



**WHEREAS:** The Intergovernmental Panel on Climate Change reports that immediate and significant emissions reductions are required of all market sectors to stave off the worst consequences of climate change.<sup>1</sup> Decarbonizing the aviation industry is a critical component of global decarbonization, according to the International Energy Agency.<sup>2</sup> Investor demand for science-aligned emission reductions and transition planning reflects the reality that climate-related risk exposure is growing.<sup>3</sup>

RTX Corporation, a major U.S. defense contractor and industrial corporation, is subject to substantial emerging regulations in both the U.S. and abroad regarding its emission-intensive operations and products.<sup>4</sup> For example, the proposed Federal Supplier Climate Risks and Resilience Rule would require large federal contractors to disclose Scope 1, 2, and 3 emissions and set science-based emissions reduction targets.<sup>5</sup> By reducing emissions from its full value chain in alignment with global goals, RTX can meet new regulatory requirements, increase competitiveness in low-carbon technology development, address new capital deployment needs, and take advantage of low-carbon financial opportunities.

RTX's current disclosures lack specific, forward-looking, and quantitative action plans that are sufficient to achieve alignment with the global aim of 1.5°C. While RTX has set a science-aligned emissions reduction target for its operations, this goal covers less than 10% of the Company's total emissions.<sup>6</sup> RTX has yet to set a target to reduce emissions from its value chain, which constitutes 90% of the Company's overall emissions. This failure to address emissions across its full value chain, coupled with the absence of a comprehensive transition plan, leaves the Company's exposed to growing climate-related risks.

Aerospace and industrial companies are galvanizing action and investment toward decarbonization. RTX risks falling behind as peers Airbus, BAE Systems, Cisco Systems,

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<sup>1</sup> [https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC\\_AR6\\_SYR\\_FullVolume.pdf](https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_FullVolume.pdf), p.20

<sup>2</sup> [https://iea.blob.core.windows.net/assets/13dab083-08c3-4dfd-a887-42a3e533bc/NetZeroRoadmap\\_AGlobalPathwaytoKeepthe1.5CGoalinReach-2023Update.pdf](https://iea.blob.core.windows.net/assets/13dab083-08c3-4dfd-a887-42a3e533bc/NetZeroRoadmap_AGlobalPathwaytoKeepthe1.5CGoalinReach-2023Update.pdf), p.88

<sup>3</sup> <https://www.weforum.org/agenda/2023/10/climate-loss-and-damage-cost-16-million-per-hour/>;  
<https://corpgov.law.harvard.edu/2023/01/30/eu-finalizes-esg-reporting-rules-with-international-impacts/>

<sup>4</sup> <https://www.ft.com/content/7a0dd553-fa5b-4a58-81d1-e500f8ce3d2a>;

<https://www.npr.org/2023/10/12/1205068747/climate-change-emissions-companies-disclosure-sec-california>

<sup>5</sup> <https://www.sustainability.gov/federal-sustainability-plan/fed-supplier-rule.html>

<sup>6</sup> <https://prd-sc102-cdn.rtx.com/-/media/rtx/social-impact/our-esg-vision/esg-2023/resources/cdp-climate-2023-final-webposting.pdf?rev=94b0d254f18142049dc6d93ecc0d4d56&hash=1372C66B5982A30BE5811F912A314A9D>, p.33-37



Deere & Company, Honeywell, and Safran have established emission reduction targets through the Science Based Targets initiative that cover all scopes of emissions.<sup>7</sup>

By setting science-aligned emission reduction targets across its full value chain and providing a comprehensive transition plan, RTX Corporation can improve its competitiveness against peers, prepare for regulation, and position itself to maximize climate-related opportunities.

**BE IT RESOLVED:** Shareholders request that the Board issue a report, at reasonable expense and excluding confidential information, disclosing how RTX intends to reduce its full value chain emissions in alignment with the Paris Agreement’s 1.5°C goal.

**SUPPORTING STATEMENT:** Proponents recommend, at Board discretion, that reporting include:

- A timeline for setting 1.5°C-aligned, near-term emission reduction targets;
- A timeline for setting long-term net zero goals;
- A climate transition plan to achieve emissions reduction goals across all relevant emission scopes; and
- Annual reporting demonstrating progress towards meeting emission reduction goals.

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<sup>7</sup> <https://sciencebasedtargets.org/companies-taking-action>