



Aerospace & Defense

Driving forces

The aerospace and defense industry is heavily reliant on product innovation to develop safer and more efficient modes of transportation, space exploration technologies and military and defense systems. Operational eco-efficiency is an important focus of R&D initiatives due to increasing demand for cleaner and quieter aircraft. While technological advancement improves performance, it also deepens the complexity of aircraft systems. At the same time, original equipment manufacturers are facing continuous cost pressures from both competitors and customers. The confluence of these factors has pushed manufacturers toward outsourcing practices, potentially increasing the risks to product quality and safety. Aerospace and defense companies have also come under increased scrutiny for developing certain weaponry and the potential for harm caused to civilians. Corruption, bribery and anti-competitive practices also remain primary areas of concern across the industry. Therefore, performing thorough governance and social due diligence is of utmost importance.

Highlighted criteria & dimension weights

- Environmental Dimension ... 27%
 - Climate Strategy
 - Operational Eco-Efficiency
 - Product Stewardship
- Social Dimension 33%
 - Human Capital Development
 - Human Rights
 - Occupational Health and Safety
- Governance & Economic Dimension 40%
 - Codes of Business Conduct
 - Compliance with Applicable Export Control Regimes
 - Supply Chain Management

Industry Awards 2022

		S&P Global ESG Score
S&P Global Gold Class		
Leonardo S.p.a.	Italy	81
Sustainability Yearbook Members		
Lockheed Martin Corporation	United States	72
Northrop Grumman Corporation*	United States	70
Rolls-Royce Holdings plc	United Kingdom	69
BAE Systems plc	United Kingdom	69
Spirit AeroSystems Holding, Inc	United States	63
Thales S.A.	France	63

* S&P Global Industry Mover

Industry Statistics

Number of companies assessed	74
Market capitalization of assessed companies (in USD billion)	1,072.3
Number of companies in Yearbook	7
Market capitalization of companies in Yearbook (in USD billion)	233.6