are doing it.

Once a good fit is mutually determined by General Dynamics and the prospective employee, each business tailors onboarding to align new employees with our Ethos and our culture of continuous improvement. Onboarding includes an overview of company policies, required training and, in many instances, the presence of a senior leader to reiterate our gratitude for their employment with

General Dynamics and our commitment to providing a safe and ethical work environment.

To further engage and develop our employees, we offer mentoring programs across our business. Our development teams use data analytics to match employees with leaders to begin the mentoring relationship. At GDIT, newly hired veterans are able to engage with other veterans employed at GDIT in virtual discussion forums focused on topics to assist them with their transition to the corporate environment. These discussions are supplemented with smaller mentoring breakout sessions to allow for more hands-on exploration of relevant support tools.

Skills Training

Highly skilled employees strive to increase their knowledge and value within the company and their



Maintenance mechanic apprentice at Jet Aviation in Basel, Switzerland

technical communities. To enhance our employees' existing capabilities, we offer programs that meet their needs for where they are — and where they want to go. Some examples follow:

- *Mission Systems' engineering and manufacturing leadership programs offer new college graduates a master's degree in a technical discipline, formal job rotations across the business, business and personal leadership, and self- and team-led projects.*
- *The systems engineering architect leadership program develops highly skilled systems engineers, including a systems engineering certificate, on-the-job electives in key competencies, leadership development and the application of newly developed skills to key technical issues.*
- *Active learning centers in our shipyards teach more than 200 skills, allowing new shipbuilders to learn skills such as welding and pipefitting in a realistic environment.*
- *Program, project and capture management programs continue to develop professionals within these disciplines to further support the business. These programs include GD European Land Systems' Program Manager Academy, GDIT's Program Management Summit and Mission Systems' Capture Manager program, among many others.*

Competency and Leadership Training

To equip our leaders with the skills and competencies they need to lead and engage highly sought-after technical and manufacturing employees, we offer various training programs to enhance their existing capabilities. These programs are tailored to the unique needs of each business, with varying levels that align with the different phases in our employees' careers.

Leadership development programs provide high-potential employees, at all levels, with the skills needed to progress in a high-growth and changing environment. Some examples include Ordnance and Tactical System's Decathlon Program and Corporate Headquarters' Management Development Program, where participants are nominated based on their potential.

Leadership programs, such as Ordnance and Tactical Systems' Frontline Supervisor Development program, Mission Systems' Frontline Leader Program and Electric Boat's Deckplate Leader Development Program, focus on specific skills and knowledge needed to be successful Operations leaders.

- *Shadow development programs offer hourly employees the opportunity to "shadow" and experience the demands of the operations supervisor role before making a full-time commitment.*

Education Assistance

In addition to having access to development and skills programs, nearly 2,000 of our employees participate in tuition assistance programs across our businesses to further their education each year.

Supporting Employees

At General Dynamics, we routinely celebrate, sponsor and encourage engagement in events and programs that support our employees.

Cultivating Female Talent

Across the corporation, we are engaged in several efforts that target women to fill positions at our locations. We have longstanding partnerships with many organizations dedicated to increasing the participation of women in our industry, including Girls Who Code, STEM for Her, EmpowHer and Women in Aviation, among others.

GDIT's annual Women + Tech event brings together women at different stages of their careers for an inspiring and engaging event that showcases actionable tools, insights, and networking to support career growth and mobility. The 2021 theme was "Moving Mountains: We Recognize the Importance of Empowerment, Resiliency and Elevating Others."

As part of the Women + Technology effort, GDIT also hosts a virtual Bot-a-Thon Challenge that engages girls in their junior and senior years of high school. Students are exposed to advanced technical STEM disciplines and scholarships are awarded to the top-scoring team.

The Boat for Women program at Electric Boat provides exposure to trade positions for local women. Since its launch in 2019, 132 participants have completed the program, and 20% of those were selected and ultimately hired by Electric Boat.

Veteran and U.S. Military Personnel Outreach

General Dynamics is honored to extend its outreach to veterans through several programs, and we have received recognition for those efforts.

Our Bath Iron Works shipyard is a proud recipient of the DoD Pro Patria Award and the Employer Support of the Guard and Reserve (ESGR) Extraordinary Employer Support Award for our commitment and sustained employer support of National Guard and Reserve service.



Jet Aviation aircraft inspection in Basel, Switzerland

EMPLOYEE AND COMMUNITY WELL-BEING



Gulfstream employees refurbish a park in Savannah, Georgia.

Health and Wellness

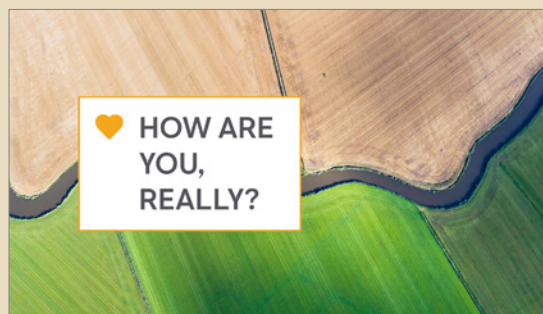
At General Dynamics, we're committed to providing our employees and their families the means to lead healthy, productive lives. We invest in their physical, emotional, social and financial well-being to help them achieve their full potential personally and professionally. Our well-being program provides resources, information, motivation and support to empower our employees to manage their health and make informed decisions.

Our benefits offerings include a number of comprehensive health and welfare plans to serve the varying needs of employees and their families. We offer medical, dental, vision, and prescription drug coverage; life, accidental death, and dismemberment insurance; short- and long-term disability benefits; multiple tuition assistance programs; and various voluntary benefits, including legal insurance; an identity theft protection plan; critical illness insurance; accident insurance; and coverage for home, auto and pets.

To assist employees with financial wellness, we offer retirement planning counselors and market-competitive 401(k) programs. In addition, we offer members the ability to save money on a tax-advantaged basis through flexible spending accounts and health savings accounts.

Our Employee Assistance Program (EAP) helps employees by offering services such as retirement planning, finding childcare and free counseling. Other programs vary by business and location, reflecting the distinct and diverse needs of our employees and include everything from biometric screenings, mental wellness and fitness programs to in-person health coaches and a wide variety of apps that can help employees navigate difficult health care decisions and life changes.

In 2021, GDIT introduced a mental health campaign called *"How Are You, Really?"*
The key objectives of this campaign are to host open conversations with experts, listen to employees and eliminate the stigma surrounding the use of mental health resources.



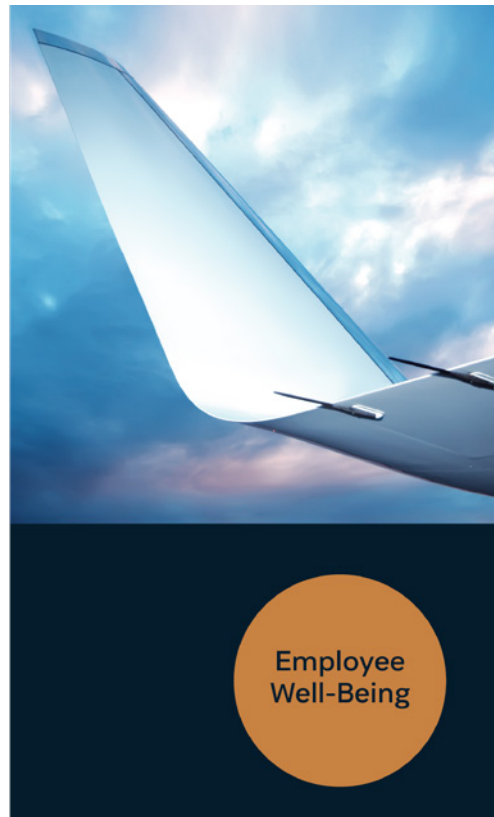


GDIT employees in Tampa, Florida, volunteer to paint homes of low-income elderly residents.

Family Support

We take the whole-person approach when it comes to our employees and understand that support for their lives outside of work is critical. We provide a wealth of resources to assist our employees who are seeking to expand their families, with benefits to support adoption and infertility treatments, as well as maternity programs. We also offer paid parental leave programs and provide tools and resources for parenting support. At many of our locations, we include paid family leave as well as back-up daycare and support in locating caregivers.

In 2021, Gulfstream rolled out a new family care support program. This service, available at no cost, provides personalized support to help employees care for themselves and the ones they love, whether it's finding care for a spouse, children, parents or grandparents.

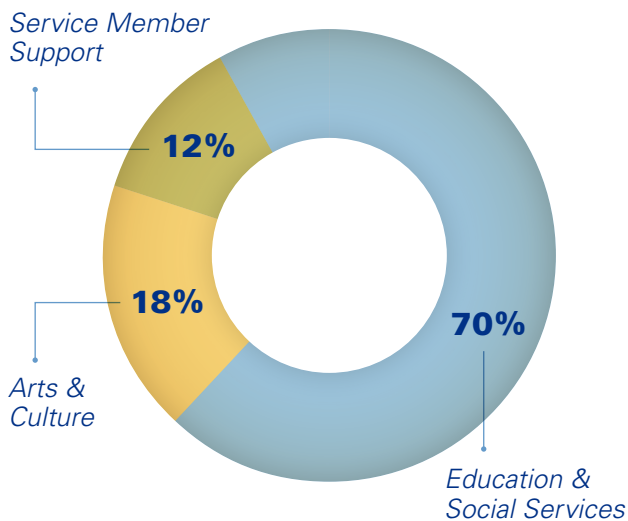


Investing in Our Communities

General Dynamics spans continents, but we never lose sight of the communities where we live and work. We invest in and promote involvement at the local level to make our communities better — whether that is through improving education and social services; promoting health, arts and culture; supporting policies to strengthen our national security; assisting those in need; or assisting veterans and their families. In 2020, General Dynamics contributed to organizations that target four areas:

- *Education & Social Services*
- *Arts & Culture*
- *Service Member Support*

Contributions to Community Organizations



Community Outreach

Each business unit participates in community outreach and support efforts that align with local community needs. Employees choose which programs and organizations to support based on what is near to their hearts, and then organize the donation of time, goods and services to places such as local chapters of the United Way, the YMCA or organizations like Jill's House in the D.C. metro area, which celebrates and provides support for children with special needs and their families.

Gulfstream implemented a new cloud-based giving program called “Gulfstream for Good,” where employees can donate to nonprofit organizations of their choice and the company will match their donations. Between pledges and the company match, charitable giving to date through the program has totaled more than \$1.5 million.

Educational Outreach

General Dynamics employees participate in educational outreach and support, volunteering their time, talent and expertise to teach and train future members of the workforce. They participate in activities such as leading robotics clubs and music programs, and mentoring college students and interns. We also participate in the National Merit Scholarship Program, which awards scholarships to children of General Dynamics employees annually.

Promoting STEM

Facilitating strong knowledge and understanding of STEM concepts is crucial to building a pipeline of talent for a productive society and our future workforce. As such, General Dynamics participates in a variety of initiatives that advance STEM education and programming, particularly in underserved communities.

For example, in 2020, GD employees mentored students in Ohio State University's engineering technology program, establishing a mentorship program to introduce students to STEM-specific topics and hosting visits to our facilities to show students how we integrate STEM into jobs.

In accordance with the White House's pledge to America's workers, General Dynamics has committed to offering more than 7,500 new educational and training opportunities for American students and workers over the next five years. As part of that commitment, we partnered with the Virginia Ready Initiative (VA Ready). VA Ready identifies businesses in the health care, skilled trades and technology industries, connecting them with the 23 community colleges in Virginia that train and prepare students who want to learn new skills in the hopes of finding sustainable careers.

Service Member Outreach

Providing service member outreach and assisting and honoring military members, veterans and their families is also a priority. We support a variety of programs, such as the Sentinels of Freedom, a national nonprofit that provides severely wounded post-9/11 veterans with comprehensive personal support.

Our sponsorships include:

- *Association of the United States Army (AUSA) Army Ten-Miler, which raises funds for the Army Family and Morale, Welfare and Recreation program*
- *National Military Family Association, which strives to stand up for, support and enhance the quality of life for every military family*
- *Semper Fi Fund, which provides urgently needed resources and support for combat-wounded, critically ill and catastrophically injured service members and their families*



A recent Sentinels of Freedom participant, Rahul "Harp" Harpalani, Captain, U.S. Army, was the first infantry officer to return to combat with an amputated leg. After recovering, he returned to serve for an additional five years and then left the Army to pursue his higher education goals. With the support of GD Mission Systems and its employees, SOF enabled Harp to focus on obtaining his master's degree and pursue his goal of becoming a foreign service officer.

COVID-19

Serving Our Communities in Their Time of Need

Throughout the COVID-19 pandemic, we've focused on protecting our employees and doing what we can to serve our communities. We provide timely communication to our workforce, including posting COVID-19 daily news roundups; updating just-in-time protocols; supplying wellness kits, face coverings, hand sanitizers, lens wipes and reference cards; and consolidating relevant links and materials into a COVID-19 Information Resource Center.

Because most of our work is designated as part of national critical infrastructure, the vast majority of our employees continued to work to fulfill our obligations to national security, even as other employers suspended operations. Our top executives remained on the job and in their offices, on the shop floors or on the deckplates.

We responded to the challenges of the COVID-19 pandemic in an all-encompassing manner:

- **Employees:** *We quickly implemented measures recommended by the Centers for Disease Control and Prevention and other relevant authorities to provide safe working environments.*
- **Suppliers:** *Recognizing the importance of liquidity to the thousands of small businesses in our supply chain, in support of DoD policy, we advanced more than \$2 billion in accelerated cash payments to our suppliers to ensure they could meet their financial obligations, especially to their employees.*

• Communities

- **First Responders:** *We worked directly with the federal government to rush our stocks of personal protective equipment (PPE) to locations around the country where they were most needed, all at our expense.*
- **Charitable Organizations:** *General Dynamics made financial donations across its business units to charities, hospitals, COVID-19 relief funds, health foundations, food banks and other nonprofits as they responded to the impacts of the pandemic.*
- **Schools:** *As schools began to reopen, many struggled to obtain adequate resources to ensure the safety of students, teachers and staff. Personal protective gear such as gloves and masks, new cleaning supplies, and additional staff were necessary to ensure that proper protections against COVID-19 were in place. Underfunded schools, in particular, scrambled to gather essential supplies. Recognizing the critical role masks played in limiting the spread of the coronavirus and promoting safety in schools, General Dynamics partnered with the Business Roundtable and the United Way in America's Mask Challenge, which challenged American companies and organizations to help put masks in the hands of students, teachers and staff in schools across America by the end of the 2020-21 school year.*



Employees at NASSCO in San Diego

This project focused on schools that receive federal Title I funding, ensuring support is provided to those who needed it most. The Challenge helped support 7,563 schools from 165 school districts, providing 27.8 million masks to 5.6 million students, teachers and staff in Title I schools across America. Each recipient received one package of five reusable masks.

As part of this Challenge, General Dynamics funded the donation and distribution of masks to students, teachers and staff in every school in Fairfax County, Virginia, a community in which many GD employees and their families live and work.

As we continue to navigate this unprecedented global pandemic, General Dynamics continues to attend to employee health and safety and meeting customer commitments, while remaining profitable and paying a steady dividend. Ultimately, the most responsible and sustainable action we can take for our employees and communities is to remain vibrant and solvent.

Gulfstream partnered with Hospice Savannah and the Savannah Technical College to open the first public/private vaccination site in the state and worked with Georgia officials and the Georgia Emergency Management Agency and Homeland Security (GEMA-HS) to locate and lead a mass vaccination site at its headquarters. The mass drive-through site was open for 10 weeks and distributed almost 28,000 vaccinations.

Honors and Awards

General Dynamics is proud to have been recognized as a world-leading employer.

Some of our recent accolades include:

- *Forbes* – *The World’s Best Employers*
- *Forbes* – *America’s Best Employers*
- *Forbes* – *Canada’s Best Employers*
- *Forbes* – *Best Employers for Diversity*
- *Forbes* – *Best Employers for Veterans*
- *Forbes* – *Best Employers by State: Connecticut, Massachusetts, Virginia*
- *Disability Equality Index* – *Best Place to Work for Disability Inclusion*
- *Fortune* – *World’s Most Admired Companies*
- *Fortune* – *Blue Ribbon Companies*
- *Payscale* – *Best Gen Y Employers*
- *Military Times* – *Best for Vets: Employers*
- *U.S. Veterans Magazine* – *Top Veteran-Friendly Companies*
- *U.S. Veterans Magazine* – *Top Supplier Diversity Programs*
- *U.S. Department of Labor* – *HIRE Vets Gold Award*
- *VETS Indexes* – *4-Star Employer*
- *Fast Company* – *100 Best Workplaces for Innovators*
- *Handshake* – *Early Talent Award*
- *Military Friendly* – *Military Friendly Employers*
- *Military Friendly* – *Military Friendly – Top 10 Supplier Diversity Program*
- *WayUp* – *Top 100 Internship Programs*
- *ClearanceJobs* – *Top Veteran-Friendly Businesses in National Security*
- *Professional Women’s Magazine* – *Top Employer*
- *Professional Women’s Magazine* – *Top Supplier Diversity Programs*
- *National Organization on Disability* – *Leading Disability Employer*

ENVIRONMENT



Gulfstream G600

Environmental Responsibility

General Dynamics takes our obligation to be a responsible corporate citizen seriously. We are committed to reducing carbon emissions and solid waste and promoting the sustainability of our global environment.

Like many of our investors, customers, employees and community members, we want to minimize the impact our business has on the environment. This is a priority across all levels of our company. As part of this, we have made a commitment to a science-based, companywide goal of reducing greenhouse gas emissions by 40% by 2034, placing us on a path to be carbon neutral before 2060.

All of our facilities are operated in compliance with applicable environmental laws and regulations. We seek to minimize waste and emissions, maximize recycling, and reduce the use of carbon-based energy. The company's business strategy considers these objectives when reviewing sites and programs to establish goals for continuous improvement. As part of our commitment to environmental management, 58 of our sites operate under ISO 14001, which is a voluntary certification of international standards that specifies requirements for an effective environmental management system (EMS).

We constantly evaluate how our business strategy interplays with maintaining sustainable environmental practices over the long term. Our efforts help protect the environment, improve operating efficiency, reduce costs, and ensure we remain compliant with relevant environmental laws and regulations in a way that enhances long-term enterprise value.



Jet Aviation delivering sustainable aviation fuel in Van Nuys, California

Our top objectives:

- *operating our facilities in compliance with all applicable laws and regulations in order to protect the health and safety of our employees, surrounding communities and the environment;*
- *being a leader in improving environmental quality by minimizing waste and emissions, reusing and recycling, reducing the use of natural resources, and preventing pollution;*
- *reaching our goal of carbon emissions reduction and to drive out solid waste from our manufacturing processes;*
- *integrating environmental considerations into business planning and decisions, including design, procurement, production, facilities management and product support;*
- *promoting a workplace in which employees are properly trained to comply with applicable environmental laws and regulations, meeting environmental program goals, and fostering a sense of personal responsibility for protecting the environment;*
- *working with our customers to meet their environmental needs and goals, and managing suppliers consistent with our company's environmental compliance and management programs;*
- *maintaining a management system for environmental matters at each business unit that is compliant with international accepted standards; and*
- *supporting existing and upcoming ISO 50001 registrations to help business units conserve resources through more efficient energy management.*

Collaboration

Each of our businesses has professional Environmental, Health and Safety (EHS) programs to ensure our facilities operate safely and comply with company programs and practices to minimize environmental impacts. Each business develops annual objectives to drive continuous improvement in EHS performance.

We have an active EHS committee that includes experts from each of our business units. This group is dedicated to monitoring and continuously improving compliance with environmental, health and safety rules, regulations and laws as directed by corporate policy. The committee also works together to promote best practices and shared strategies throughout the company and promotes a safety-conscious and environmentally aware culture.

Greenhouse Gas Emissions

As a company, we are committed to continuous improvement, which includes creating efficiencies and building systems that reduce our emissions output. As a result of the diverse nature of our operations, each individual business unit has its own operating objectives to reduce its carbon footprint.

Following our comprehensive risk framework, our businesses implement strategies to reduce greenhouse gas (GHG) emissions from small actions, such as switching our corporate headquarters fleet to all-electric, zero-emission vehicles to larger-scale actions, such as investing in energy from renewable sources, building ISO-compliant and LEED-certified buildings, and establishing a global network of sustainable jet fuel sources for our customers and ourselves.

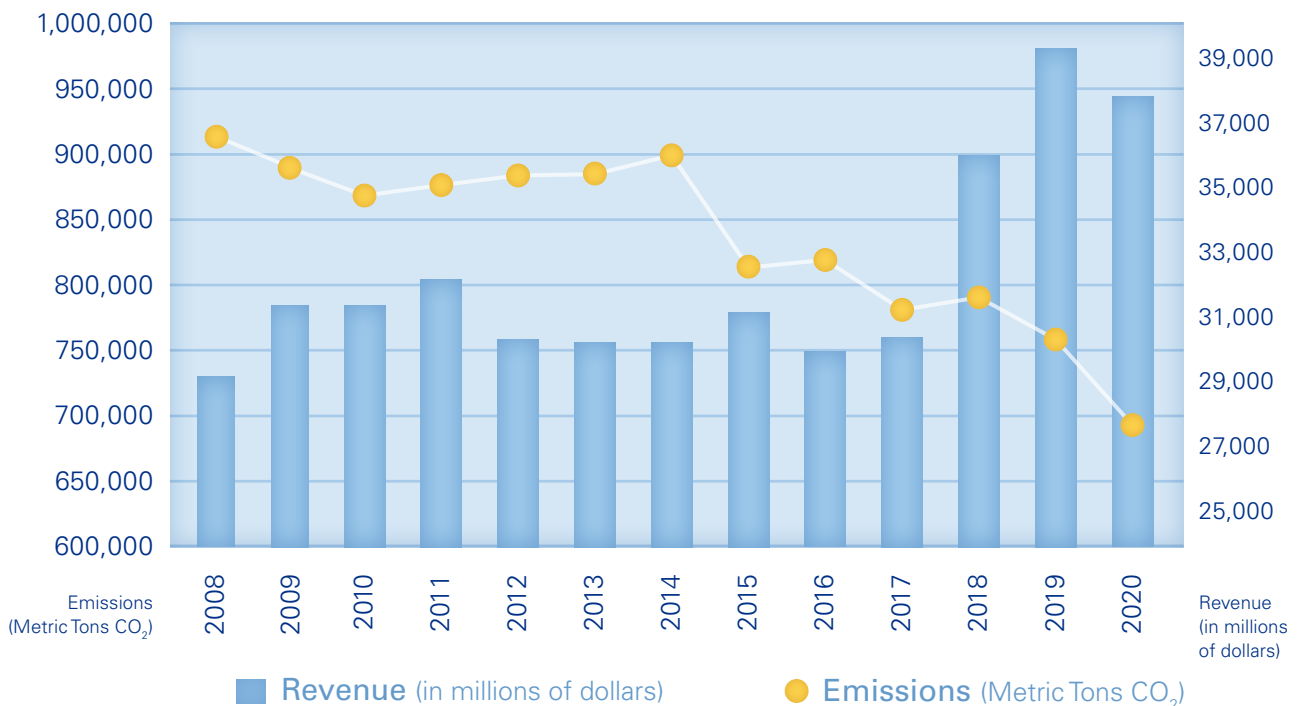
For example, our new Jet Aviation facility in Van Nuys, California, was built to LEED silver specifications. Construction practices included using regional materials, installing energy-efficient lighting

and low-flow plumbing fixtures, and a commitment to diverting the majority of construction waste from landfills.

General Dynamics set a science-based, companywide target to reduce greenhouse gas emissions by 40% by 2034 off of a 2019 base year. This will include the gradual reduction of both Scope 1 and Scope 2 gases, and the transition to sources of renewable power.

Since 2008, CO₂ emissions per dollar of revenue have declined by 40%.

GHG Emissions



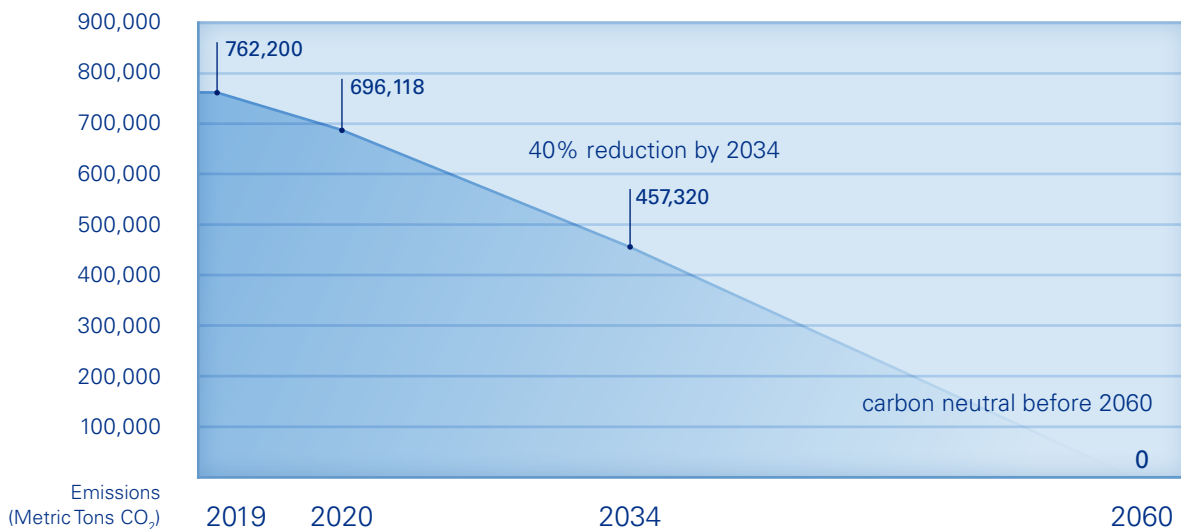


Gulfstream manufacturing in Savannah, Georgia

We are actively instituting initiatives across the company to increase our environmental performance and reduce our global carbon footprint. Our GHG emissions since 2008 have declined 23%, even as our revenues have increased 29%. This is an average reduction of CO₂ emissions per dollar of revenue of 4.4% per year.

General Dynamics is committed to continuing this trend and further reducing GHG emissions in the coming years. We have a science-based target to reduce our emissions by 40% by 2034. This is consistent with international goals to limit the global temperature increase to well below 2 degrees Celsius by 2050, and it puts us on a path to be carbon neutral by 2060.

Our Path to Carbon Neutrality



Reducing Scope 3 Emissions

General Dynamics is committed to reducing Scope 3 emissions, which are indirect emissions that are the result of a company's value chain. We use a process of continuous improvement to achieve greater fuel performance in our new products, to include the introduction of multiple clean-sheet aircraft that are unrivaled in environmental efficiency. We are market leaders in introducing and integrating Sustainable Aviation Fuel (SAF) in the business aviation industry. From building aircraft to run on SAF to implementing carbon offset and book-and-claim programs to making SAF readily available at our facilities, we are making a concerted effort to reduce our Scope 3 emissions.

While our GHG reduction target does not currently include Scope 3 elements, our disclosure to CDP includes some Scope 3 emissions data.

Sustainable Aviation Fuel

Both Gulfstream and Jet Aviation are expanding the availability of SAF for their customers. The fuel — a low-carbon, 30/70 drop-in fuel blend made from agricultural waste and petroleum-based Jet-A — has less sulfur and fewer fine particle pollutants than traditional Jet-A.

Each gallon burned is meant to achieve a more than 80% reduction in greenhouse gas emissions, on a lifecycle basis, relative to petroleum Jet-A. The lifecycle begins when the agricultural source becomes waste, continues through the refining process and ends with the fuel burn. The renewable fuel meets the strict sustainability requirements of both the U.S. EPA and the internationally recognized Roundtable on Sustainable Biomaterials (RSB).

Gulfstream was the first business jet aircraft manufacturer to use SAF in daily operations. Since 2016, Gulfstream has used SAF to power its Savannah-based demonstration aircraft, flying more than 1.7 million nautical miles on the blend.

Gulfstream also offers aircraft operators the opportunity to reduce the carbon footprint associated with their flights through an offset program. Participants pay an annual fee based on aircraft utilization to fund activities that generate an equal reduction in carbon emissions. Gulfstream does not charge operators a fee for administering its carbon offset service. Based on customers' projected annual flight hours, offsets are invested in environmentally beneficial activities such as wind energy, forest management, farm power and recovery of landfill gas.

In 2021, Gulfstream became the first company to earn the National Aeronautic Association's Sustainable Wings certification, which now recognizes speed records that are set using SAF.

Anticipating our business aviation customers' desire to use SAF to reduce emissions, Jet Aviation has led the market in offering access to sustainable fuel. We were the first supplier to offer SAF via a blended fuel option at Van Nuys Airport in 2019 and the first to offer SAF at the World Economic Forum in Switzerland in 2020. We have since uplifted more than 3.5 million gallons of blended SAF.

Jet Aviation also participates in a Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), EU Emissions Trading System (EU ETS), and other carbon offset and carbon reduction schemes to lower CO₂ emissions for international flights to curb the aviation impact on climate change.

In 2021, Jet Aviation launched its Book & Claim program to broaden access to SAF while avoiding the need to transport it physically. Customers 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.

Gulfstream signed the World Economic Forum's Clean Skies for Tomorrow 2030 Ambition Statement, a statement of intent to accelerate the supply and use of SAF technologies to reach 10% of global jet aviation fuel supply by 2030, building on our commitment to sustainability leadership in aviation. Gulfstream is the first business aviation manufacturer to sign the statement.



We strive to offer transparency about our company's environmental impacts as well as our actions to lessen them. One way we do this is to disclose details about our environmental impacts as well as our greenhouse gas reduction plan to CDP, a respected not-for-profit organization that evaluates companies' efforts to measure and manage their environmental impacts. Our 2021 CDP disclosure earned an "A" in the Scope 1 & 2 emissions category and an "A-" overall, which reflects the proactive stance and leadership role we're taking on climate issues.



Jet Aviation's aircraft maintenance and shops team in Basel, Switzerland

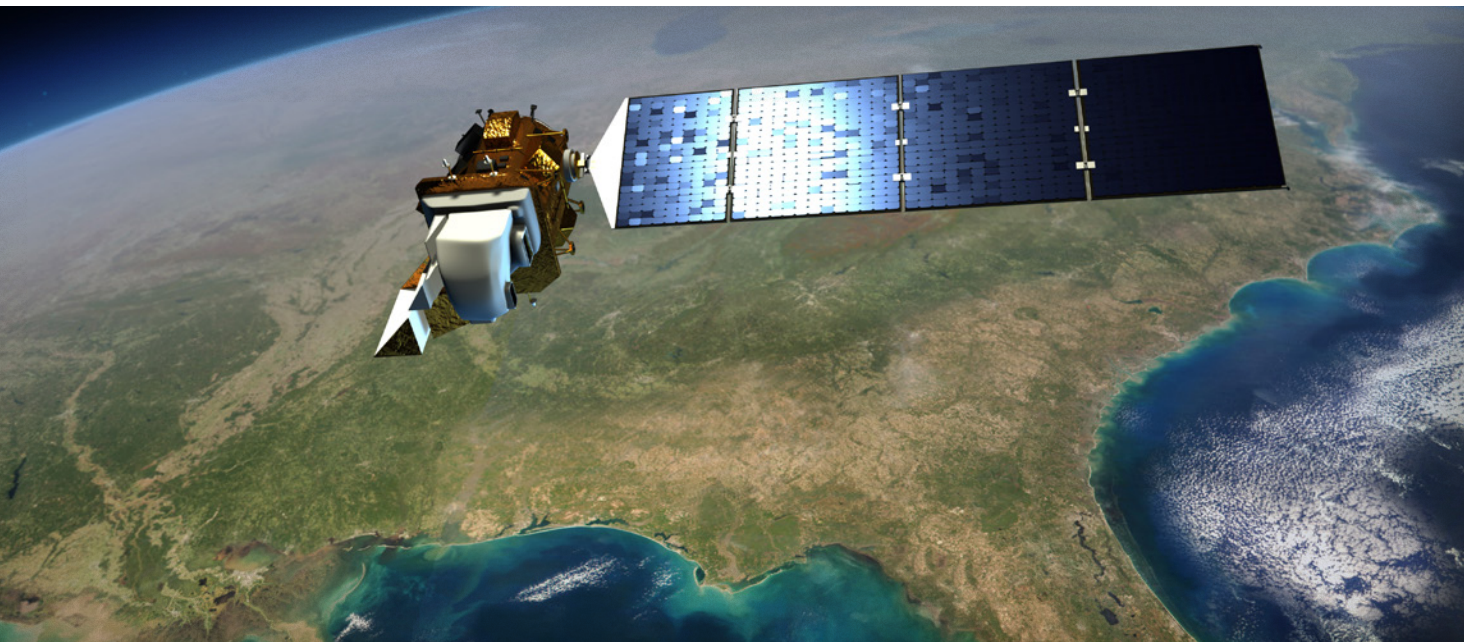
Business Lines Supporting Environmental Initiatives

Several of our business units' contracts support the U.S. government's efforts to mitigate ecological impacts. For instance, GD Mission Systems realizes significant business returns from its climate-related products and services offerings to various U.S. federal government agencies, such as the Department of the Interior's U.S. Geological Survey, National Aeronautics and Space Agency (NASA), and National Oceanic and Atmospheric Administration (NOAA).

These products and services have taken the form of specially engineered instruments and communications devices for on-orbit Earth observation satellites, including the Landsat constellation, whose mission has collected data on the forests, farms, urban areas and freshwater of our home planet, generating the longest continuous record of its kind. Decision-makers from across the globe use freely available Landsat data to better understand environmental change, manage agricultural practices, allocate scarce water

resources, respond to natural disasters and more. In addition, GD Mission Systems is a leading provider of complex ground stations, communications links and mission operations centers for NASA's Earth Observing System (EOS), which is a coordinated series of polar-orbiting and low-inclination satellites for long-term global observations of the land surface, biosphere, solid Earth, atmosphere and oceans.

Similarly, GDIT operates a vibrant portfolio of programs supporting the Environmental Protection Agency (EPA) and related environmentally focused organizations. Among the services GDIT provides are mission-centric consulting in environmental sciences and public health, and support of the Western Climate Initiative, the Regional Greenhouse Gas Initiative, and other EPA initiatives, including its flagship energy-efficiency ENERGY STAR program.



GD Missions Systems is building the operations center to support Landsat missions.

Mitigating Ecological Impact

Energy Management

Companywide, General Dynamics takes steps in each business unit to mitigate the effects of our day-to-day operations and manufacturing processes. This includes making efforts to reduce our energy consumption. At NASSCO in San Diego, for instance, we work closely with energy providers to run an ongoing Strategic Energy Management (SEM) program to identify and implement energy savings projects. Year Three of the SEM program reduced energy consumption by 1.3 million kWh per year. As we enter the fourth year of the SEM program, the team is investigating 30 additional energy savings projects.

In 2020, Bath Iron Works (BIW) entered into a long-term agreement to procure solar energy credits representing 92% of the total electricity consumed at its main yard. The partnership reduces BIW's carbon footprint while providing financial certainty for developers constructing six new solar projects in the state of Maine. BIW was the first major industrial user in the state to enter into this type of relationship.

As a large industrial manufacturer, we will continue to leverage both our scale and our innovative processes to drive energy efficiency and promote the transition to clean sources of energy.

Waste and Hazardous Materials Management

We minimize the generation of waste by developing new production processes or optimizing existing ones to recover and recycle raw materials and to dispose of unrecyclable waste in a sustainable manner and in accordance with the strictest waste

disposal standards. For example, Ordnance and Tactical Systems developed a new method to neutralize chemicals used for etching and anodizing specialized parts at its plant in Springboro, Ohio. By combining the used chemicals from two separate places on its assembly line, the chemicals neutralize each other and significantly decrease the amount of waste generated, as well as the amount of energy consumed. This step also delivers a reduction of water usage of more than 10 million gallons per year.

Water and Wastewater Management

Sustainable water management means obtaining freshwater and discharging treated wastewater without negatively impacting aquatic ecosystems. For example, the Electric Boat Quonset Point facility captures and processes all of the wastewater generated from its industrial operations. This is more than 100,000 gallons of water per year — the equivalent of more than 6,000 showers. We recycle industrial wastewater by treating it so it can be used again in our manufacturing processes. As a result, wastewater is not released into the sewer system or the sea.

We also voluntarily participate in the EPA's RCRA Corrective Action Program. For over 25 years, we've been sampling, remediating and monitoring various facilities, resulting in the remediation of 20,000 tons of soil.

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Where practicable, we seek to follow the disclosure topics and accounting metrics established by the Sustainability Accounting Standards Board (SASB). Below are the SASB standards for the aerospace and defense sector, with links to relevant information.

Metric Code	Accounting Metric	Report Location
<i>Energy Management</i>		
RT-AE-130a.1	(1) Total energy consumed, GJ (2) Percentage grid electricity, % (3) Percentage renewable, %	(1) 7,155,804 (2) 92.5% (3) 7.5% Greenhouse Gas Emissions
<i>Waste Management</i>		
RT-AE-150a.1	Amount of hazardous waste generated, percentage recycled	29% of 18,199 tons of hazardous waste were recycled throughout the enterprise.
RT-AE-150a.2	Number and aggregate quantity of reportable spills, quantity recovered, kg	We promptly report all suspected or confirmed spills to the appropriate environmental authority.
<i>Data Security</i>		
RT-AE-230a.1	Number of data breaches, percentage involving confidential information	None of a material nature
RT-AE-230a.2	Description of approach to identifying and addressing data security risks in company operations and products	Information Security Data Privacy and Protection Governance
<i>Product Safety</i>		
RT-AE-250a.1	Number of recalls issued, total units recalled	None
RT-AE-250a.2	Number of counterfeit parts detected, percentage avoided	We promptly report all suspected or confirmed cases to the government and/or the customer. Counterfeit Parts Prevention
RT-AE-250a.3	Number of Airworthiness Directives received; total units affected	The most recent information is available from the FAA.
RT-AE-250a.4	Total amount of monetary losses as a result of legal proceedings associated with product safety	None of a material nature

<i>Fuel Economy & Emissions in Use-Phase</i>		
RT-AE-410a.1	Revenue from alternative energy-related products, USD	Most of our products are alternative energy-related. This includes all-new Gulfstream aircraft that are capable of operating on sustainable alternative fuel (SAF), nuclear-powered submarines that are carbon neutral, and satellite components powered by solar energy. Fuel Economy and Emissions
RT-AE-410a.2	Description of approach and discussion of strategy to address fuel economy and GHG emissions of products	Environmental Responsibility
<i>Materials Sourcing</i>		
RT-AE-440a.1	Description of the management of risks associated with the use of critical materials	Materials Sourcing
<i>Business Ethics</i>		
RT-AE-510a.3	<p>(1) Total amount of monetary losses as a result of legal proceedings associated with incidents of corruption, bribery, and/ or illicit international trade</p> <p>(2) Revenue from countries ranked in the "E" or "F" Band of Transparency International's Government Defence Anti-Corruption Index</p> <p>(3) Discussion of processes to manage business ethics risks throughout the value chain</p>	<p>(1) None</p> <p>(2) We do not have direct defense business with any of these countries outside of that overseen by the U.S. government's Foreign Military Sales or Direct Commercial Sales process, or equivalent allied country processes.</p> <p>(3) Global Supply Chain</p>
<i>Activity Metrics</i>		
RT-AE-000.A	Production by reportable segment	Aircraft deliveries in units are reported in our 10-K. Deliveries of ships, combat vehicles and other systems are reported as applicable by our government customers. Review of Operating Segments (10-K)
RT-AE-000.B	Number of employees	101,100 (as of December 31, 2020) Business Overview

In addition to the SASB Aerospace and Defense items above, we also report on the following items.

	Greenhouse gas emissions (1) Scope 1 (2) Scope 2 (3) Scope 3	Greenhouse Gas Emissions
	Safety (1) Recordable cases (2) Absence cases (3) Lost work days	See Safety for industry comparison (1) 1,747 (2) 522 (3) 15,960
	Demographics	Our full EEO-1 is posted online at GD.com. Diversity, Equity and Inclusion

In accordance with ISO 14064, we engage a third party to provide independent verification of greenhouse gas (GHG) emissions information. Apex Companies LLC (Apex) provided independent verification on the accuracy of the GHG emissions reported by General Dynamics for 2020 and on the underlying systems and processes used to collect, analyze and review the information. A copy of Apex’s verification opinion declaration is available on the General Dynamics [website](#).

OUR COMMITMENT TO TRANSPARENCY

We are committed to collecting, assessing and making available data about our company in order to keep investors, employees, customers, suppliers, communities and other stakeholders informed.

Supporting documents, to include our Annual Report, Proxy, Equal Employment Opportunity report (EEO-1), CDP questionnaire and independent verification statements are available at gd.com/responsibility.

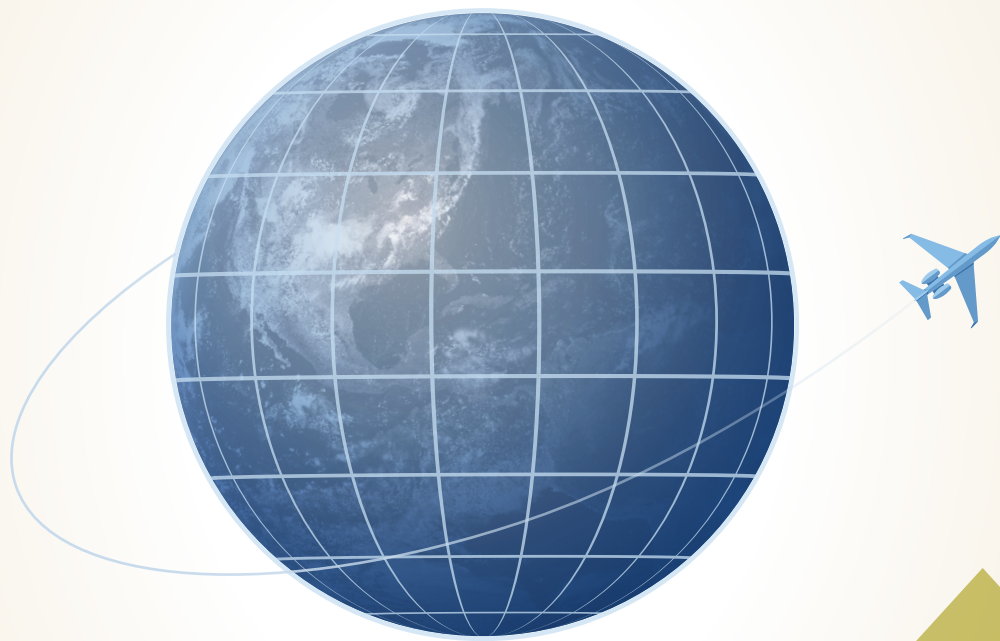
Forward-Looking Statements

This report may contain information about the company's expectations of future performance, including future financial or operating performance. This information constitutes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements are based on management's current expectations, estimates, projections and assumptions. These statements are not guarantees of future performance and involve risks and uncertainties, which are difficult to predict. Therefore, actual future results and trends may differ materially from what is forecast in forward-looking statements due to a variety of factors. Additional information regarding these factors is contained in the company's filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K. All forward-looking statements speak only as of the date they were made. General Dynamics does not undertake any obligation to update or publicly release any revisions to any forward-looking statements to reflect events, circumstances or changes in expectations after the date of this report.

The appearance of U.S. Department of Defense photos does not imply or constitute DoD endorsement.

GENERAL DYNAMICS

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