

SUSTAINABILITY IN ACTION

2024

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01

FACTS AND FIGURES¹

COMMITMENT TO THE ENVIRONMENT AND CLIMATE

~180,000
tonnes of CO_{2e} avoided by 2020 due to partial substitution of SF₆ gas

-9.5%
Scope 1 and 2 market based emissions compared to 2022

≤80%
CO_{2e} emissions avoided in the SAF entire life cycle compared to conventional fuel

85%
of electricity from renewable sources

~77,000
tonnes of CO₂ avoided through the use of virtual training systems in 2023

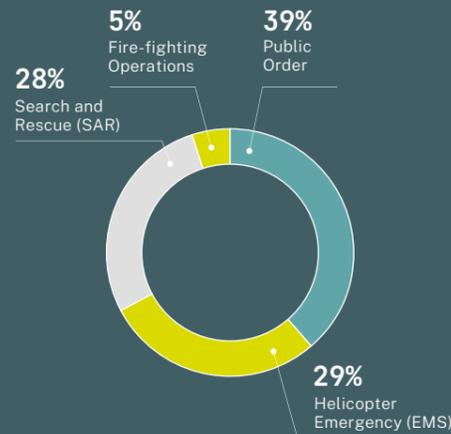
16,000
tonnes of CO_{2e} avoided per year by 2025 due to generated energy with photovoltaic panels

>16,000
tonnes of waste recovered in 2023

SOLUTIONS AND TECHNOLOGIES FOR SUSTAINABILITY

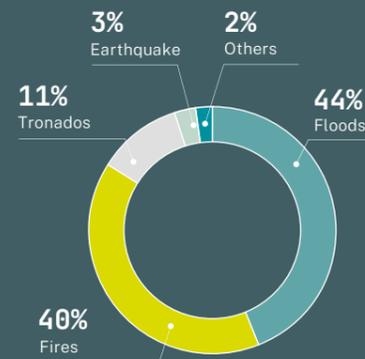
>1,200 Leonardo helicopters
for public order, search, rescue and firefighting missions

HELICOPTERS BY MISSION TYPE



62 Emergency mapping
activated for earthquakes, floods, fires, humanitarian crises in 30 countries

SATELLITE SERVICES BY TYPE OF INTERVENTION



12
helicopter models developed by Leonardo are able to use up to 50% sustainable fuel (Sustainable Aviation Fuel - SAF)

~150,000
tonnes of CO_{2e} avoided per year with Leonardo's Free Route ATM system in the Italian skies

1/10
CO_{2e} emissions produced with one hour of simulator versus one hour of real flight

LEONARDO AT A GLANCE

€ 15.3 BLN
Revenues



53,566
Employees



€ 39.5 BLN
Backlog



12,000
Suppliers worldwide



€ 17.9 BLN
Orders



150
Countries with sales presence



111
Sites and main plants worldwide



>6,800
SMEs among the suppliers in domestic markets



PEOPLE

6,118
new hires of which 43% are people with STEM degrees
49% under 30 25% women

938
training paths initiated with the education system, including internships, apprenticeship programmes, traineeships, school-to-work alternation

1.3 MLN
training hours delivered inhouse

INNOVATION AND DIGITALIZATION

€ 2.2 BLN
invested in R&D and product engineering

11
Leonardo Labs in 6 Italian regions and 1 in the US

>90
collaborations with universities and research centres globally

60%
employees with STEM degrees

1st
place in Italy and 2nd among European ADS companies for R&D investment

4
joint laboratories in collaboration with third parties

13,000
people dedicated to R&D activities

150
researchers and PhD students in Leonardo Labs research groups

6.6
petaflops of computing power

31.9
petabytes of storage capacity

200
servers installed in Genoa for davinci-1 supercomputer

¹ Unless otherwise indicated, all data refers to 2023.

02

SUSTAINABILITY IN ACTION

The current economic, geopolitical, environmental and social changes mean that the sustainable transition process can no longer be postponed: the commitment of institutions, civil society and businesses is converging on shared positions to preserve the future of the planet and its inhabitants. Having been setting the course, the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda, together with increasingly stringent European and international regulations -which require radical changes in the management of sustainability impacts, risks and opportunities. These factors drive companies to **accelerate the integration of ESG (Environmental, Social, Governance) aspects into business.**

In this context, Leonardo, through its **sustainability strategy and materiality analysis**, defines its actions to best respond to the current challenges and opportunities by fostering a sustainable growth process. This path implies a constant dialogue with external and internal stakeholders to identify the strategic priorities that guide the **definition of Sustainability Targets** and, therefore, the Sustainability Plan projects that contribute to achieving them.

Leonardo's growing commitment to ESG issues has made it possible to integrate sustainability throughout the value chain, starting with its strategy and Industrial Plan. The **strong data-driven imprinting** of sustainability, the recent commitments made regarding reduction of scope 1, 2 and 3 emissions a renewed materiality and disclosure process, together with a significant expansion of the Sustainability Plan are the driving factors behind a sustainability increasingly integrated in Leonardo's business.

Technological development, innovation and digitalization, together with the skills of human capital -distinctive factors of the company's global position are enablers for the **sustainable transition** of the Group and its supply chain and contribute to protecting and safeguarding the planet and its inhabitants, also through the solutions and technologies developed by the Company.

Leonardo's sustainability process



NOTE the sustainability strategy also includes the environmental and climate strategy, and is aligned with the 2024–2028 Business Plan.

STAKEHOLDER ENGAGEMENT FOR SUSTAINABILITY

Continuous **engagement with internal and external, national and international stakeholders** is a central element of Leonardo's strategy to create shared value. The company cultivates stable and lasting relationships, based on **integrity and transparency**, by communicating with and involving stakeholders to understand their interests and expectations in relation to sustainability. In addition to the involvement of stakeholders in its materiality analysis, Leonardo participates in the activities of international, European and national associations that monitor sustainability issues, share best practices and advocate on the related priorities for the business.

INTERNATIONAL

United Nations Global Compact (UNGC) -Of key importance is the partnership established with the UNGC and the Fondazione Global Compact Network Italia since 2018 (board member from 2022), that engage members in an ongoing dialogue on topics such as sustainable supply chains, transformative governance, sustainable finance and social impact.

COP28 -In 2023, Leonardo took part for the first time in COP28 in Dubai, at which it organized a “Technology Driven Climate Action” to show how its solutions can potentially enable the climate and environmental transition.

EUROPEAN ASSOCIATIONS

Aerospace, Security and Defence Industries Association of Europe (ASD) -Leonardo actively participates in the Climate and Defence Task Force (ASD), which aims to build a common Decarbonization Roadmap for the Aerospace and Defence sector; within it, Leonardo leads the Sustainable Supply Chain subgroup and takes part in the Ecodesign subgroup.

CSR Europe -The Group is also a member of CSR Europe, a European association of businesses committed to corporate sustainability and responsibility, engaged in analysing the evolution and application of EU regulation in various areas of sustainability such as reporting, materiality analysis, circular economy and biodiversity.

NATIONAL NETWORKS

In Italy, Leonardo is engaged in the main sustainability networks and associations such as **Sustainability Makers and Valore D**. At the same time, it participates in the Stakeholder Advisory Board of Edison (SAB) and the Advisory Board of *Anima per il Sociale and Civita*.

Finally, following the growing interest of national and international defence institutions in adapting military instruments to climate change and decarbonization, Leonardo has been contributing to dedicated working groups, providing its experience and best practices.

← Stevns-Klint, Denmark.- COSMO-SkyMed Image@ASI.
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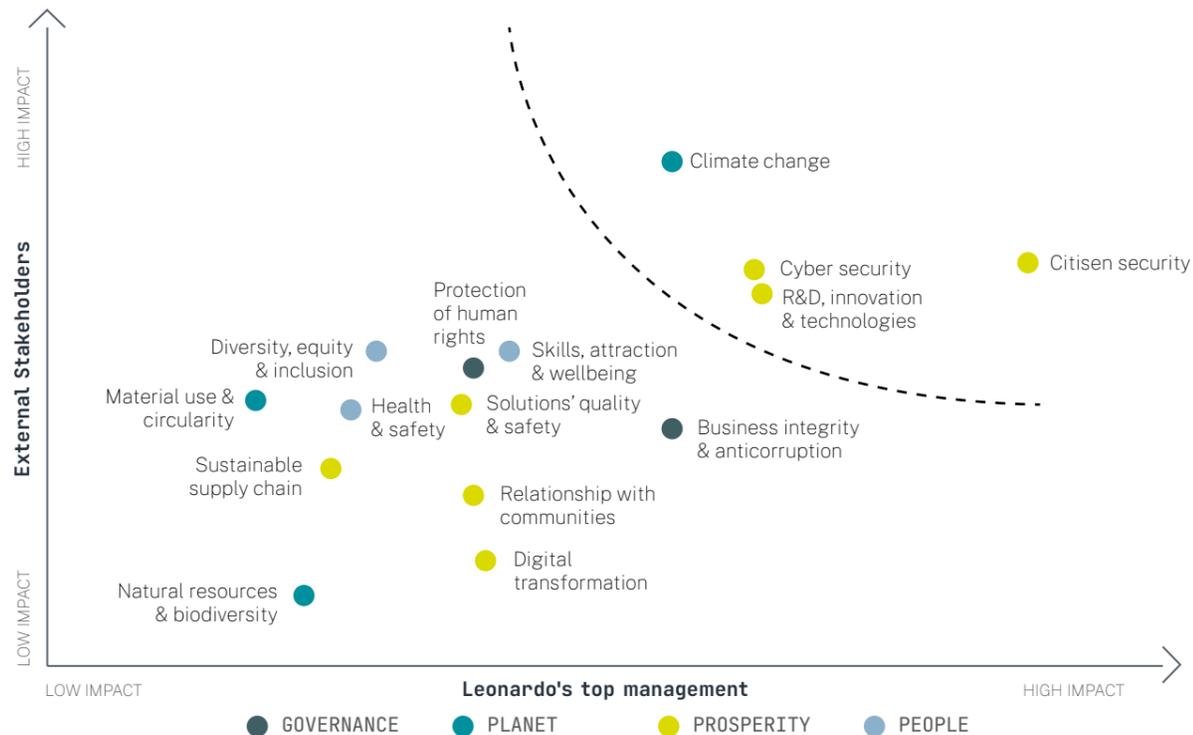
MATERIALITY ANALYSIS

For Leonardo, the definition of a sustainable strategy is based on its materiality analysis, a key process that identifies issues **representing the impacts generated** by the Company (material topics) on the planet, people, society and the economy, including human rights, while integrating the perspectives of the main interest groups with the management's vision. The analysis supports and guides identification of strategic goals, the **definition of the Sustainability Plan** and drafting of the Integrated Annual Report.

In 2023, this process involved over **500 external and internal stakeholders**, representing 13 stakeholder categories relevant to the Group, its management and the Board of Directors, in order to intercept all the main instances of the ecosystem in which Leonardo operates. The process was implemented in three stages: analysing and understanding the regulatory context, identifying impacts and assessing their significance, also done by involving internal and external stakeholders. The results of the analysis allowed to define the material topics for the Group, approved by top management.

The impact matrix graphically represents the priority levels of the material topics identified, by comparing the perspectives of management and external stakeholders. All the topics represented are relevant to stakeholders: those topics with the highest impact –in the top right quadrant –are in line with the group's core business or with trends relevant to the Aerospace, Defence & Security sector.

Impact matrix



HIGHLIGHTS

- 527** people involved
- 49%** total response rate
- 13** stakeholders category
- 60+** impacts mapped
- 39** C-level and BoD members invited
- 53%** of material impacts are positive

SUSTAINABILITY TARGETS

Guided by the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda and the **integration of environmental, social and governance (ESG) aspects into the business**, the **sustainability targets** defined by Leonardo cover the Governance, People, Planet, Prosperity aspects with **specific KPIs and related targets** for each area. In 2023, the Group continued on its decarbonization path by setting its own science based direct and indirect CO₂ emissions and those of the entire value chain, which were then validated in 2024 by the Science-Based Targets initiative in 2024 as for the reduction of Scope 1 and 2 emissions, they updated and made the previous target more challenging, raising it from -50% to -53% by 2030. Achieving the 2023 Prosperity and Governance goals prompted Leonardo to set new and more ambitious targets. The new commitments involve training key suppliers on sustainability issues, integrating ESG requirements into the criteria for supplier selection, as well as renewing and maintaining the certification of management processes on anti-corruption and training employees on trade compliance and human rights issues.

WITH REFERENCE TO GOVERNANCE, PEOPLE, PLANET AND PROSPERITY ASPECTS, THE GOALS AIM TO:



Promote a responsible business model through robust trade compliance and certified anti-corruption management processes (Governance).



Promote an inclusive environment and attract talent, particularly by promoting an increase in women, including in the STEM area (People).



Reduce energy consumption, CO_{2e} emissions and environmental impact, including by reducing and streamlining the use of electricity from the grid, water withdrawal and waste produced by implementing circular economy practices (Planet).



Develop the supply chain and strengthen digitalization in both processes and supplier relations, and involve the supply chain in development programmes, training on sustainability issues and goals related to reducing environmental impact (Prosperity).

PILLAR OBJECTIVES PROGRESS TARGET YEAR SDG/Material topics

GOVERNANCE

	Annual renewal/maintenance of the ISO 37001:2016 "Anti-Bribery Management System" certification	✓	2023	Business integrity, compliance and anti-corruption. Protection of human rights.
		+	2024-2026 (renewal and maintenance)	

PEOPLE

	At least 32% of women on total hires	📷	2025	Diversity, equity and inclusion. Health and safety. Skill development, talent attraction and wellbeing of employees.
	30% of women on total hires in STEM areas	📷	2025	
	20% of women in management levels	📷	2025	
	20% of women on total employees	📷	2025	
	27% of women in succession plans	📷	2025	

PLANET

	10% reduction in consumption of electricity withdrawn from external grid ^I	📷	2025	Climate change, adaptation/ mitigation. Natural resources and biodiversity management. Environmental impact of the use of materials and circularity.
	50% reduction in Scope 1 + Scope 2 (market based) emissions ^{II}	📷	2030	
	25% reduction in water withdrawals ^{III}	📷	2030	
	15% reduction in the amount of waste produced ^{III}	📷	2030	

PROSPERITY

	Implementing supply chain development programmes and medium/long-term partnerships, focused on SMEs, to improve business sustainability	✓	2023	Sustainable supply chain. Cyber security and data protection. Solutions' quality, security and performance. Relations with local areas and communities. R&D, innovation and advanced technologies. Citizens' security. Digital transformation.
	Raising awareness of/delivering training on SDGs and supporting tools for reporting to more than 80% of key suppliers (over 500 suppliers)	✓	2023	
	100% of LEAP partners with set targets and plans on green energy, CO ₂ emission reduction, waste recycling, water consumption	✓	2023	
	Training in sustainable supply chain issues to at least 500 key suppliers	+	2027	
	Inclusion of ESG criteria/requirements in more than 70% of major new tenders awarded ^{IV}	+	2028	
	Increasing computing power by 40% per capita ^V	📷	2025	
	Increasing storage capacity by 40% per capita ^V	📷	2025	

^I Calculated as a ratio to revenues. Baseline year 2019.
^{II} Reduction in absolute value. Baseline year 2020.
^{III} Reduction in absolute value. Baseline year 2019.

^{IV} Calculated on tenders valued >€mil. 1 managed through Leonardo portal, does not include DRS, the Electronics Division of Leonardo UK and local purchases on the part of foreign subsidiaries.
^V Calculated as the number of flops and bytes in relation to employees in Italy. Baseline year 2020.

✓ Objective achieved
 + New objective
 📷 On track

NEW SBTi TARGETS

The Science Based Targets initiative (SBTi) supports companies in their decarbonization ambitions by providing tools, guidelines and criteria to set targets aligned with the goal of limiting warming to 1.5°C, as defined by the Paris Agreement in 2015. Setting targets using the SBTi methodology will reinforce Leonardo's commitment to decarbonization by including indirect Scope 3 emissions. Leonardo formalized its commitment in November 2022 by proposing three targets that cover the Scope 1, Scope 2 and Scope 3 emissions, validated in 2024.

The validated SBTi targets are²:

- 53% reduction in Scope 1 and 2 absolute GHG emissions by 2030 compared to 2020. The SBTi ranked the ambition of Leonardo's Scope 1 and 2 targets in line with the 1.5°C global warming containment trajectory.
- 58% of Leonardo's suppliers by emissions, covering Scope 3 categories 1 and 2 (purchased goods and services and capital goods), will set their own science-based decarbonization targets by 2028.
- 52% reduction in Scope 3 GHG emissions from: fuels and energy activities³, transport and distribution upstream of production activities⁴, waste generated in processes⁵, business travel⁶, employee commuting⁷, leased assets upstream of production activities⁸, and use of products sold⁹ per equivalent flying hour, by 2030 compared to 2020.



SUSTAINABILITY PLAN

Leonardo's Sustainability Plan translates the group's vision and sustainability goals into measurable short-, medium- and long-term projects and initiatives. It operates through a structured model guided by a **data-driven approach** that measures performance through specific ESG KPIs to evaluate the achievement of the Sustainability Targets. The Plan is subject to an annual review and update process to better address the Group's strategy. 2023 marks the end of the update cycle of the 2021-2023 three-year plan, which allowed the group to achieve significant results throughout the value chain.

MAIN ACHIEVEMENTS OF THE 2021-2023 SUSTAINABILITY PLAN

- Reduction electricity consumption from the grid by **33 GWh (-5%** compared to 2019).
- Reduction of water withdrawal by **569 megalitres (-10%** compared to 2019).
- ¹⁰ Over **20,320 people** in Leonardo completed the first sustainability course.
- Over **80 executives** took part in the Sustainable Transformation of Business course.
- 206 SMEs** involved in supply chain development programmes.
- 648 key suppliers** trained on the SDGs.
- 100% of LEAP partner suppliers** have formalized sustainability goals, action plans and reporting systems.
- Reduction in the Group's Scope 1 and 2 market-based emissions of **172,000 tonnes of CO_{2e}/year (-41%** compared to 2020).

² For more information refer to <https://sciencebasedtargets.org/companies-taking-action>

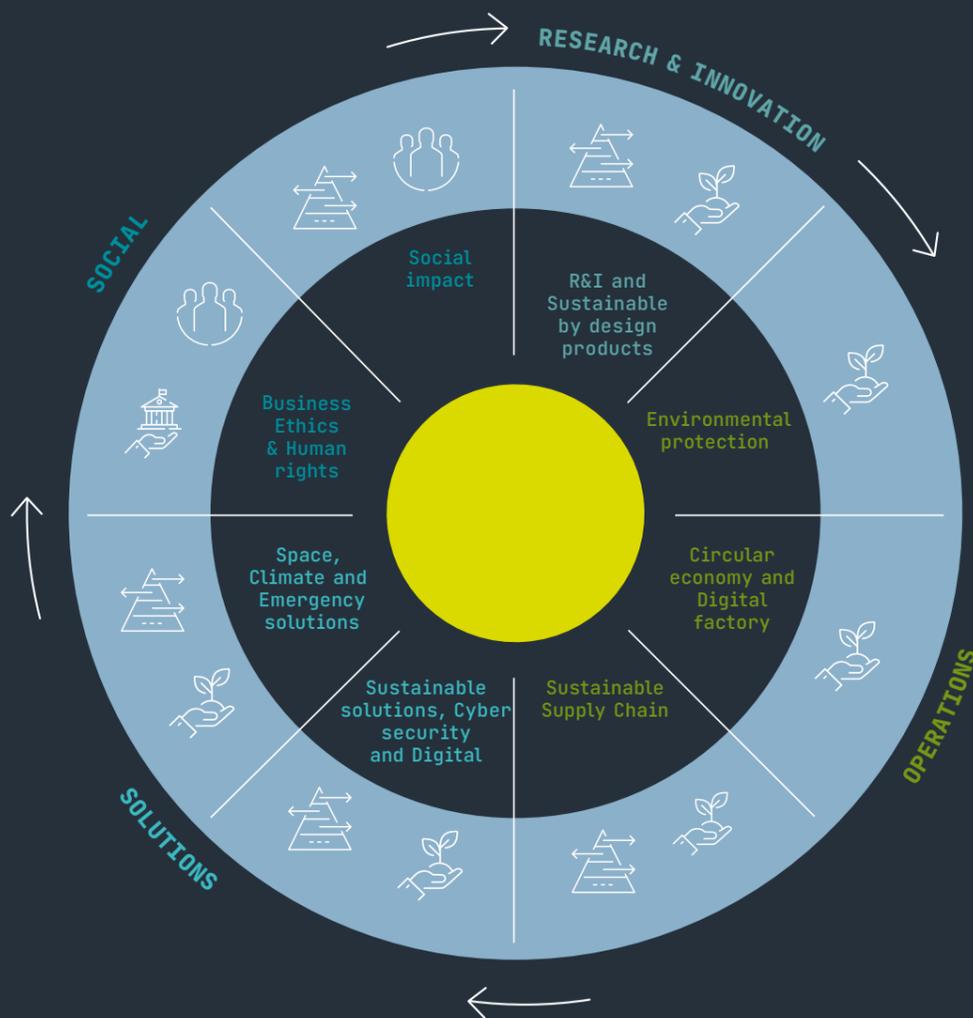
³ Scope 3 Category 3
⁴ Scope 3 Category 4
⁵ Scope 3 Category 5
⁶ Scope 3 Category 6
⁷ Scope 3 Category 7
⁸ Scope 3 Category 8
⁹ Scope 3 Category 11
¹⁰ As per end of May 2024

Sustainability is one of the enabling factors of Leonardo's new Industrial Plan and is integrated throughout the value chain. Consistently, this approach is reflected in the new Sustainability Plan Group's 2024-2028.

The new five-year Sustainability Plan, **integrated with the Group's Industrial Plan and divided into eight thematic clusters**, consists of 100 projects aimed at achieving the Group's strategic goals and priorities, with a focus on the Sustainability Goals. With more than half of the planned budget focused on the **development of sustainable products and solutions** and a growing contribution from Space and Cyber businesses, Leonardo's new Sustainability

Plan strengthens its contribution to a sustainable development of the planet and society. To do so, it exploits **technologies for citizens' security and infrastructures and to protect the climate**, such as global monitoring from in-orbit services, advanced virtual training systems for helicopters and aircraft and the use of fuels with low environmental impact (SAF). Among the main areas of commitment, the Plan will also focus on **digitalization as an enabler of sustainability**, with examples of smart factories based on the NEMESI project and upgrading of the Davinci-1 supercomputer, **decarbonization and efficient use of natural resources, sustainable supply chain and social impact**.

2024-2028 - The Sustainability Plan: Value chain, Cluster and ESG Pillars¹¹



¹¹ The link between the Clusters of the Sustainability Plan and ESG Pillars is made by criteria of impact

Sustainability plan clusters	Main projects	Impact on SDGs	
		CORE	OTHERS
R&I AND SUSTAINABLE PRODUCTS BY DESIGN	<ul style="list-style-type: none"> Next Generation Civil Tiltrotor: development of a new, more eco-efficient commercial tiltrotor model Sustainable Aviation Fuels: a study for increasing use of fuels with lower environmental impact in fixed-and rotary-wing aircraft Rotocraft Digital Twin: development of a digital helicopter model to enhance design, analysis and maintenance activities ATR EVO hybrid: a study to integrate hybridization capabilities into an existing regional transport aircraft model 		
ENVIRONMENTAL PROTECTION	<ul style="list-style-type: none"> Science Based Targets initiative: decarbonization project based on reduction of climate-changing emissions related to operations, supplier involvement in climate commitment pathways and development of products with lower environmental impact Water use efficiency improvement programme Chrome VI phase out 		
CIRCULAR ECONOMY AND DIGITAL FACTORY	<ul style="list-style-type: none"> NEMESI and Factory of the future: digitalization, automation of industrial processes and application of technologies inspired by the Industry 4.0 model for greater production efficiency Recycling and reuse of carbon fibres 		
SUSTAINABLE SUPPLY CHAIN	<ul style="list-style-type: none"> Involving suppliers through training, support and development on sustainability topics 		
SUSTAINABLE, CYBER SECURITY AND DIGITAL SOLUTIONS	<ul style="list-style-type: none"> Genova 4 Axes: a smart mobility project in the city of Genoa, based on public transport automation technologies Monitoring and support of space objects through Space Situational Awareness and In-Orbit Services for increased security of infrastructure in space IRIDE: geo-observation and geospatial services programme to support public administration 		
SOLUTIONS FOR SPACE, CLIMATE AND EMERGENCIES	<ul style="list-style-type: none"> Fire-fighting configuration of the C-27J aircraft to support environmental protection operations Copernicus satellite mapping services for effective emergency management Simulation services during design, maintenance and customer training 		
BUSINESS ETHICS AND HUMAN RIGHTS	<ul style="list-style-type: none"> Renewal of anti-corruption management system certification 		
SOCIAL IMPACT	<ul style="list-style-type: none"> Talent engine: people-centric projects aimed at improving gender balance, inclusion and wellbeing, DE&I culture and promotion of STEM skills, inside and outside the company Gender Equality Certification (UNI/PdR 125:2022) and Strategic Plan 		

SUSTAINABILITY STRATEGIC PLANNING AND MANAGEMENT CONTROL

Strategic planning and management control of sustainability is a cornerstone of Leonardo's sustainability process. They are based on systematic data driven approach carried out throughout the entire value chain, supporting strategic decisions and enabling continuous improvement in sustainability performance towards the achievement of the Group's targets.

This is possible by an extensive internal organizational structure that exploits common digital platforms to manage specific set of KPIs, according to standardized methods and metrics. ESG data come from all the Group's areas by a bottom-up process, ensuring accountability by a multi-level approval and are assembled, analyzed and checked centrally through data analytics systems. The analyses cover sustainability performance forecast data (Budget Plan for ESG KPIs) as well the performance and the economic data of the Sustainability Plan's projects, to verify the potential achievement of the Group's sustainability targets through existing initiatives.

Digitalization supporting the sustainability strategic planning and management control

BOTTOM-UP PROCESS: DATA PROVIDED BY

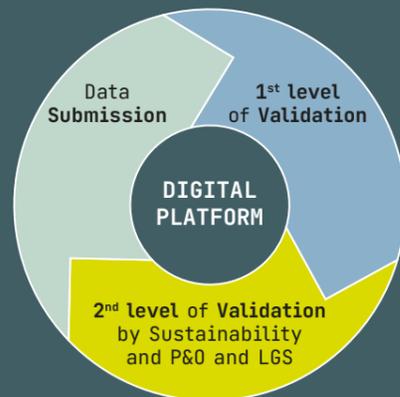
- Divisions
- Companies
- HSE Corporate

DATA INPUT AND VALIDATION FROM ACCOUNTABLE ROLES

- Sustainability Managers
- Finance Referents
- Energy Managers
- HSE Managers
- Project Managers
- P&O Referents

DATA INPUT

Data owners fully accountable



DATA ANALYSIS & SHARING

Managed by Sustainability

OUTPUT

- Dashboards (Libar)
- ESG KPI Forecast
- Management control reports

ADDRESSED TO

- Top Management
- Internal Stakeholders
- ESG Ratings
- External Stakeholders
 - Institutions
 - Customers
 - Suppliers



ESG KPI BUDGET PLAN

Five-years ESG KPIs Budget Plan aimed at yearly estimating the forecast on ESG Group's KPIs to evaluate the achievement of the sustainability targets.



SUSTAINABILITY PLAN

Sustainability Plan's KPIs and economics half-yearly reporting and analysis to evaluate effectiveness and progress of the Group's projects towards the achievement of the sustainability targets and the long-term strategic goals.

ESG RATINGS

ESG ratings express an assessment of the commitment, management and monitoring that a company applies to the impacts, risks and opportunities associated with environmental, social and governance topics. These ratings are produced by both commercial organizations (such as MSCI or Moody's) and non-profit organizations (such as CDP) and are used by the financial community, especially institutional investors, to support investment choices, while customers and suppliers integrate these ratings into commercial tender processes.

ESG rating processes take into account macro-trends in the sector, current and future regulatory requirements and market best-practices and are therefore central to the design and development of our sustainability strategy. Leonardo's objective is, in fact, to leverage ESG ratings as drivers to strengthen its strategy and achieving ESG performance that is in line with stakeholders' expectations.

ESG RATINGS, SCORES AND ACHIEVEMENTS¹²

	RATING LEONARDO	SCALE (LOW/HIGH)	RANKING IN SECTOR	SECTOR AVERAGE
CDP	A-	D- A	Leadership Band	C
S&P Global	80	0 100	1/97	37
MSCI	BBB	CCC AAA	-	A
SUSTAINALYTICS	24,0 Medium Risk	40+ 0 Severe - Negligible	9/105	34,5
ISS ESG	C+	D- A+	Decile 1	C
MOODY'S	63	0 100	3/19	42
REFINITIV	84 GRade A	0 100	1/115	41
ecovadis	82	0 100	99° percentile	55

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA



PART OF
MIB ESG
by EIBRONEXT



¹² As of June 2024

03

INNOVATION, DIGITALIZATION AND SUSTAINABILITY



THE VALUE OF DIGITALIZATION

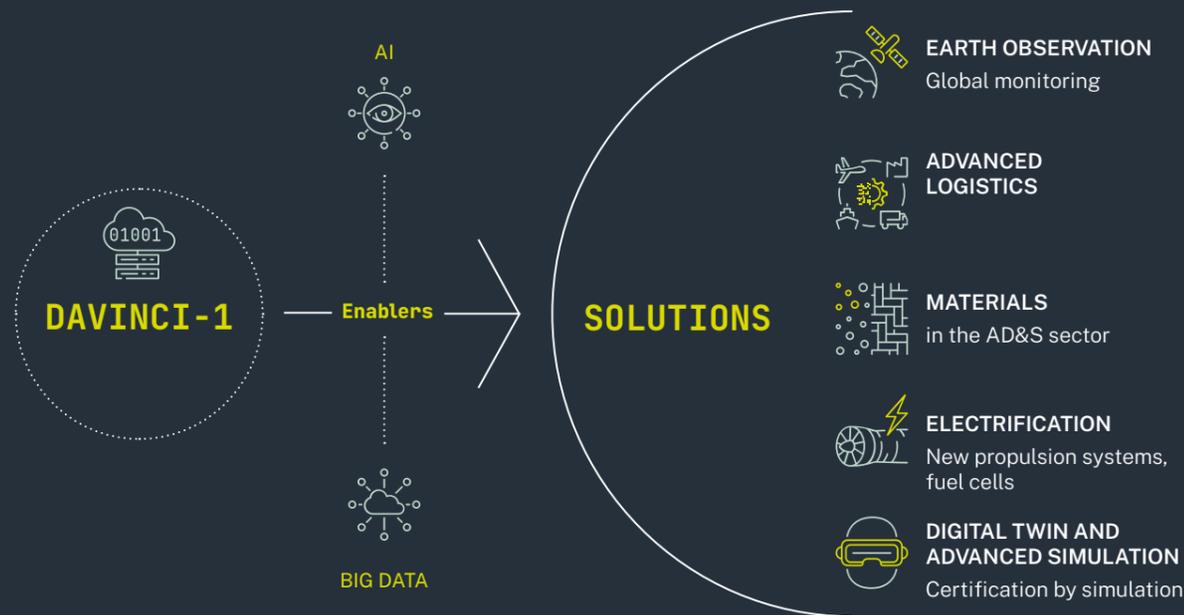
Digitalization and supercomputing contribute strongly to accelerating Leonardo's technological innovation process and form the basis of our high-tech approach to sustainability. Simulation and virtualization of solutions, production processes, product testing and training not only reduce the environmental impacts of activities, but also offer solutions that contribute positively to the sustainability of the planet. Examples are solutions for emergency management or for monitoring and protecting natural resources based on satellite data processing.

■ ARTIFICIAL INTELLIGENCE (AI)

Leonardo studies and develops new applied AI solutions in multiple technological fields: from system autonomy through Swarm Intelligence techniques to algorithms for uncrewed systems, from control and monitoring systems to cognitive sensors and resilience systems, from cyber security systems to radar signal processing, through war-gaming and simulation systems to industrial process optimization and predictive maintenance, with positive impacts in terms of time reduction, energy and material consumption and extending product life.

■ DIGITAL TWIN

a virtual copy of a product, process or system that models its behaviour over time by integrating different data and information sources. A virtual model can be exploited to intervene in all phases of a product's life: from design and development to production and testing, through use and maintenance, with clear benefits in terms of time, cost and reduction in emissions and resources used.



DAVINCI-1

The backbone and enabling infrastructure of Leonardo's technologies is, to date, the **davinci-1 supercomputer**, which drives the technological transformation of industry towards digital by supporting research, development and application of disruptive technologies and sustainability solutions. Its architecture is designed to combine the capabilities of the cloud with supercomputing in an integrated platform (cloud computing) that combines flexibility and computing power. This enables complex numerical simulations (e.g. Computational Fluid Dynamics), training of algorithms (from deep learning to Artificial Intelligence), customization by technological platform (from aircraft to helicopters and from satellites to monitoring and control systems) and calculation of the countless interactions between the data generated (Data Analysis and Big Data).

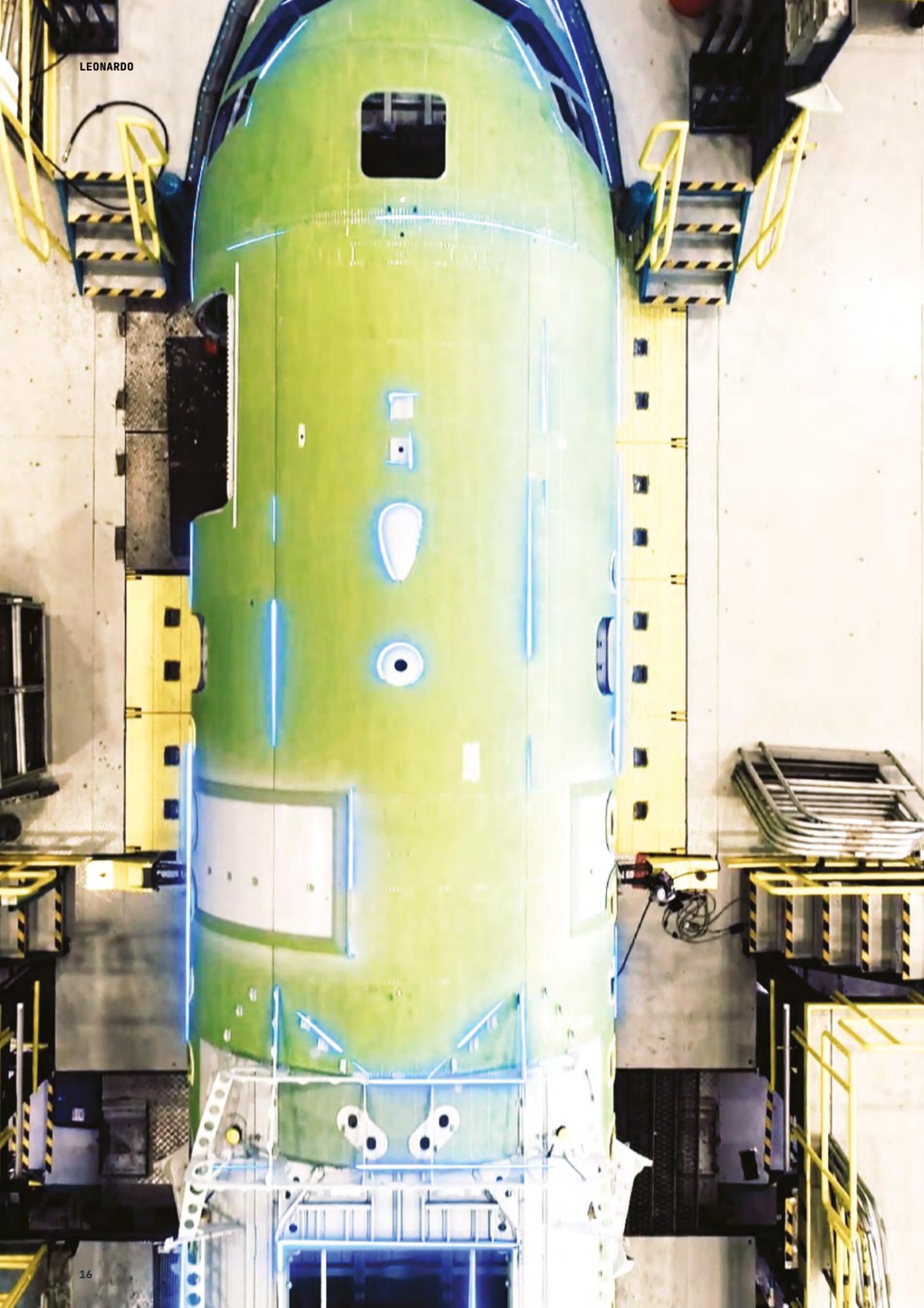
CALCULATION AND STORAGE CAPACITY

Among the world's first supercomputers in the AD&S sector

200 servers installed at Torre Fiumara in Genoa

>5.3 PFlops (5 million billion floating point operations per second) of total power

25.3 million gigabytes of memory



LEONARDO

■ DEEP DIGITAL TECHNOLOGIES

these are the technologies that enable Leonardo's solutions and maximize the use and processing of the large amount of data collected by the Group's technologies, including Big Data, Cloud and High Performance Computing (HPC).

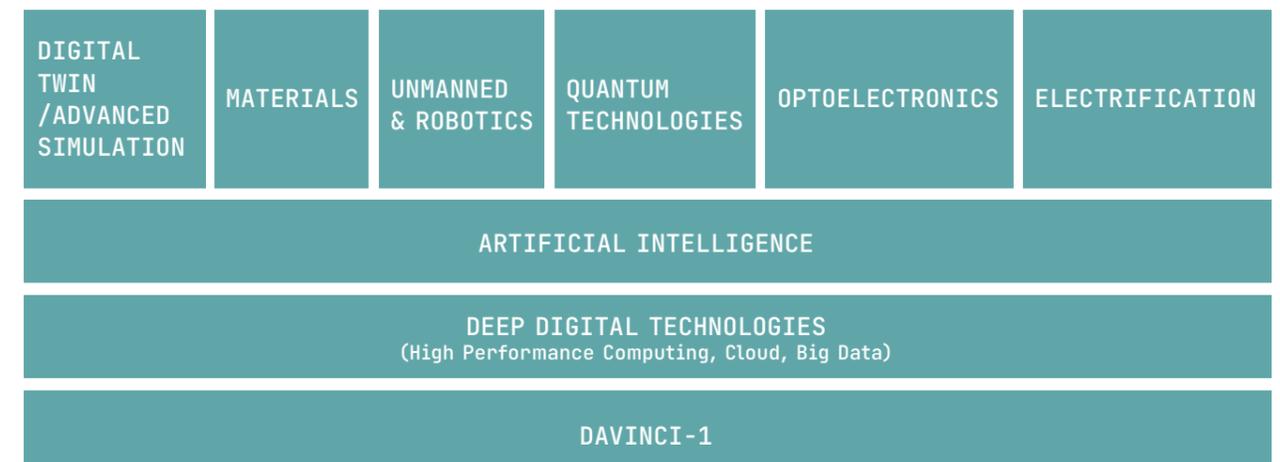
■ QUANTUM COMPUTING

technology that can ensure greater computational capabilities with possible positive impacts on the ability of Leonardo's solutions to contribute to the sustainability of planet and society by enhancing the ability to analyse, interpret, predict and simulate complex phenomena.

LEONARDO LABS

Leonardo's innovation is also supported by its participation in major national and European research programmes and by the Leonardo Labs research network – incubators conceived to support the Group in long-term research and development of the most innovative technologies, especially in the digital field and transversal competencies across the Company's business areas. This is done through an approach that enhances both "inbound innovation" flows to create a digital factory and "outbound innovation" flows to channel innovation towards products, solutions and services. The laboratories are focused on 8 research areas which have significant impact on **sustainability**: from **electrification** of helicopters and aircraft to **industrial process innovation** and from **satellite observation data analysis** to **advanced materials**.

TECHNOLOGY RESEARCH AREAS



← ATR 72 600 fuselage

04

CLIMATE ACTION AND ENVIRONMENTAL PROTECTION

DECARBONIZATION AND CLIMATE ACTION

Leonardo is committed to reducing its GHG emissions across the value chain. Over the last four years the Group has reduced more than 40% of direct and indirect emissions coming from operations through increased operational efficiencies and other decarbonization activities. It is now pushing on actions to address Scope 3 emissions by playing an active role in supporting suppliers' decarbonization roadmap and developing products with a reduced impact on the climate and ecosystems. The climate strategy, widely described in the document "Leonardo for Climate Action" and in line with the SBTi (Science Based Targets initiative) validated targets, is underpinned by investment decisions and financial planning that take into account environmental and climate-related parameters. Technology, digitalization, efficiency improvement and supplier engagement actions meant to pivot their decarbonization journey are the main drivers integrated into the production model and the 2024-2028 Industrial Plan.

■ DECARBONIZATION PATH DRIVEN BY SBTi TARGETS



BY 2030

-53%

of Scope 1 and 2 CO_{2e} emissions vs. 2020

BY 2028

58%

of suppliers by emissions committed to SBTs

BY 2030

-52%

of Scope III downstream CO_{2e} emissions /flight hour equivalent vs 2020

■ CLIMATE CHANGE MITIGATION

Leonardo contributes to climate change mitigation by developing Low-Carbon products. To this end, environmental criteria are taken into consideration in all the design and production phases. Some examples are:

- the application of ecodesign and life cycle assessment methodology.
- the implementation of a decarbonization roadmap for operational, production and manufacturing phases (e.g. NEMESI, Cure Cycle of CFRP-carbon fiber reinforced polymer, Factory of the Future).
- the development of more SAF compatible products and increasing the use of virtualization and digitalization technologies, also through smart maintenance solutions.
- in relation to distribution, storage and transportation: increase the use of SAF in product delivery and improve manufacturing processes based on Liquid Resin Infusion (LRI), developed as part of the Clean Sky program (2008-2024).
- the selection of primary materials with a lower environmental footprint.

■ CLIMATE CHANGE ADAPTATION

For climate change adaptation and resilience, Leonardo offers customized helicopters and aircraft for Search and Rescue (SAR) and Emergency Medical Services (EMS), as well as satellite services for monitoring extreme weather events, such as floods, fires and tornadoes. In order to provide comprehensive support to decision-makers and operators, the Group provides global monitoring technologies that integrate satellite information and Earth observation services with data from radar and sensor systems, secure communication systems, command and control operations rooms, helicopters, aircraft, and remote-controlled drones.

SCOPE 1 & 2 TARGET

Scope 1 and 2 (market-based) emissions amounted to 250,770 tCO_{2e} in 2023, resulting in a 41% reduction compared to the base year 2020. The decrease reflects the Company's commitment to achieve the previous decarbonization target of -50% of Scope 1 and 2 (market-based) emissions by 2030. The new target reinforces Leonardo's ambition, which aims to implement actions and initiatives to make its operations more efficient and reduce energy consumption (es. substituting thermal plants in production sites, increase energy production, etc.).

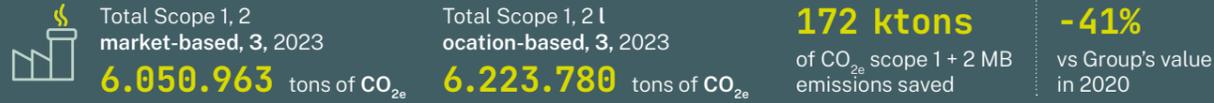
SCOPE 3-UPSTREAM-TARGET

The engagement and involvement of Group's suppliers will be the main lever to achieve this target. Indeed, Leonardo aims to engage more than 500 suppliers to create a community committed to set science-based decarbonization targets. As a consequence, Leonardo launched specific awareness and sustainability reporting training programs to support its suppliers.

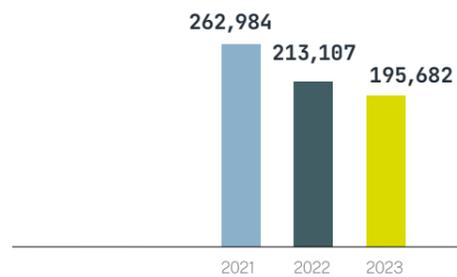
SCOPE 3-DOWNSTREAM-TARGET

The use of sold products is the greatest single emissions contributor in the whole Group carbon footprint (~50% of the total). This is why Leonardo chose to set an intensity target that addresses these relevant emissions.

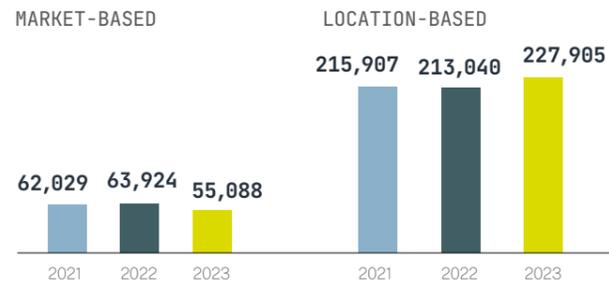
LEONARDO'S TOTAL CARBON FOOTPRINT



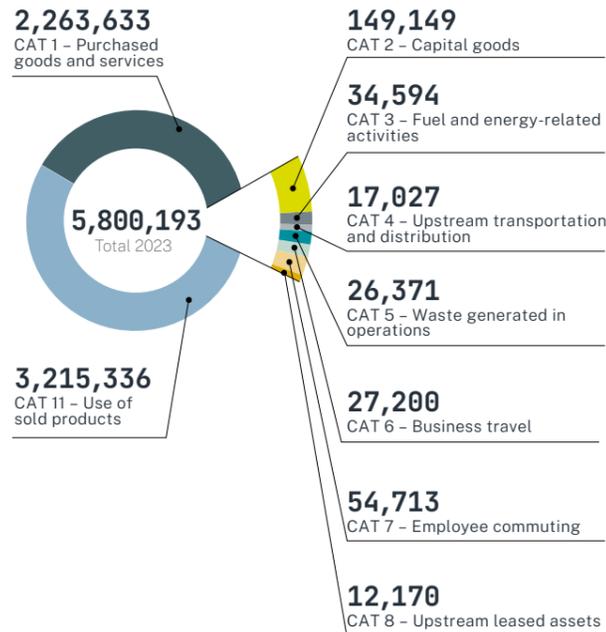
Direct emissions (Scope 1) tCO_{2e}



Indirect emissions (Scope 2) tCO_{2e}



Other indirect emissions (Scope 3) tCO_{2e} - 2023



CAT 9 - Downstream transportation and distribution

Not Applicable: Leonardo manages and pays the delivery of products and services directly to the customer. Therefore, according to GHG protocol, emissions related to transportation and distribution of sold products are tracked and reported under the upstream transportation and distribution category because Leonardo purchases the service. Thus, downstream transportation and distribution emissions are not applicable.

CAT 10 - Processing of sold products

Negligible: around 0.05% of total Scope 3 emissions.

Cat 12 - End-of-life treatment of sold products

Negligible: around 0.01% of total Scope 3 emissions.

CAT 13 - Downstream leased assets

Leonardo's business is based on selling products, not on leasing them. Therefore, this category is not applicable.

CAT 14 - Franchises

Leonardo does not have any franchises. This category is not applicable for Leonardo's business structure or activities.

Cat 15 - Investments

Negligible: around 0.5% of total Scope 3 emissions.

MAIN INITIATIVES FOR SCOPE 1 AND 2 EMISSIONS REDUCTION

As a leading industrial and manufacturing player, Leonardo puts in place various initiatives aimed at reducing the energy consumption of its operations (Scope 1 and 2). Among the most significant ones highlighted in the 2024-2028 Sustainability Plan, there are the **energy self-production program** - which will allow the Group to reduce energy dependence and avoid the emission of about 16 ktons of CO_{2e} per year - and the **full potential LED lighting program** - which will save about 10 ktons of CO_{2e} per year. Leonardo also aims to minimize its carbon footprint through various efficiency and digitization of production processes initiatives.



ENERGY SELF-PRODUCTION PROGRAM

Leonardo's Production Program foresees the installation of renewable energy generation plants across production sites. In 2023 power capacity of 35.3 MWp was reached and, with the addition of other contracts currently in analysis, the total estimate of consumed photovoltaic energy from the plants can reach a value of about 50 GWh/y.

16 kton

the total avoided CO_{2e} per year due to production at full speed.

18

active agreements for production: 16 in Italy, 1 in UK and 1 in Poland.



LED FULL POTENTIAL LIGHTING PROGRAM

The LED Full Potential Lighting Program Installation of LED lamps in Leonardo sites, maximizing energy efficiency. In the period 2021-2023 investments over €20.1 million have been completed, which will allow to save about 23 GWh/y.

€31 million

the total investment.

10 kton

the reduction of CO_{2e} emission.



GREEN CERTIFICATES

Leonardo purchases green energy certificates (GOs) for the geographies of Italy, UK and Poland (the latter since 2024). The certificates guarantee the compensation of the emissions due to the Group electrical supplies (Scope 2 MB). 85% of the whole Group's electricity comes from renewable sources.



THERMAL ENERGY CONSUMPTION EFFICIENCY

Since August 2023 a new thermal plant is being built at the Vergiate factory, which will replace the current steam generators with more energy-efficient machines. As from October 2024, the plant will adopt hot-water thermal distribution, with the goal of completing the works by 2025.

900,000 m³

reduction in annual consumption of gas thanks to the new plant.

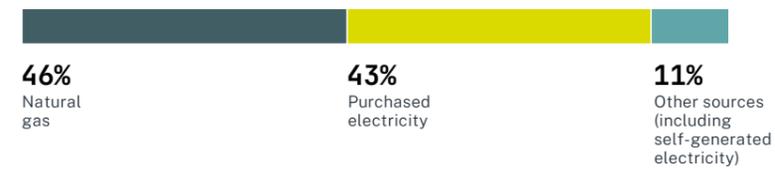
■ FOCUS ON ENERGY

Leonardo global solutions is in charge of all the main activities related to energy efficiency.



Energy consumption
5,311 TJ

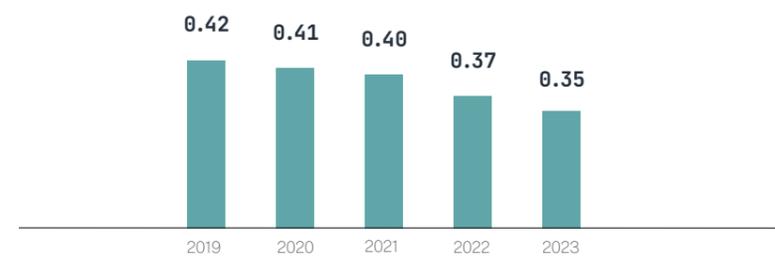
Energy consumption by source



Electricity consumption by source



Consumption and energy intensity (MJ/€)



Intensity of energy consumption on revenues: 0.35 (-6% compared to 2022).

Energy consumption:

5,311 TJ (-2% compared to 2022), which 37% from renewable sources, of which:

- consumption of electricity acquired: 2,313 TJ, equal to 643 GWh (+2% compared to 2022), of which 85% from renewable sources;
- natural gas consumption: 2,434 TJ, equal to 68.6 million m³ (-6% compared to 2022), mainly used for heating;
- other sources (including self-generated electricity): 564 TJ, -6% compared to 2022.

LEONARDO UK:
JOURNEY TO NET ZERO



The United Kingdom is one of Leonardo's domestic markets, with an important industrial presence consisting of 8 manufacturing sites and over 8,106 employees. In the United Kingdom, Leonardo is committed to achieving Net Zero, for Scope 1&2 GHG emissions by 2030 and Scope 3 by 2050.

Leonardo UK's goals: Net Zero

- for Scope 1 & 2 GHG emissions by 2030
- and Scope 3 by 2050

In September 2023, Leonardo UK published its latest Carbon Reduction Plan which includes information on Scopes 1 and 2 and five categories of Scope 3. The Carbon Reduction Plan is updated annually and contains a description of the key actions being taken to reduce the environmental impact of operations in the United Kingdom.

In 2024, Leonardo UK with Conrad Energy confirmed plans for a 15.23 MW solar farm close to the Yeovil site. Once operational, the plant will generate enough energy to power the equivalent of up to 6,500 homes.



↑ Colniza, Mato Grosso, Brazil. COSMO-SkyMed Image © ASI. Processed and distributed by e-GEOS

NATURAL RESOURCES, BIODIVERSITY AND CIRCULAR ECONOMY

MANAGEMENT OF NATURAL RESOURCES AND BIODIVERSITY

In order to respond to the interests of its stakeholders, the Company promotes the decoupling between the growth of its business and the use of natural resources to mitigate its impact on the environment and biodiversity, leveraging technological innovation.

Responsible use of natural resources, monitoring and management of waste produced, as well as the protection of biodiversity are the drivers of the sustainable business strategy aimed at mitigating risks and seizing opportunities by leveraging the optimization of its processes, products and services, and the digitalization. The Group, through the continuous improvement program of operations -Leonardo Production System, is implementing a standardized management model that allows for the reduction of emissions, water and energy consumption and waste production.

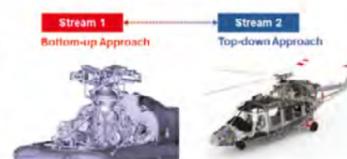
Moreover, Leonardo pursues the application of the Life Cycle Assessment (LCA) methodology to both manufacturing processes and products also aimed at the ecodesign implementation.

Example of Life cycle assessment:

Lca

The project aims to build up an internal expertise, upskill and organizational changes also in collaborations with external experts, adopting 2 LCA approaches: **top-down** and **bottom-up**.

- ENVIRONMENTAL ASSESSMENT on products & processes
- LIFE CYCLE: From Cradle to grave



MANAGEMENT OF WATER RESOURCES AND WASTE

Leonardo has launched projects aimed at reducing water withdrawals increasing the volumes of recycled and reused water and reducing the waste produced and increasing the quantities of waste to be sent for recovery operations, thus implementing circular economy.

EMISSIONS INTO THE SOIL AND AIR

Leonardo implements various activities to reduce the pollutants emitted into the atmosphere, through the application of new technologies and more efficient abatement systems. These include the elimination or reduction of diffuse and/ or fugitive pollution, including NOx, SO2 and VOCs, in the atmosphere and the elimination of sources of emissions.

MANAGEMENT OF DANGEROUS SUBSTANCES

Leonardo, whose business is positioned in the final part of the supply chain, is committed to manage chemical substances and mixtures deemed harmful to human health and ecosystems in accordance with the REACH Regulation and the RoHS Directive through the material procurement and qualification of suppliers.

The Group aims to reduce hexavalent chromium in the processes hard coating of parts with high thermomechanical resistance and with the need for protection from corrosion in harsh environments.

Project example: phase out of hexavalent chromium.

Chromate replacement

Focus on sustainable chemicals to **replace and reduce hard chrome** in coatings, **reducing hazardous substances**.



Waste produced



THE PROTECTION OF BIODIVERSITY

In line with the Group's values, Leonardo views the protection of biodiversity and the ecosystem as a main driver of its activities, with the ambition to reduce its environmental footprint. Leonardo implements numerous actions for the protection of biodiversity following the principle of Mitigation Hierarchy¹³ including: the installation of oil/water separators to avoid contamination of the soil or water, the phyto-purification of waste water with native plants, the forest reforestation with native species (such as, for example, in the Cameri and Foggia sites), the management of the Vergiate airport runway according to criteria for reducing impacts on flora and avian fauna.

- The Group carries out a detailed mapping of production sites and the relative distance from protected natural areas, in order to evaluate any interconnections with ecosystems.
 - In 2023 **39 sites** mapped
 - In addition, **26 property sites in Italy are affected**, within a 3 km radius, by further landscape constraints, including archaeological ones (buffer zones, areas of public interest, etc.)
 - The extension in hectares of sites located within 3 km of protected natural areas and/or high biodiversity areas is equal to **743 hectares**, equal to approximately **53%** of the surface area occupied by Leonardo's sites.
- | | | | |
|-----------|-----------------------|----------------------|--------------------------|
| 26 | 6 | 4 | 3 |
| in Italy | in the United Kingdom | in the United States | in the rest of the world |

Leonardo also acts as a supplier of services and products for the protection of natural capital based on satellite monitoring and artificial intelligence. Many Leonardo products, flexible and multi-objective, enable applications for both security and biodiversity. > **See Chapter Solutions for the Protection of the Planet and Society.**

¹³ <https://www.thebiodiversityconsultancy.com/our-work/our-expertise/strategy/mitigation-hierarchy/>

■ CIRCULAR ECONOMY

The transition towards a circular business model, based on innovative technologies and responsible practice, represents a further objective of the Group's sustainable strategy.

Leonardo helps reduce EU strategic dependence on critical raw materials. Leonardo's circularity strategy is based on four main, interconnected objectives: reducing the use and choice of materials starting from the design stage (through ecodesign and additive manufacturing); dematerialize and virtualize using digital platforms for industrial processes and solutions offered to customers (through the adoption of digital twins); extend the useful life of Products, implementing the product as a service, predictive maintenance also through predictive Artificial Intelligence; promote the recycling of materials, managing the End of Life of products.

Example of a project for process virtualization using digital technologies:

NEMESI

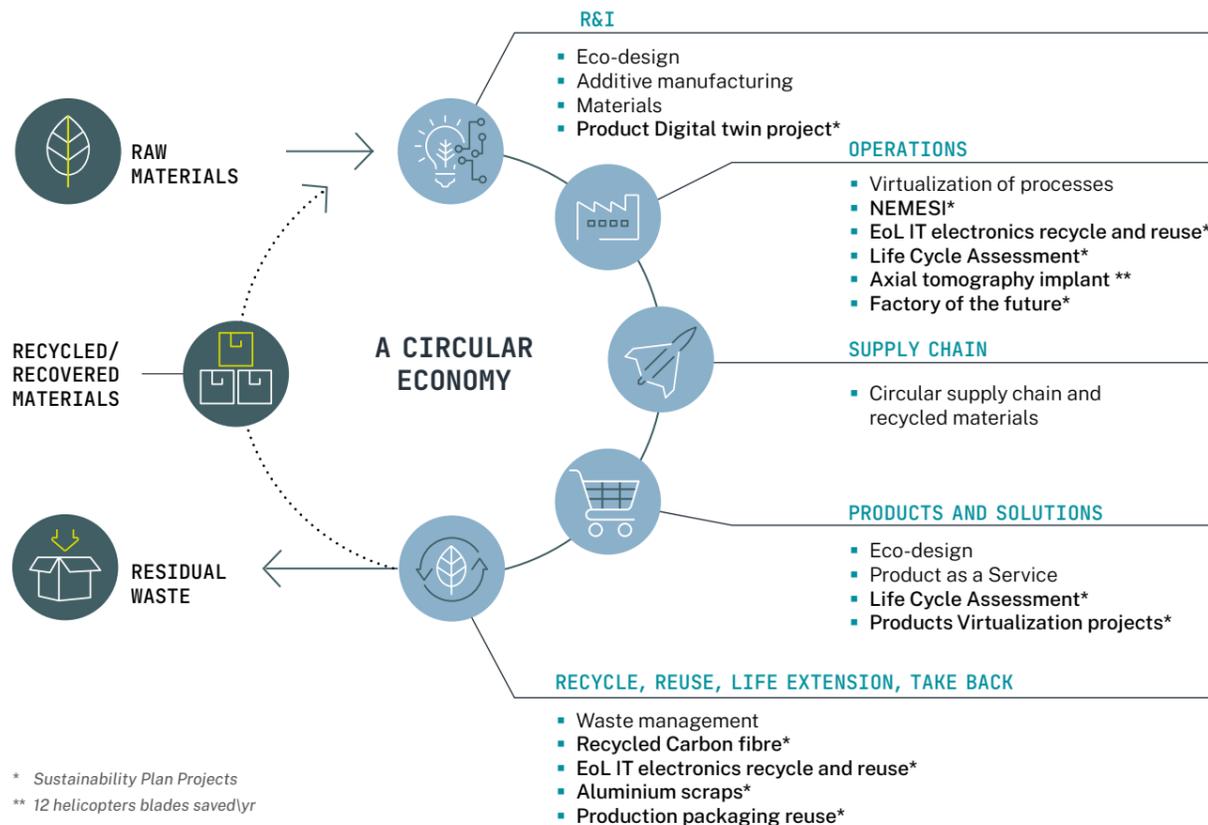
The project aims to evolve the sites of Pomigliano d'Arco and Nola into smart factories.

This new generation industrial model that will guarantee a **reduction in design times and costs, an increase in product quality and flexibility of production processes**, with positive impacts also on logistics and the supply chain.



The following infographic shows examples of projects that the Group is carrying out for the implementation of the strategy and which cover the entire value chain.

Circular economy is a business model applicable to all phases of the value chain



Examples of recycling projects:¹⁴

CFRP Circularity



The project involves Leonardo as main player with Hera Ambiente and Solvay with the aim to keep the **high technical and economical value for carbon fibre scraps**. The recycled carbon fibre will be secondary raw material also in domains outside Aerospace and Defense.

↳ Recycled Carbon fibre + 100ton/yr Hera plant

Aluminium shaving sale

Scraps reconditioned and sold as by-products.

• Aluminium as by-product + 44ton/yr

MAIN RESULTS



Aircraft structures capable of maintaining a level of useful life exceeding 20 operational years.

~50%

of waste produced recovered in 2023.



Approximately 77,000 tonnes of CO₂ avoided thanks to the use of virtual training systems in 2023 (over 50,000 hours of training provided in the year).

-90% use of paper

Divisional projects to manage the flow of manufacturing/production documents in paperless and digitalized mode, to reduce the use of paper by up to 90% on a single process.



↑ C-27J in Clean Sky 2 configuration with the Innovative WingLet - Credits@Lorenzo Ambrino

¹⁴ For more information see "Composite Materials: A Hidden Opportunity for the Circular Economy in New Material & Circular Economy Accelerator" in Download Composite Materials: A Hidden Opportunity for the Circular Economy — CSR Europe

05

SUSTAINABLE SUPPLY CHAIN

Supply chain includes both international players in the sector of AD&S, which supply highly complex systems and subsystems integrated into Leonardo platforms and many small and medium-sized enterprises (SMEs). Promoting sustainability in this context is a crucial factor of competitiveness and this goal is split into four strategic pillars within which projects, initiatives and concrete tools are developed to support the Group's growth path and build a partnership with the best in the supply chain, optimizing costs and creating value, while respecting Leonardo's security and compliance standards.

4 pillars of leonardo's procurement and supply chain strategy



The tools the company has adopted to concretely guide SME efforts are:



LEAP

LEONARDO EMPOWERING ADVANCED PARTNERSHIP

In 2018, Leonardo launched a programme for the development and growth of its suppliers called LEAP (Leonardo Empowering Advanced Partnership), with the aim of accelerating and supporting the growth of SMEs in the AD&S supply chain. LEAP represented a paradigm shift in the relationship with suppliers, moving beyond a management model based on simple commercial relations and cost containment, to establish true industrial collaborations, medium- to long-term partnerships capable of fostering investment and accompanying the qualitative and dimensional growth of the best in the supply chain.

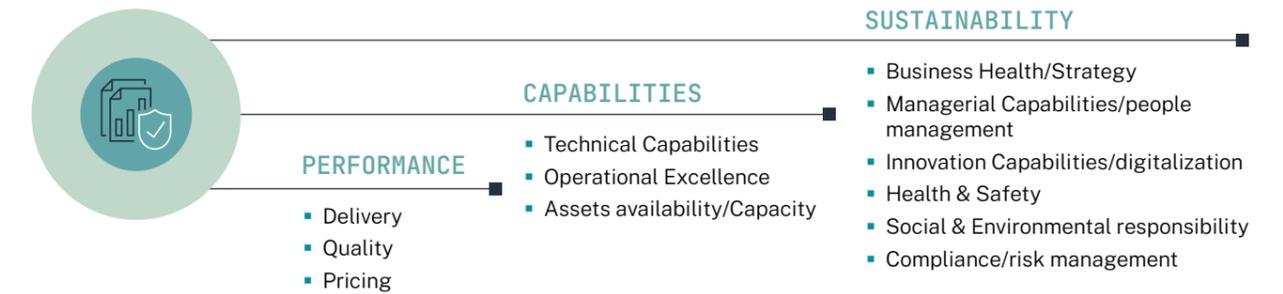
In 2023, as further proof of the relevance of the LEAP programme, Leonardo was awarded the Best Supplier Relationship Management Initiative prize by CIPS as part of the CIPS EXCELLENCE IN PROCUREMENT AWARDS.

- **206** suppliers involved in development programmes of the supply chain in Italy and the United Kingdom, of which more than 130 with LEAP (+25% vs 2022).
- **Sustainability Assessment** 1,100 suppliers, equal to more than 50% of new orders placed by Leonardo, both Italian and foreign, subject to a thorough sustainability assessment within the past 3 years.
- **Best Supplier Relationship Management Initiative 2023** LEAP awarded within CIPS Excellence in Procurement Awards 2023.

LEADS

LEONARDO ASSESSMENT AND DEVELOPMENT FOR SUSTAINABILITY

Leonardo uses a supplier assessment model called LEADS (LEonardo Assessment and Development for Sustainability), with the aim of better understanding the performance and potential of its key suppliers, with particular reference to sustainability and development aspects and risks, by monitoring 3 parameters: **performance**, **capabilities** and **sustainability**.



- **>80%** of the ordered volume managed through digital collaboration platforms. Sustainability target was achieved and exceeded (>75% in 2023).
- **About 650** suppliers received training on SDGs and tools for reporting (+93% compared to 2022). Sustainability target was achieved and exceeded (>500 in 2023).
- **100%** of LEAP partners with targets and plans to reduce environmental impact (+60% compared to 2022). Sustainability target was achieved (100% in 2023).

SUPPLY CHAIN SUSTAINABILITY MANIFESTO

Based on the results of the first LEADS supplier sustainability assessment, Leonardo published the Supply Chain Sustainability Manifesto, which addresses **three main issues: Digital Transformation, Cyber Security, People & Planet**. These priorities are broken down into 18 concrete projects with progressive and measurable milestones and are intended to support and accelerate the Leonardo's supply chain transformation by helping supplier companies direct their efforts and investments to compete in international markets.



DIGITAL TRANSFORMATION

Increase digital collaboration along the supply chain, leveraging on the new technologies in order to speed up the development of new projects, improve the synchronisation of operations and the offer of services to customers.

- **Collaborative development** using Digital Twin products
- **Production and maintenance** supported by advanced technological tools
- **Collaboration** on the AirSupply platform
- **Quality management** with new technologies for defect prevention, detection and analysis
- **Logistics and transportation** - Smart inventory, tracking systems (RFID, blockchain)
- **Big data analytics** - Data generation and analysis to improve data-driven processes, products and services



CYBER SECURITY

Ensure adequate security standards along the supply chain to spot the future requirements of the Defence programmes.

- **Asset survey** with automatic discovery tools
- **User terminals** with security guarantee
- **Cyber security organisation** and employee training
- **Policies and procedures for a digital business**
- **Communication protection** - Firewalls, Intrusion Prevention System and Intrusion Detection System (IPS, IDS), robust VPN
- **Cyber security rating** with platforms which identify and analyse the external perimeter vulnerabilities

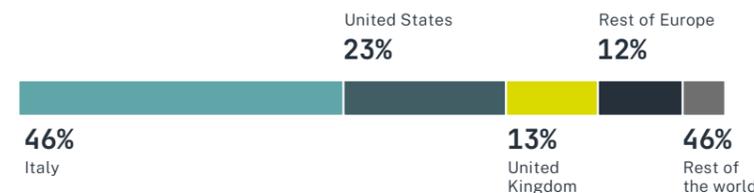


PEOPLE & PLANET

Social and environmental responsibility to reduce risks, mobilise resources and create value.

- **Safety first** - Health & Safety on the workplace through advanced management systems
- **Responsible business and talent development**, in line with Leonardo's principles and rules and fostering gender equality and managerialisation
- **Industrial efficiency**, also through lean transformation programmes
- **Action for planet** - Mobilise resources to measure and reduce GHG emissions, water consumption and waste production
- **Green energy** aiming at 100% renewable energy of guaranteed origin
- **Eco-design and circular economy** - Conceive new products with eco-friendly materials under a circular economy perspective

Purchases by country



■ **€bil. 9.9** of purchases of goods and services

■ **65%** incidence of purchases on revenues

■ **84%** of purchases related to domestic markets, with a supply chain of over 6,800 SMEs

INCIDENCE OF SMEs IN DOMESTIC MARKETS



NEW CODE OF CONDUCT FOR SUPPLIERS

During 2023, Leonardo published a new Code of Conduct for suppliers on its website. The new code reinforces the principle according to which suppliers are an integral part of Leonardo's business ecosystem and are a key determinant in the implementation of its sustainability strategy. Suppliers are expected to comply with all environmental compliance regulatory obligations and to commit themselves to protecting the environment and biodiversity, actively adopting and pursuing a decarbonization strategy.

SUPPORTING AND REWARDING SUPPLY CHAIN GROWTH

Collaboration with its supply chain is an effective tool for Leonardo to support growth in the areas of digitalization, skills and sustainability.

One year after the first measurement, the results of the second sustainability assessment have shown significant improvements in all areas analysed, with an increase in the maturity level of the supply chain on ESG issues and a corresponding reduction in the risks

highlighted, while Leonardo's commitment to the LEAP development programme strengthened.

Among the various initiatives, the **Leonardo Supplier Awards** are an opportunity to highlight key suppliers who have distinguished themselves for their commitment to performance and sustainability and for sharing their vision, dynamism and effectiveness in achieving the LEAP programme objectives.

■ SUPPLIER ENGAGEMENT FOR THE SBTi TARGET

Leonardo proposes itself as a driver of sustainability in its supply chain as early as 2021, including by directly engaging suppliers through a specific Supplier Development Programme.

With the commitment and subsequent validation of Leonardo's SBTi targets, supplier decarbonization has become a crucial point in the Group's climate strategy. In fact, the supplier engagement target indicates that by 2028, 58% of Leonardo's suppliers (in terms of emissions) must have set their own decarbonization targets, in line with the recommendations of the latest climate science.

To achieve this ambitious goal, Leonardo has structured a supplier engagement process aimed at creating a community that is aware of and committed to achieving increasingly ambitious sustainability goals. Among the initiatives promoted, Leonardo launched specific training and awareness courses, as well as support for sustainability planning and reporting. In order to align its suppliers' decarbonization route in accordance with the SBTi, Leonardo plans to further support its supply chain by supporting it in developing the necessary skills through training programmes, workshops and specific consultancy, involving experts and industrial market leaders for sustainable solutions and by structuring financial support initiatives for small and medium-sized enterprises.

NEW AMBITIONS 2024-ON

- Suppliers with SB decarbonization targets set
- Leonardo launched specific training and awareness courses, as well as support for sustainability planning and reporting
- ESG criteria/requirements included in new major tenders

58% by emissions
2028

>500 Suppliers
2027

70% of value
2028

06

SOLUTIONS FOR THE PROTECTION OF THE PLANET AND SOCIETY

Security is at the heart of Leonardo's purpose and is a fundamental prerequisite for sustainability, ensuring that societies and the planet can develop in a situation of peace and justice.

The Group's contribution to security relies on a multi-domain approach and technological innovation, important accelerators of a sustainable transition.

Through its solutions, Leonardo actively contributes to the **security of citizens, infrastructures and the planet**, and does so through a wide range of applications, from surveillance technologies for land and borders to satellite observation, from emergency management solutions to designing aircraft with reduced environmental impact.

SOLUTIONS FOR CITIZENS' SECURITY

Leonardo's multi-domain solutions provide an integrated response to an increasingly complex problem such as the physical and digital security of citizens and communities. This contribution is the basis for the sustainable development of a society.

■ LAND MONITORING AND CONTROL

The cornerstone of this approach is formed by Global Monitoring technologies -i.e. systems for monitoring and controlling the territory, infrastructure and urban environment-integrate satellite information and associated Earth observation services with data from radar and sensor systems, secure communication systems, operational command and control rooms, helicopters, aircraft, remotely piloted drones, databases and open sources. By aggregating and correlating this data and information, these solutions build a constantly updated situational picture, providing the operators with tools to support decision-making and coordinate resources in the field.

■ EMERGENCY MANAGEMENT

An important aspect of citizens' security is related to **emergency situations**, whether natural or man-made. Efficient and prompt management of emergencies is a key element in limiting their impact on people and get the necessary tools to cope with the consequences of climate change. Leonardo has developed solutions for monitoring disaster areas and intervening in the event of environmental disasters that involve evacuations, or health emergencies.

By integrating real-time information from sensors in the air, sea and land domains, the **control and monitoring solutions** are able to coordinate rescue operations by land, air and sea, using networks, terminals and satellite links, and mission critical communication systems that offer completely reliable service and full coverage of the area.

Satellite observation technologies offer a fundamental perspective for monitoring and mapping the territory. An example of this is the **Copernicus Emergency Management Service (EMS)**–Emergency Rapid Mapping provided for the European Commission. The service is provided by the Industrial Consortium of which e-GEOS (ASI/Telespazio) is leader through the JRC-Joint Research Center of the European Commission, as part of the Copernicus program for satellite observation of the Earth in support of Civil Protection; the consortium **provides useful maps for emergency management of areas affected by natural or man-made disasters and in the event of humanitarian and health crises**. Copernicus EMS Risk & Recovery instead develops risk analyses useful for the prevention and planning of interventions that allow the effects of natural events to be mitigated, or to follow the reconstruction phases following an emergency.

Leonardo aircraft and helicopters also play an important role in emergency management and Search And Rescue (SAR) operations. Leonardo is indeed a leader in the civil helicopter market for various applications such as helicopter rescue missions (EMS - Emergency Medical Services) and public order (Law Enforcement). The **C-27J Spartan** aircraft, the **Fire Fighter configuration** of which is already used in fire-fighting missions, is further developing this capability as part of the multi-mission approach typical of this aircraft. Thanks to the integration of MAFF II (Modular Airborne Fire Fighting System), the aircraft will be able to interact with ground assets and respond more effectively to emergencies. The system will be used not only for firefighting, but also in prevention and support activities for land reclamation. Leonardo provided the aircraft as a European Flying Test Bed, which made its debut flight in Turin to test the innovative morphing surfaces with adaptive technologies and digital flight control algorithms for the Clean Sky 2 programme.

SOLUTIONS FOR INFRASTRUCTURE SECURITY

In an increasingly unstable geopolitical situation, exposure of countries and communities to disruptions of essential services is closely linked to the **security of critical infrastructure, both digital and physical**. With particular reference to the space domain, with satellite observation technologies or in-orbit services, and the cyber domain, with data and information integration platforms and digital security solutions, the excellence of Leonardo's solutions enable continuous and effective infrastructure monitoring (including artistic and cultural heritage) on land, at sea and in space, as well as efficient urban area management.

■ LAND AND MARITIME INFRASTRUCTURE MONITORING

Among the geospatial platforms developed in this direction by the Group through e-GEOS, **AWARE** (Agile Watching of Assets and Resources) can continuously monitor the health of infrastructure to identify deformations and critical changes, with possible applications on historical buildings and monuments, and in urban infrastructure management. **SEonSE** (Smart Eyes on the Seas), instead, it provides information relating to maritime traffic and illicit activities or other anomalous events, such as oil spills, allowing to preserve marine resources, but also to monitor the evolution of the marine and coastal environment.

■ COMMITMENT TO SECURE AND SUSTAINABLE SPACE

The future and wellbeing of our planet is closely linked to the **security of "in-orbit" technologies**, whose contribution is amplified by the use of Big Data Analysis, Artificial Intelligence and the computing capabilities of supercomputers such as the davinci-1.

Space Situational Awareness is the fundamental ability to **visualize, understand and map the physical position of natural and man-made objects orbiting the Earth**. More than 600,000 objects currently gravitate in low orbit, exposing space assets of high value to the risk of collision, a potentially dangerous situation because of the possible damage they could cause in the event of an uncontrolled fall onto inhabited areas of our planet. In this context in 2018-Leonardo, with Telespazio and Thales Alenia Space, invested in the company NorthStar Earth & Space, which launched a satellite constellation to **identify the trajectory of objects and space debris**. Furthermore, Telespazio develops **Space Traffic Management solutions** to manage a plurality of SSA sensors, prevent collisions between space objects, suggest avoidance maneuvers to operators and intercept uncontrolled re-entries.

At the same time, as the number of satellites in orbit and space missions increases, the importance of being able to count on in-orbit services grows. **"In-Orbit Servicing"** refers to all those in-orbit activities, including orbital and positioning maneuvers, repositioning, position maintenance and inspection of active satellites, reentry, propellant refueling, assembly and in-orbit repair of prepared satellite modules, as well as active **removal of artificial space debris through de-orbiting operations**. In this area, Leonardo holds some technological excellence ranging from robotics and sensors to operations management. In particular, Telespazio is a partner of the demonstration mission dedicated to in-orbit services led by Thales Alenia Space, in which Leonardo, Avio and D-ORBIT also participate and whose contract was awarded by ASI. The objective of the demonstration mission, created on the initiative of the Italian Government and financed with PNRR resources, is to demonstrate the feasibility of in-orbit operations aimed at **refueling the satellites directly in space, or repairing them or replacing their components**, moving them to other orbits and promoting their controlled atmospheric reentry.

■ SMART CITY MANAGEMENT

The ability to integrate data and information from satellites and "from the ground" is a valuable asset for managing and monitoring infrastructures such as those related to city management in which the domains to be taken into account are heterogeneous. The new control room model developed by Leonardo and based on the C5I (Command,

→ Secure digital platform



Control, Communications, Computers, Cyber & Intelligence) concept integrates existing systems (traffic, environment, energy, security, etc.) to support more informed decision-making in less time.

With the “**Genova – 4 Assi di Forza**” project, as part of a temporary consortium of companies that also includes ICM and Colas Rail, Leonardo is applying these technologies to support the smart transformation of Genoa’s mobility. Leonardo’s hi-tech solutions will enable **monitoring of reserved lanes** and dynamic management of traffic light priority (SIGMA+) in favour of public transport in order to guarantee high travel speeds, adherence to timetables and frequencies and greater service quality, usability and inclusiveness with multimedia displays at the new smart bus stops and emergency call points, which are more easily accessible to people with disabilities.

TECHNOLOGY DRIVEN CLIMATE ACTION

Leonardo’s solutions contribute to climate action, both through adaptation and mitigation.

■ SATELLITE TECHNOLOGIES FOR ANALYSING CLIMATE AND BIODIVERSITY

First and foremost, the **satellite technologies and services** developed by Leonardo -including through Telespazio and Thales Alenia Space¹⁵ within the framework of major European space programmes such as Copernicus¹⁶, COSMO-SkyMed¹⁷ or PRISMA¹⁸- make it possible to detect and study climate phenomena and the state of natural resources, which are closely linked.

Leveraging advanced Artificial Intelligence (AI) and Big Data analysis technologies allow Leonardo’s systems to combine and exploit information from heterogeneous sources, from extra-atmospheric data, provided by satellites, to the network of audio, video and IoT sensors in the field, offering insight and forecasting capabilities on phenomena linked to the climate and biodiversity.

↓ AW139 Flight SAF



¹⁵ Telespazio (Leonardo 67%, Thales 33%) and Thales Alenia Space (Thales 67%, Leonardo 33%).

¹⁶ Earth observation programme dedicated to monitoring the planet and its environment for the benefit of citizens, developed by the EU in cooperation with the European Space Agency (ESA)

¹⁷ A satellite system of the Italian Space Agency (ASI) and the Ministry of Defence for Earth observation, equipped with synthetic aperture radar sensors, providing global coverage of the planet in all weather conditions.

¹⁸ PRISMA is an ASI mission carrying the world’s most powerful operational hyperspectral instrument made by Leonardo.

PROGRAMMES, MISSIONS AND INSTRUMENTS



MTG Meteosat Third Generation: ESA programme in cooperation with EUMETSAT to develop increasingly accurate climate forecasts through predictive models.

MetOp Second Generation (Meteorological Operational Satellites): an ESA programme in collaboration with EUMETSAT that uses polar satellites to provide weather and environmental forecasts.

Aeolus: an ESA satellite capable of measuring wind speed and direction, even where meteorological measurements are not available, such as ocean areas, providing up to 7-day forecasts and more accurate climate models.

Copernicus: the European Commission’s Earth observation programme coordinated in cooperation with the ESA and aimed at monitoring the environment, mitigating the effects of climate change and contributing to management of humanitarian emergencies, natural disasters and population’s safety.

FLEX (FLuorescence, EXplorer): an ESA satellite programme to map the fluorescence of photosynthesis with a planned launch in 2025.

COSMO-SkyMed: a programme funded by the ASI and the Ministries of Defence and Education and University and Research, which constantly monitors the Earth to support management of natural events, emergencies and to study the effects of climate change.

PRISMA: ASI’s hyperspectral mission to map the earth’s surface for environmental risk management, which provides valuable data on water transparency, crop health, drought, risk of biodiversity loss, fire risk, air pollution, and natural disasters such as volcanic eruptions, landslides and floods.

Biomass: an ESA mission that will monitor the structure of forests, including biomass, to provide more information on the carbon cycle.

PLATiNO (Piattaforma spaziale ad Alta TecNOlogia): a programme of four missions developed by the ASI. PLATiNO-1 will be equipped with SAR (Synthetic Aperture Radar) technology; PLATiNO-2 will feature infrared thermal equipment capable of measuring the temperature of the Earth. For the PLATiNO-3 mission, Leonardo will build a very high-resolution optical camera, and for PLATiNO-4 it will supply a compact, lightweight hyperspectral camera of the latest generation.



Lightning Imager: an instrument on board MTG-imager satellites, which can track lightning from a distance of 36,000 km to support short-range prediction of extreme weather events.

3MI (Multi-viewing, Multichannel, Multi-polarisation Imager): an electro-optical instrument for studying air quality and cloud characteristics that will be brought into orbit by the second-generation MetOp satellites.

ALADIN (Atmospheric, Laser Doppler Instrument): an instrument equipped with the most powerful ultraviolet laser transmitter ever built for a space application, created by Leonardo. It provides data for wind measurement, weather forecasting and the study of long-term climate variations.

SLTSR (Sea and Land Surface Temperature Radiometer): on board the Sentinel 3 satellites of the European Copernicus programme, the radiometer measures land and water temperature to an accuracy of a tenth of a degree from an altitude of 800 km, using optical and thermal sensors.

Floris: a high-resolution spectrometer that detects the fluorescence intensity of chlorophyll photosynthesis from approximately 800 km to map the health of the world’s vegetation. It will be used for the FLEX programme.

GEOSPATIAL PLATFORMS



AgriGeo: a platform that combines satellite data and ground-based sensors for precision farming, to monitor the growth and health status of crops, plan agronomic work, assess risks, save on water and fertiliser, and target the use of pesticides in a sustainable manner.

brAlnt: it can detect even the smallest changes in surfaces by processing and reducing the complexity of remote sensing data. For example, it is essential for protecting forest areas.

■ SOLUTIONS FOR MORE SUSTAINABLE AVIATION

Leonardo's climate action is also supported by innovation and **development of environmentally friendly solutions**. The Group is part of several national and European research programmes for the development of more sustainable aviation solutions, and already has products and services in its portfolio that help reduce the emission intensity of its business, including use of simulation for design and training or fixed-wing and rotary-wing aircraft capable of operating with sustainable fuels (Sustainable Aviation Fuels-SAF).

SIMULATION AND VIRTUALIZATION

- **Virtual training systems** (Embedded Training System and e-learning) and virtualization of product testing (Certification-by-Simulation) to significantly reduce actual flight hours.
- **International Flight Training School** - created in 2018 from the strategic partnership between the Italian Air Force and Leonardo and with the new campus opened in Decimomannu in 2023, the school has increasingly become the international benchmark for advanced training for air force pilots worldwide. The new education and training model also leverages **LVC** (Live, Virtual and Constructive) **technology**, which is able to create an **integrated simulation environment and reduce real flight hours**, with lower impacts in terms of fuel consumption and GHG emissions.

~ 77,000

tonnes of CO_{2e} avoided through the use of virtual training systems in 2023

AIR TRAFFIC MANAGEMENT

- **Air Traffic Management (ATM) optimization** systems including LEANS (Leonardo Evolution Air Navigation System) to make control systems more easily adaptable to customer needs.

~150,000

tonnes of CO_{2e} avoided per year with Leonardo's Free Route ATM system in the Italian skies

EVOLUTION OF AIRCRAFT AND NEW LOW-EMISSION ENERGY SOURCES

- Study of aircraft using **low- or no-impact energy sources** (batteries, hydrogen) for propulsion and on-board systems.
- In 2023, Leonardo completed the first flight with 100% SAF fuel on an AW139 helicopter, demonstrating the absence of any significant differences when compared to the performance of a conventional fuel. Currently, Leonardo has 12 helicopter models capable of operating on fuels containing up to 50% SAF. In 2024, verification of the ability of in-service proprietary aircraft to operate with 50% SAF drop-in fuels will also be completed. Finally, Leonardo is active in several national and international councils to monitor and analyse technological progress towards the definition of 100% SAF drop-in fuels for in-service aircraft and newly formulated 100% SAF fuels for future aircraft.
- **Clean Aviation:** European Commission research programme to study innovative aircraft configurations to reduce aviation emissions by at least 30% by 2020. Leonardo is involved in several research areas including the study of new architectures, hybrid propulsion systems and digitalization of design processes.
- **Clean Sky 2:** predecessor of Clean Aviation in which Leonardo leads research on demonstration platforms for lower CO₂ and noise emissions from **Green Regional Aircraft** - to which it contributes through solutions on aerodynamics and materials - and the **Next Generation Civil Tilt Rotor** (NGCTR) - an eco-efficient commercial aircraft capable of combining the speed, range and altitude of a turboprop aircraft with the vertical landing and take-off and stationary flight of a helicopter. The objective is to reduce CO₂ emissions by up to 50% and noise emissions by up to 30% during take-off and up to 75% during flight-over compared to existing aircraft. The programme also includes ecodesign approaches for the development of specific NGCTR subsystems, supported by life cycle assessment (LCA) models to quantify environmental benefits.

> -80%

of CO_{2e} emissions over the SAF entire life cycle compared to conventional fuels

12

models of Leonardo helicopters can operate with fuels diluted by up to 50% with SAF

LEONARDO WITH THE UNITED NATIONS TO SUPPORT SUSTAINABLE DEVELOPMENT

Since the 1990s, Leonardo solutions have supported the United Nations in various projects around the world, especially in Africa, for peacekeeping operations or to support the sustainable development of various countries.

Solutions at the centre of ongoing collaborations with the UN include:

- **PRISMA4AFRICA** - ESA (European Space Agency) project, led by e-GEOS, with the support of national and FAO scientific teams, to develop experimental satellite observation techniques for water management and food security in Africa and supporting technology transfer to the local population.
- **CENTAUR** - a Horizon project led by e-GEOS strengthen Europe's resilience to climate change, of which the United Nations Support Office in Somalia (UNSOS) is a member. The project aims to integrate Copernicus services for an improved ability to respond to and predict climate change threats.
- **CUBA Project** - The Italian Ministry for the Environment and Energy Security (MASE) financed the creation of a centre-built by e-GEOS to manage oil spill detection in Cuba, which is currently operational. The United Nation Development Programme (UNDP) is coordinating the project.
- **Peacekeeping support** - a Leonardo FALCO UAS (Unarmed Aerial System) autonomous aircraft supports the MONUSCO mission in the Democratic Republic of Congo for intelligence, surveillance and recognition activities.

07

SOCIAL IMPACT AND PEOPLE STRATEGY

Creating value for its people, outside society and relevant territories is a key lever of sustainable growth for Leonardo. In light of this, specific drivers in line with the Group's Sustainability strategy and objectives have been defined in the Sustainability Plan 2024-2028 to guide and maximise social impact activities dedicated to Leonardo people - in line with the People Strategy - and outside communities in all its geographical areas.

■ SOCIAL IMPACT DRIVERS

Diversity, Equity & Inclusion: strengthen DE&I¹⁹ culture by enhancing processes and training initiatives and dedicated projects.

STEM disciplines: promote the dissemination of STEM²⁰ initiatives through internal and external education projects and activities.

Talent Engine: enhance engagement, recruitment, talent attraction and professional development with a strong focus on wellbeing, aimed to strengthening inclusiveness, especially gender based, through people-driven processes and projects.

Sustainability culture: strengthen the Group's internal sustainability culture by leveraging continuous on training.

Value for communities: creating shared value through skills transfer, collaboration with specific non-profit organizations and volunteering.

ENDORSEMENT OF THE UN GLOBAL COMPACT'S "BUSINESS FOR PEOPLE AND SOCIETY" MANIFESTO

Leonardo actively promotes a corporate culture based on respect for dignity and appreciation of the uniqueness of each person, and is committed to preventing and removing all forms of discrimination at all stages of employment within and outside the corporate community and with all stakeholders. A commitment in line with the

Sustainability Goals and Plan, which is inspired by the main international benchmarks, starting with the SDGs of the United Nations Single Agenda and membership of the UN Global Compact in 2018 - reinforced in 2023 when the CEO/DG signed the "Businesses for People and Society" Manifesto.

DIVERSITY, EQUITY & INCLUSION

For Leonardo, making the most of diversity leveraging on fair and inclusive working environment represents a strategic factor in competitiveness, people development and innovation, central levers to ensure the Group sustainable growth.

Leonardo's commitment to DE&I has been further strengthened with the release of DE&I Policy, the DE&I Manager and the Gender Equality Guidance and the definition of the Gender Equality Strategic Plan integrated into the five-year Sustainability Plan (2024-28). The DE&I roadmap outlined by Leonardo is developed through concrete actions that can be measured over time, ranging from awareness-raising and training initiatives to programmes dedicated to women's empowerment and actively listening to people, from the offer of services and solutions for a better work-life balance to paths and tools for enhancing parenting and training on unconscious bias and inclusive language.

A people-centred cultural model, which is further confirmed by the introduction of targets for the recruitment of women with STEM profiles in the long-term Remuneration Policy for the CEO and Top Management.

PEOPLE²¹

6,118

new hires of which 43% are people with STEM degrees
49% under 30 25% women

~3,000

under 30 people employed

>1,500

women employed, of whom around 600 in STEM areas

SPRINGBOARD - international programme aimed at empowering Leonardo women. Springboard has so far been joined by more than 250 women from 10 countries, a growing community (4 editions planned for 2024) that meets live at the dedicated annual conference.

DE&I SURVEY - listening initiative dedicated to the Italian population aimed at strengthening an increasingly inclusive corporate culture, also through the launch of Leonardo communities focused on gender equality, intergeneration and disability issues.

GENERIAMO CULTURA - Awareness - raising campaign for the prevention of workplace harassment and gender-based violence launched on the International Day for the Elimination of Violence Against Women. This initiative was promoted by the National Commission for Equal Opportunities and set up by Federmeccanica-Assistal and the trade union organisations FIM-FIOM-UILM, and as part of it Leonardo organised an in-depth event to promote a corporate culture that is increasingly respectful of diversity and combats all forms of discrimination and violence.

D VALORE COLLABORATION - to strengthen the available training on DE&I topics, delivered in partnership with the main business association for the promotion of gender balance. It is based on courses dedicated to the development of inclusive skills aimed at different targets: from top management ("The value of inclusiveness" seminar) to recruiters and managers, and the entire Italian corporate population (e-learning on specific topics - gender harassment, parental leave and unconscious bias; training clips available on a dedicated digital platform).

NETWORK GROUP - 7 DE&I employee networks active in the UK with the aim of making Leonardo an increasingly inclusive organisation: Pride - focused on LGBTQ+ issues; Equalise - dedicated to gender issues; Carer - supporting those with care needs; Enable - focused on neurodiversity and disability; Ethnicity Inclusion - supporting ethnic inclusion; Wellbeing - focused on personal and organisational wellbeing; Armed Forces - dedicated to employees with relations with the army.

← Venegono - M - 346 assembly line

²¹ Unless otherwise indicated, the data refers to 2023.

¹⁹ DE&I (Diversity, Equity & Inclusion)

²⁰ STEM (Science, Technology, Engineering, Mathematics)

STEM PROMOTION

Promoting digital education and sharing scientific knowledge, technological skills and innovation with communities are an integral part of Leonardo strategy to strengthen the innovation chain and reduce the educational and social gap in the areas where it operates. To this end, Leonardo has trained a network of STEM ambassadors and role models operating in the Group's various geographical areas to encourage the new generations - particularly young female students - to embark on STEM careers, through training activities delivered in collaboration with schools and higher technical institutes, such as the YEP-Young women Empowerment Programme and School4Life 2.0, to contribute to the growth and development of the national education system and tackle the phenomenon of school drop-out. In the UK dedicated career fairs, summer schools and contests were organized in the UK, resulting in an increase of almost 20% in female insourcing for internships, apprenticeships and industrial placements.

SKILLS

60%

of Leonardo people with a STEM qualification

~1.3 MLN

training hours delivered in-house

938

training paths initiated with the education system, including internships, apprenticeship programmes, traineeships, school-to-work alternation

SCIENTIFIC CULTURE

>400,000

people reached with scientific and digital citizenship initiatives

~1,400

schools, over 1,900 teachers and 60,000 students involved in the STEMLab project

>2,000

hours of teaching by Leonardo people in universities and schools



STEM WOMEN RECRUITMENT - STEM UP AND SHE CYBER - initiatives dedicated to attracting female talent, especially young STEM undergraduates to help reduce the gender gap in the helicopter and cyber security industry respectively; **STEM Returners**: a programme implemented in the UK to reintegrate people with STEM backgrounds after a career break, with a focus on women.

STEMLAB - digital education programme promoting scientific culture through the dissemination of STEM disciplines among the younger generation. Through a dedicated platform, STEM Lab provides teachers and students in Italian secondary schools with content developed by Leonardo experts, confirming the Group's role as hi-tech leader in supporting the national education system.

ENHANCEMENT OF FEMALE STEM CAREERS - *Ingenio al Femminile*: an initiative promoted by the Italian National Council of Engineers to enhance women's professionalism in the technical-scientific field, in which Leonardo takes part by awarding a prize for recent female graduates who have written brilliant engineering dissertations; **Girls@Polimi**: 4 scholarships funded by Leonardo for high school final-year female students interested in engineering courses at the **Politecnico di Milano**.

AEROTECH ACADEMY - high-level training course in collaboration with the *Federico II* University of Naples, aimed at developing expert professionals on topics at the frontier of engineering, enhance in-house skills with the contribution of Leonardo internal teachers, and encourage the induction of new STEM talents into the company.

TALENT ENGINE, ENGAGEMENT AND PEOPLE WELLBEING

Leonardo has launched several initiatives to support employer branding and recruiting, with the aim of attracting the best talents on the labour market and finding the skills of interest to its businesses, including by exploiting all the growth and work-life balance opportunities. Among the main initiatives to support recruiting targets, priority was given to STEM profiles and women, helped also by taking part in the Career Days of prestigious university hubs, both digitally and in-person. Over 40,000 visitors came to the Leonardo stands at the 30 career days organised in Italy in 2023.

In order to consolidate employees' sense of belonging and whilst making the Group attractive to new talent, significant regulatory measures were also introduced to address specific needs, focusing on parenting, frailty, inclusion and gender equality, care needs and support for victims of gender-based violence. To this end, Leonardo offers concrete support in the form of listening and guidance on welfare and wellbeing issues through the set up the welfare coach network: 66 certified "wellbeing enablers" operating in all Italian sites.

GYMPASS - platform providing access to sports facilities and gyms, online master classes, apps and meditation or nutrition-related activities, with over 7,000 employees registered.

APERTAMENTE - psychological and guidance support service both through the use of an online platform and by providing an on-site service with a professional, available to all people in Italy.

WORKPLACE HEALTH PROMOTION - initiatives to encourage prevention and the conscious adoption of healthy lifestyles, from flu vaccination campaigns to those for the preventing breast and prostate cancer, from the introduction of dedicated menus for coeliacs in Leonardo to *Percorso Corallo*, an initiative to support women returning from maternity leave.

LEONARDO CARE - project to support people with caring duties in identifying services and institutions available for the care of frail family members via an online platform. The service includes a dedicated care manager who offers guidance and support.

LIFEED -enhancement path that transforms parenting experiences into a training ground for transversal skills to be exploited in the professional sphere, through increased effectiveness in terms of productivity, engagement and motivation. 200 parents were involved in 2023 and the same number is expected for the new edition.

LEONARDO SUMMER CAMP -project dedicated to Leonardo people's children in Italy aged between 6 and 17. The Camp is housed in the H-Farm facility and is an innovative and engaging environment in which to put yourself to the test, choosing from the many STEAM (Science, Technology, Engineering, Art, Mathematics) activities.

SUSTAINABILITY CULTURE

Strengthen knowledge and skills in the field of sustainability through training, information and networking initiatives aimed at Group employees: these are the key actions to create a widespread and integrated sustainability culture.

SUSTAINABLE TRANSFORMATION OF BUSINESS -training programme created in partnership with UCL (University College London) and SDA Bocconi School of Management with the aim of responding to Leonardo's strategic needs in relation to sustainable business transformation. 80 Group executives were involved in 2023 and the same number is expected in 2024.

SUSTAIN-ABLE -initiative aimed at encouraging the adoption of sustainable behaviour among Leonardo people through a gamification platform. A proactive corporate community on sustainability issues has been created in three years: over 4,600 participants, over 22,000 missions completed with a total CO₂ saving of over 93,600 kg.

SUSTAINABILITY EXCELLENCE PROGRAMME -training and development programme aimed at building the skills required to meet the challenge of sustainable transition, targeting recent graduates in STEM disciplines and economic sciences. The programme includes a six-month internship within the Leonardo Sustainability professional family.

MULTIMEDIA COURSE ON SUSTAINABLE DEVELOPMENT -online training for the entire corporate population; about 20.320²² people from the Group participated.

UK SUSTAINABILITY NETWORK -strengthened the sustainability community in Leonardo UK through the set up of a network that now brings together around 150 colleagues, launch of the Sustainability Bulletin newsletter and the Sustainability Week.

VALUE FOR COMMUNITIES

Leonardo generates value for communities by spreading a business culture that promotes sustainability through the social, economic and environmental development of the areas in which it operates. To this end, it initiates, supports and encourages projects with a strong social impact aimed at disseminating knowledge and technology, invests in the growth of the community through volunteering skills and knowledge transfer and safeguards environmental protection by fostering greater awareness of these topics.

AVANCHAIR -collaborative project for the design and implementation of an innovative prototype wheelchair made by the start-up Avanchair, providing engineering expertise and demonstrating how technology transfer between different sectors can improve people's lives.

CIELO ITINERANTE -initiative launched in partnership with the non-profit association *Cielo Itinerante* to bring children in situations of educational poverty closer to STEM subjects, through educational workshops focused on the theme of space and the intervention of Leonardo experts at three associations, which involved more than 100 children. The new format 2024 Leonardo Constellation will include a tour of 6 Leonardo sites from north to south with the involvement of about 500 children, including children and grandchildren of Leonardo employees.

²² As of end of May 2024.

PLASTIC FREE -clean up campaigns launched in partnership with Plastic Free, Italy's leading environmental charity dedicated to plastic pollution. Over 200 employees involved, over 2 tonnes of waste collected since 2022. In 2024, the number of campaigns will be increased in the areas where the Group operates.

LEONARDO CHALLENGE -Move Together for the Planet Leonardo initiative dedicated to the engagement and wellbeing of people and the planet. In 2023, employees from all over the world came together, both physically and virtually, to travel the greatest possible distance. Leonardo supported the challenge by joining a reforestation project in Malawi (Africa), pledging to plant a tree for every 3 km travelled by its people. A record number of 1,750 employees from 27 countries participated and they travelled 66,817 km for a total of about 22,000 trees planted.

SUPPORT FOR MILITARY FAMILIES IN THE UNITED STATES -programme launched by Leonardo DRS to support, with more than 90% of the investment dedicated to communities, initiatives for active duty military, war veterans and their families in several areas: financial assistance, sports, medical research, bereavement support, scholarships. Supported organizations include Homes For Our Troops, Fisher House Foundation and Blue Star Families.

VETERANS AND BIODIVERSITY IN THE UK -initiative launched by Leonardo UK to foster the re-employment of veterans while supporting reforestation and biodiversity, in collaboration with the non-profit associations Carma and Green Task Force. 4,000 trees have already been planted in Wales and a further 4,000 trees are planned to be planted during 2024.



RESPONSIBLE CANTEENS

The programme started over 10 years ago in collaboration with the Banco Alimentare Onlus Foundation, to recover surplus food from the canteens in Leonardo's main Italian factories in favour of local non-profit organizations continues. In 2023, more than 144,000 portions of food were distributed, with an economic value of about 275,000 Euro (more than 3.5 million Euro since the start of the programme).

SOCIAL VALUE

Social Value is the model adopted by Leonardo UK to assess the social impact of its activities, based on territories specific government requirements for participation in commercial tenders. To this end, a framework and data-driven tools are being designed to support the Social Value Model, making it potentially scalable to the whole Group so that a homogeneous methodology can be used to measure the social impact of Leonardo's activities and maximise its competitiveness at an international level.

↑ Springboard 2024 Italy

08

TRANSPARENCY AND BUSINESS INTEGRITY

Leonardo acts with integrity, transparency, respect for regulations and zero tolerance for any form of corruption to ensure the most correct business managements and to establish trusting and collaborative relationships with employees, customers, suppliers and all other stakeholders to whom is asked, who are asked to accept and apply the principles and values stated Leonardo's Charter of Values, Code of Ethics and its other codes of conduct.



TOOLS TO STRENGTHEN BUSINESS INTEGRITY

FOR EMPLOYEES

32,000

hours of business and trade compliance training in 2023 to more than 22,000 participants

28,000

people trained on anti-corruption

FOR THIRD PARTIES

>200

hours of training given to sales promoters, sales consultants and lobbyists

58

reports received in 2023

900

due diligence and reputation checks on counterparts and potential business partners

In conducting its activities, Leonardo committed to respect and promote the Ten Principles of the United Nations Global Compact relating to human rights, labour, the environment and anti-corruption. Leonardo's model is inspired by national and international best practices and based on:

- **internal codes of conduct and a system of clear rules**, which are periodically updated and guide consistent and conscious behaviour, such as the (public) Human Rights Policy;
- continuous awareness-raising and **training of employees and third parties**;
- **continuous monitoring** through due diligence tools and a **whistleblowing** system;
- **risk assessment** methodologies;
- **transparent approach** to information and business processes.

These elements contribute to strengthening a governance and management system capable of preventing possible risks while promoting and developing an ethical business culture.

TRANSPARENCY AND THE FIGHT AGAINST CORRUPTION

Leonardo shared its experience in strengthening its model of responsible business conduct and transparency towards external stakeholders. Thanks to its model, in 2023, Leonardo achieved the **highest level of the Defence Companies Index on Anti-Corruption and Corporate Transparency (DCI) drafted by Transparency International**, as well as obtaining **confirmation of its ISO 37001 certification**, the first international standard on anti-corruption management systems. Leonardo was the first among the world's top ten Aerospace, Defence and Security companies to obtain this certification. The model also requires responsible management of the supply chain, through qualification, selection and management of suppliers, as well as adoption of a risk analysis tool as part of the due diligence carried out in the process of appointing business promoters, business consultants and lobbyists.

TRADE COMPLIANCE AND HUMAN RIGHTS IMPACT ASSESSMENT

Leonardo has established an internal compliance programme - the Trade Compliance Program - in order to ensure full compliance with applicable laws and the provisions set by the competent authorities in the field of Trade Compliance. The programme provides for **prompt identification and implementation of requirements** set out in applicable Italian, EU and international **regulations** concerning exporting and importing defence, dual-use or commercial goods and/or services subject to regulatory requirements, as well as obligations relating to embargoes, sanctions or other restrictions on trade, including political commitments under the Common Foreign and Security Policy (CFSP) framework and international regulations and conventions signed by Italy and the European Union. In addition, the Trade Compliance Programme provides for **due diligence on potential customers and end users**, with verification whether they are on restriction lists and additional checks in the case of transactions linked to Sensitive Countries, as well as specific checks to verify observance of internationally recognized human rights. In this regard, the **Human Rights Impact Assessment (HRIA)** tool was introduced as a key element of the Trade Compliance Programme, with the aim of defining the main risk factors with regard to human rights and the potential impact of the company's activities.



For more information please contact:
sustainability@leonardo.com



