Leonardo is building its future through implementation of the Be Tomorrow-Leonardo 2030 Strategic Plan, based on reinforcement of strategic activities, transformation of its business model and organisation, and a focus on innovation. Since the introduction of the new Industrial Plan in 2018, this path has allowed the company to undertake a form of development consistent with the company’s financial solidity, competitiveness on international markets, and commitment to transparency, integrity and sustainability in business. This transformation is underpinned by the knowledge and skills of over 50,000 people who contribute to planning the future, guiding its concrete implementation over the years.

The Group’s evolution is demonstrated by its most important economic and financial indicators, which underline the positioning of Leonardo’s products and technological solutions on key markets both within the countries where the Group works - Italy, the United Kingdom, the USA and Poland - and internationally. The company exceeded its pre-pandemic levels of business in 2021, consolidating recovery of growth and increasing its profitability, with ongoing progressive improvement of industrial performance.

Revenues were around 14.1 billion euro (+5% over 2020 and +2.5% over 2019), with an order portfolio of 35.5 billion and new orders worth 14.3 billion euro (+4% over 2020 and +1.4% over 2019). Profitability improved significantly. EBITDA reached 1.1 billion euro, 29.5% higher than in 2020, while FOCF was 209 million euro, more than double the company’s target. Net indebtedness was reduced by about 6% compared to the previous year as a result of the decrease in the cost of debt in 2021 to a low of 2.3%.

The key factors underlying the growth of Leonardo’s competitiveness, profitability and long-term yields are the ESG principles. The results achieved have allowed the company to confirm its position in S&P Global’s Dow Jones Sustainability Indices, with the highest score in the Aerospace and Defence industry for the third year in a row. In addition, it was included in Borsa Italiana’s MIB ESG INDEX (Euronext), the CDP Climate-A List, category A of the Defence Companies Index on Anti-Corruption and Corporate Transparency (DCI), and, for the second year in a row, the Gender Equality Index and the UN’s Global Compact LEAD.

These acknowledgements are the result of a basic strategic vision: in a highly diversified business, the legacy of a complicated past, the company has avoided an overly narrow focus which could be susceptible to being challenged as markets evolve or could turn out to be inconsistent with the company’s strategic leadership in the country and its territory.

Leonardo focused strongly on convergence between manufacturing and the digital sphere as a factor for transforming production and design models. The definition One Company is no longer merely a legal and organizational model, but is taking on a practical dimension: the current technological evolution has increasingly integrated the company’s business portfolio, even while remaining open to new prospects.
This strategy has been pursued with investment in new infrastructure such as the davinci-1 supercomputer, one of the world’s most powerful HPC’s for the AD&S industry worldwide, promoting the digitisation of industry with benefits for other entities in the national economy. Based on the same rationale, Leonardo has reinforced its commitment to Research & Development: investment grew to 1.8 billion in 2021 (+12.5% over the previous year), with a focus on cloud computing, AI, robotics, innovative materials and autonomous intelligent systems.

A crucial role was played by the launch of the Leonardo Labs, a network of laboratories located all over the country promoting the development of disruptive technology capabilities in all fields of activity based on an open ecosystem of innovation. Leonardo now works with more than 90 research centres and universities, and the Leonardo Labs are working on 120 projects, both within and outside the company. By the end of the year, the Labs will employ 130 researchers, a figure which is expected to grow to 200 in 2023.

This focus on innovation has not slowed down business takeovers, which have been relaunched in new fields of business. In helicopters, the takeover of Kopter of Switzerland opened the door to new single-engine markets, with prospects for development of hybrid and electric propulsion solutions. In the increasingly strategic field of electronics, Leonardo took over the Italian company Vitrociset and purchased a 30% share in GEM. On the European market, the purchase of a 25.1% share in Hensoldt of Germany laid the foundations for construction of a European centre for Electronics for the Defence industry. The takeover of the Israeli company Rada Electronic Industries by Leonardo DRS has also had a major impact. The subsequent merger of the two companies will permit listing of DRS on Nasdaq as well as Tase, the Tel Aviv stock exchange, with important financial and industrial prospects for Leonardo DRS and Leonardo itself.

The Group has consolidated its position of international leadership through participation in important strategic aeronautical programmes: Leonardo is participating in the Eurofighter project and is a partner in the team working on Tempest, a “system of systems” for facing the future challenges of defence. The Cameri centre will continue to be a landmark in Europe for the production, assembly and maintenance of F-35s.

On the cutting edge of innovation, Leonardo participates in the Eurodrone programme for a European remote-controlled unmanned aircraft, while in space, it is an industrial partner in the principal Earth observation and satellite navigation and communication programmes, as well as the Artemis project for returning to the Moon.

The principles of sustainable management, taking into account employment and the intentions of the entire workforce, became the key to a new phase in the social relations between the company and its people. Since 2017, more than 16,000 people have been hired all over the world, registering a net growth rate of about 5,300 people in Leonardo, in addition to natural turnover. Almost 3,000 new people were hired in Italy alone. Profound changes are currently under way in the type of know-how represented in the company: Leonardo now has 9,600 people working on R&D in various ways, and, in 2021 alone, 54% of the new hires came from a background of STEM studies.

The LEAN model of ongoing production improvement was introduced, focusing on key professional skills and greater efficiency. During the pandemic, the company did not resort to tools for solidarity, while the 2021-2022 supplementary contract focused on growth and on rewarding merit.

The agreement for relaunching Aerostartures after the pandemic aims to preserve business continuity with investment in technologies, products, processes and skills, as well as flexibility and diversification of the product portfolio. Investment and technological innovation are also the keys to the plan for the optimisation and growth of the Electronics division.

When it comes to in-house know-how, Leonardo provided 1.6 million hours of instruction in the year 2021 alone, introducing 776 training programmes including on-the-job training, apprenticeship programmes, internships and work placements. At the same time, the Group expanded its service-based offerings for its partners and customers: the Group established its new Cyber & Security Academy providing instruction in the area of IT security and opened its International Flight Training School (IFTS) in partnership with the Italian Air Force.
<table>
<thead>
<tr>
<th>CONTENTS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A profile of Leonardo</td>
<td>6</td>
</tr>
<tr>
<td>Financial indicators</td>
<td>8</td>
</tr>
<tr>
<td>Principal figures on commercial performance</td>
<td>10</td>
</tr>
<tr>
<td>Business areas</td>
<td>11</td>
</tr>
<tr>
<td>Human capital</td>
<td>18</td>
</tr>
<tr>
<td>Ecosystem of knowledge and skills</td>
<td>20</td>
</tr>
<tr>
<td>The Leonardo Training Academy</td>
<td>22</td>
</tr>
<tr>
<td>The know-how of the future</td>
<td>24</td>
</tr>
<tr>
<td>The “Be Tomorrow 2030” strategic plan</td>
<td>26</td>
</tr>
<tr>
<td>Lines of action</td>
<td>26</td>
</tr>
<tr>
<td>Strengthening our core business</td>
<td>29</td>
</tr>
<tr>
<td>Financial solidity</td>
<td>29</td>
</tr>
<tr>
<td>M&amp;A</td>
<td>29</td>
</tr>
<tr>
<td>International partnerships and collaborations</td>
<td>30</td>
</tr>
<tr>
<td>The Foundations</td>
<td>31</td>
</tr>
<tr>
<td>Pursuing transformation</td>
<td>33</td>
</tr>
<tr>
<td>Industry 4.0</td>
<td>33</td>
</tr>
<tr>
<td>Leonardo Production System</td>
<td>33</td>
</tr>
<tr>
<td>Sustainable growth of the Supply Chain</td>
<td>35</td>
</tr>
<tr>
<td>Relaunching industry in the country</td>
<td>37</td>
</tr>
<tr>
<td>National Strategic Hub – PSN</td>
<td>38</td>
</tr>
<tr>
<td>Global monitoring</td>
<td>39</td>
</tr>
<tr>
<td>Mastering the new</td>
<td>40</td>
</tr>
<tr>
<td>Leonardo LABS</td>
<td>40</td>
</tr>
<tr>
<td>The davinci-1 supercomputer</td>
<td>41</td>
</tr>
<tr>
<td>Targets for 2030</td>
<td>42</td>
</tr>
<tr>
<td>Responsible business conduct</td>
<td>43</td>
</tr>
<tr>
<td>Transparency and integrity</td>
<td>43</td>
</tr>
<tr>
<td>SDG-aligned investments</td>
<td>44</td>
</tr>
<tr>
<td>Sustainability targets</td>
<td>45</td>
</tr>
<tr>
<td>Milestones</td>
<td>46</td>
</tr>
</tbody>
</table>
A profile of Leonardo

LEONARDO: A TECHNOLOGICAL AND INDUSTRIAL LEADER IN AEROSPACE, DEFENCE & SECURITY

Leonardo plays a strategic role in the industrial development of the countries it works in, with a direct presence in four domestic markets and a sales network extending all over the world. Innovation, ongoing research, digital industry and sustainability are the cornerstones of its business worldwide, while the company’s 50,000 people are the engine driving its growth.
In the year 2021, Leonardo confirmed its growth, revealing ongoing, progressive improvement of the Group’s industrial performance, in line with the targets specified in the Industrial Plan. Despite the ongoing effects of the pandemic, the robustness and diversification of the Group’s product portfolio confirmed Leonardo’s resilience, with growing commercial, industrial and financial performance even in comparison to the pre-pandemic years, with the exception of the civil aeronautical sector, which is still suffering the impact of the continued effects of the pandemic.

New orders settled at excellent levels, confirming the highly competitive positioning of the Group’s products and solutions, with revenues up in all the principal areas of business and growing productivity in all sectors except for the civil aeronautical component, which has suffered from reduced demand on the part of all key players on the market.

Growth continues, with financial results in line with or above pre-pandemic levels.

**FINANCIAL INDICATORS**

<table>
<thead>
<tr>
<th>Year</th>
<th>Orders (€ BIL.)</th>
<th>Revenues (€ BIL.)</th>
<th>Orders (€ BIL.)</th>
<th>Revenues (€ BIL.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>15.1</td>
<td>1,120</td>
<td>2018</td>
<td>12.2</td>
</tr>
<tr>
<td>2019</td>
<td>14.1</td>
<td>1,250</td>
<td>2019</td>
<td>13.8</td>
</tr>
<tr>
<td>2020</td>
<td>13.8</td>
<td>938</td>
<td>2020</td>
<td>13.4</td>
</tr>
<tr>
<td>2021</td>
<td>14.3</td>
<td>1,123</td>
<td>2021</td>
<td>14.1</td>
</tr>
</tbody>
</table>

**EBITA (€ MLN)**

- 2018: 1,120
- 2019: 1,250
- 2020: 938
- 2021: 1,123

**FOCF (€ MLN)**

- 2018: 336
- 2019: 241
- 2020: 40
- 2021: 209

*FOCF 2018 includes the advance for NH90 Qatar*
BUSINESS AREAS

Helicopters

Research, design, development and production of helicopters for civil and defence applications. Leonardo’s helicopters, from the 1.8 ton single-engine to the 16 ton three-engine, fulfill missions of public utility, public order, off-shore, search and rescue, EMS (Emergency Medical Services) and defence on land and at sea. To respond to the needs of future vertical mobility, Leonardo is committed to researching innovative technologies and platforms, such as the tiltrotor and the remotely piloted helicopter, and to developing a new generation of light helicopters with hybrid or electrical propulsion.
BUSINESS AREAS

Aircraft

Design, development and production of latest-generation aircraft that meet the needs of the most complex operational scenarios: from basic training to complex defence and peace enforcement operations; from tactical transport to humanitarian and firefighting support; from command and control to intelligence, surveillance and reconnaissance. Leonardo’s aircraft, characterised by advanced performance, innovative systems and sensors, and reduced maintenance requirements, have digital capabilities that can constantly improve training systems.

More than 30,000 aircraft produced, delivered and supported all over the world
More than 20,000 pilots trained
More than 2,000 training craft sold in more than 40 countries
More than 1,200 aircraft managed at about 50 sites/bases

Aerostructures

As a partner of the world’s most important makers of commercial aircraft, Leonardo is involved and specialises in the production and assembly of major structural components made of composite materials and conventional metal for commercial and military aircraft, helicopters and unmanned aircraft. Leonardo participates in the most important programmes in the sector, such as the Boeing 787 Dreamliner, the Airbus A220 and A321, and the ATR, the bestselling regional turboprop.

More than 1,800 ATRs sold to about 200 airlines in 100 countries
>2,000 fuselage sections produced for the Airbus A321
>1,100 fuselage sections produced for the Boeing 787
BUSINESS AREAS

Electronics

Multi-domain technological solutions for border security and management of critical infrastructure. C4ISTAR (Command, Control, Communication, Computers, Intelligence, Surveillance, Target Ac quisition, Reconnaissance) sensors and systems and self-protection equipment allowing forces in the field to be aware of the operational scenario and obtain superior information.

More than 1,000 platforms supplied to 70 marines equipped with Leonardo defence systems
More than 1,000 air defence and surveillance radars in 58 countries
More than 3,000 optronic systems onboard land vehicles
More than 1,000 optronic systems on board defence aircraft
200 airports in 110 countries using Leonardo air traffic control systems

€ 7.6 BIL.  
2021 orders

€ 14.2 BIL.  
2021 portfolio

47%  
€ 6.9 BIL.

2021 REVENUES OUT OF LEONARDO TOTAL

Anti Sector eliminations

€3,185 BIL.  
Market
2021-2030

6%  
CAGR
2021-2030

Cyber security

With a view to guaranteeing global security, Leonardo protects institutions, enterprises and citizens, guaranteeing the security of digital ecosystems and the resilience of strategic assets through the secure digitisation of processes, infrastructure and applications, mission-and business-critical communication technologies and solutions, and systems and platforms for ongoing threat monitoring and response in physical and cyber space.

115,000 security occurrences monitored per second by the Global Security Operation Centre (SOC)
100,000 users and 7,000 cyber networks protected in 130 countries
200 control rooms and 50,000 terminals managed to secure Italian police communications
>50 countries around the world use Leonardo critical communications systems
Unmanned

The development of unmanned technology is a frontier of innovation for which Leonardo is producing remote piloting systems for air and sea use in civil and military missions. Modular, flexible solutions that integrate platforms, radar and electrooptical sensors, mission systems and ground control stations. In this context, Leonardo supplies Unmanned Traffic Management (UTM) technologies and services for the management and protection of drone air traffic.

Space

Leonardo covers the entire value chain of the space industry, from the manufacture of satellites and orbiting infrastructure and the production of high-tech equipment and sensors to management of satellite services and propulsion and launching systems. These capabilities, stemming from over 60 years of experience, have been consolidated with the aid of a strategic partnership between Leonardo and Thales for the Space Alliance and Leonardo’s industrial participation in Avio.

50 Falco remotely piloted aircraft systems sold worldwide
825 unmanned systems, including 125 surveillance aircraft and 700 target drones, delivered worldwide

>50 atomic clocks on board the Galileo constellation
>2 MLN radar images acquired by the COSMO-SkyMed constellation developed by ASI in cooperation with the Italian Ministry of Defence
>170 antennas at the Fucino Space Centre, the world’s most important teleport
8 space centres all over the world
The world’s most powerful hyper spectral instrument on board the ASI PRISMA satellite

1,391 BIL.

€

Market

2021-2030

4.7%

CAGR

2021-2030

Mission for exploration of the planet Mars
Leonardo ranks among the top 5 groups in Italy in terms of resources committed, and is a key global player in the Aerospace, Defence & Security sector.

**OUR PEOPLE, ALL OVER THE WORLD**

People and skills are the factors driving the lines of action of Leonardo’s strategic plan. Since 2017, more than 16,000 people have been hired all over the world, translating into a growth rate for the Leonardo team of about 5,300 people, in addition to natural turnover. A profound transformation of the know-how represented in the company is currently under way. Leonardo now has 9,600 people working on R&D in various ways, and in 2021, 54% of new hires came from a background of STEM studies, with 62% of all employees possessing educational qualifications in the STEM disciplines.

To make the most of these assets, the company continues to add to its commitment to improving professional know-how: in 2021 alone, Leonardo provided 1.6 million hours of training, offering 776 training programmes, including on-the-job training, apprenticeship programmes, internships and work placements, for the development of knowledge. The Group employs about 10,000 aeronautical, aerospace, electronic, mechanical, IT and telecommunications engineers. At the same time, the company is committed to updating know-how on the basis of its knowledge-oriented philosophy, launching a network of Academies, identifying and seeking out the professions of the future, and setting challenging targets for hires by 2025.

**OUR TARGETS FOR 2025**

- At least 32% of all new hires will be women
- 30% of all hires in STEM disciplines will be women
- 20% female representation at management levels
- 20% female representation among all employees

**EVOLUTION OF THE LEONARDO TEAM**

**Worldwide**

<table>
<thead>
<tr>
<th>Team</th>
<th>2017</th>
<th>2021</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worldwide</td>
<td>45,134</td>
<td>50,413</td>
<td>+5,279</td>
</tr>
</tbody>
</table>

**Italy**

<table>
<thead>
<tr>
<th>Team</th>
<th>2017</th>
<th>2021</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>28,892</td>
<td>31,661</td>
<td>+2,769</td>
</tr>
</tbody>
</table>

**IN 2021**

- 19% of all employees are women
- 10% of all employees are under 30
- 18% of all managers are women
- 62% of all employees graduated in STEM disciplines

**Rest of the world 3%**

- US 14%
- UK 15%
- Poland 5%
- Italy 63%
- 1,555
Leonardo has always attributed great importance to cooperation with the educational system: universities, polytechnic institutes, research centres and schools represent strategic partners for creating an open, shared educational system focusing on ongoing education, as well as programmes and projects concerned with innovation and research.

On the basis of the formula of Advanced Technical Institutes, now known as ITS Academies, the company supports a strategic reservoir for the development of professional skills and the enhancement of communities’ economic fabric and industrial vocation. In 2021, Leonardo provided more than 1,400 hours of instruction in 5 Italian institutions, participating in the planning of educational content, teaching methods and study programmes and in the definition of professional profiles, and offering on-the-job training periods for students at its industrial sites.

The Aerotech Academy, instead, is an example of an advanced educational programme within the company, focusing on the new frontiers of engineering. The result of a partnership with the Federico II University of Naples, the programme has involved more than 50 students in the past 24 months - many of whom later came to work in the company - in project work centring around innovation in aerostructures and Industry 4.0.

**THE ECOSYSTEM OF KNOWLEDGE AND SKILLS**

90 partnerships with universities and research centres around the world

44 PhDs begun in 2021 in Italy, with a signed commitment to fund more than 80 PhDs within the year

[Image: Leonardo Aerotech Campus]
In building and promoting a culture of education and training to improve business competitiveness and generate value for stakeholders, Leonardo has developed a vast network of Training Academies, characterised by the use of digital platforms, simulation systems and Live-Virtual-Constructive (LVC) learning environments, making use of proprietary methods, augmented reality, artificial intelligence and deep learning. These institutions offer internationally recognised training programmes for professions connected with the company’s fields of business and provide ongoing updating of in-house skills, with an orientation towards “employability” and “life-long learning.”

LEONARDO TRAINING ACADEMY

The Academies are globally recognised centres of excellence for training helicopter pilots, maintenance technicians and operators. These training institutes offer qualification programmes for specific product models and aeronautical regulations, on the basis of international standards.

In the area of cyber and security, the Academy provides training in the technological, regulatory, methodological and process aspects of security to support institutions, defence, the public sector, critical infrastructures and enterprises in the secure digital transition and protection against cyber threats.

In relation to aircraft, the Academy provides training for air force pilots under a partnership between Leonardo and the Italian air force.

In aerostructures, the Academy updates know-how for the development of new production lines.

In Electronics, the Academy develops specific training programmes for the domains of land, sea, avionics, electro-optical and IRST (infrared search and track).

In Aviation, the Academy trains to provide qualifications and skills in professional aircraft maintenance.

In Robotics, the Academy provides training for the development of new production lines.

In Electronics, the Academy develops specific training programmes for the domains of land, sea, avionics, electro-optical and IRST (infrared search and track).

The Academy trains to provide qualifications and skills in professional aircraft maintenance.

International Flight Training School (IFTS)

In relation to aircraft, the Academy provides training for air force pilots under a partnership between Leonardo and the Italian air force.

In aerostructures, the Academy updates know-how for the development of new production lines.

In Robotics, the Academy provides training for the development of new production lines.

In Electronics, the Academy develops specific training programmes for the domains of land, sea, avionics, electro-optical and IRST (infrared search and track).

The Academy trains to provide qualifications and skills in professional aircraft maintenance.

Helicopters Training Academy

The Academies are globally recognised centres of excellence for training helicopter pilots, maintenance technicians and operators. These training institutes offer qualification programmes for specific product models and aeronautical regulations, on the basis of international standards.

Cyber & Security Academy

The Academies are globally recognised centres of excellence for training helicopter pilots, maintenance technicians and operators. These training institutes offer qualification programmes for specific product models and aeronautical regulations, on the basis of international standards.

In the area of cyber and security, the Academy provides training in the technological, regulatory, methodological and process aspects of security to support institutions, defence, the public sector, critical infrastructures and enterprises in the secure digital transition and protection against cyber threats.

In relation to aircraft, the Academy provides training for air force pilots under a partnership between Leonardo and the Italian air force.

In aerostructures, the Academy updates know-how for the development of new production lines.

Aerostructures Academy

In relation to aircraft, the Academy provides training for air force pilots under a partnership between Leonardo and the Italian air force.

In aerostructures, the Academy updates know-how for the development of new production lines.

In Robotics, the Academy provides training for the development of new production lines.

In Electronics, the Academy develops specific training programmes for the domains of land, sea, avionics, electro-optical and IRST (infrared search and track).

The Academy trains to provide qualifications and skills in professional aircraft maintenance.

Aircraft Academy

The Academy trains to provide qualifications and skills in professional aircraft maintenance.

Radar & Sensors Academy

In relation to aircraft, the Academy provides training for air force pilots under a partnership between Leonardo and the Italian air force.

In aerostructures, the Academy updates know-how for the development of new production lines.

In Robotics, the Academy provides training for the development of new production lines.

In Electronics, the Academy develops specific training programmes for the domains of land, sea, avionics, electro-optical and IRST (infrared search and track).

The Academy trains to provide qualifications and skills in professional aircraft maintenance.

International Flight Training School (IFTS)

In relation to aircraft, the Academy provides training for air force pilots under a partnership between Leonardo and the Italian air force.

In aerostructures, the Academy updates know-how for the development of new production lines.

In Robotics, the Academy provides training for the development of new production lines.

In Electronics, the Academy develops specific training programmes for the domains of land, sea, avionics, electro-optical and IRST (infrared search and track).

The Academy trains to provide qualifications and skills in professional aircraft maintenance.

Aircraft Academy

The Academy trains to provide qualifications and skills in professional aircraft maintenance.

Radar & Sensors Academy

In relation to aircraft, the Academy provides training for air force pilots under a partnership between Leonardo and the Italian air force.

In aerostructures, the Academy updates know-how for the development of new production lines.

In Robotics, the Academy provides training for the development of new production lines.

In Electronics, the Academy develops specific training programmes for the domains of land, sea, avionics, electro-optical and IRST (infrared search and track).

The Academy trains to provide qualifications and skills in professional aircraft maintenance.

Aircraft Academy

The Academy trains to provide qualifications and skills in professional aircraft maintenance.

Radar & Sensors Academy

In relation to aircraft, the Academy provides training for air force pilots under a partnership between Leonardo and the Italian air force.

In aerostructures, the Academy updates know-how for the development of new production lines.

In Robotics, the Academy provides training for the development of new production lines.

In Electronics, the Academy develops specific training programmes for the domains of land, sea, avionics, electro-optical and IRST (infrared search and track).

The Academy trains to provide qualifications and skills in professional aircraft maintenance.
Leonardo oversees skill areas of strategic importance to the company and the country as a whole by identifying and seeking out the professional figures of the future in the area of emerging and disruptive technologies. Seeking out and attracting these resources is the most valuable long-term investment Leonardo can make today.

### THE SKILLS OF THE FUTURE

Leonardo oversees skill areas of strategic importance to the company and the country as a whole by identifying and seeking out the professional figures of the future in the area of emerging and disruptive technologies. Seeking out and attracting these resources is the most valuable long-term investment Leonardo can make today.

### THE PROFESSIONS IN GREATEST DEMAND, BY SECTOR

#### CYBER SECURITY
- Cloud security
- Data protection & privacy
- Infrastructure security
- Application security
- Identity and access management
- Security risk and compliance
- Internet of things security
- Mobile security
- Security monitoring & analytics
- Hardware security/hardening

#### ELECTRONICS
- Chemistry, mechanical and electric mixed skills
- Electric management system
- Electric power generation & distribution
- Hybrid electric architecture
- Energy sources
- Power on demand system (PODS)
- Electric Engine

#### MATERIALS & STRUCTURES
- Composite materials
- Composite recycled materials
- Carbon fiber & nanostructured materials
- New alloys (e.g. titanium / aluminium)
- New materials and production processes validation
- Metasurfaces
- Generative design
- Design for additive manufacturing
- Ultra-light materials (e.g. nano tubes)

#### DIGITAL TWIN AND DIGITAL THREAD
- PPM tools
- Virtual prototyping (CAD & CAE)
- Virtual manufacturing (CAM, CAPP)
- Predictive product behaviour
- AI for design of experiments
- Model based system engineering/ virtual modeling and simulation

#### SPACE TECHNOLOGIES
- A.I., HPC, big data analytics, quantum technologies
- AI applied to satellite monitoring and surveillance
- AI applied to drones management
- Emergencies management

#### ARTIFICIAL INTELLIGENCE & AUTONOMOUS INTELLIGENT SYSTEM
- Computer vision
- Natural language processing
- Speech processing
- Virtual Agents
- Intelligent Process Automation
- Industrial IoT
- Robotic Automation

#### MATERIALS & STRUCTURES
- Composite materials
- Composite recycling
- Carbon fiber & nanostructured materials
- New alloys (e.g. titanium / aluminium)
- New materials and production processes validation
- Metasurfaces
- Generative design
- Design for additive manufacturing
- Ultra-light materials (e.g. nano tubes)

#### HIGH PERFORMANCE AND CLOUD COMPUTING
- Performance engineering
- Use of the HPC Environment
- Cloud application advisory
- Cloud application migration
- Cloud infra implementation
- Cloud service management
- Cloud operations management

#### CYBER SECURITY
- Security Architect and Security Analyst
- Cloud & Software Engineer

#### ELECTRONICS
- Electronic engineers: systems analysis, design, development of RF/digital HW/Microwaves/Powers
- Software design (or Networks/Data Centres design)

#### HELICOPTERS
- Program manager
- Electronic engineers (flight control systems)
- Industrial engineers

#### SPACE
- Data scientist
- Navigator engineer
- System architecture

#### AIRCRAFT
- Electronic engineers
- IT engineers
- Aerospace engineers

#### STAFF FUNCTIONS
- Digital communication specialists
- Cyber security specialists

---

**LEONARDO 2018-2022**

**THE SKILLS OF THE FUTURE**

Leonardo oversees skill areas of strategic importance to the company and the country as a whole by identifying and seeking out the professional figures of the future in the area of emerging and disruptive technologies. Seeking out and attracting these resources is the most valuable long-term investment Leonardo can make today.
Be Tomorrow 2030 strategic plan

The Be Tomorrow - Leonardo 2030 strategic plan expresses a clear vision of the company’s path for the next ten years and beyond: strengthening and transforming the business in order to grow, accelerating the process of innovation, and increasing long-term competitiveness in the pursuit of sustainability. The aim is to develop new skills, in both the civil and military domain, to respond to the challenges posed by the complexity of the digital age: interdependence, interrelation and rapid evolution. In terms of industrial processes, the plan focuses on convergence between manufacturing and the digital spheres as a factor for transforming production and design models.

1. STRENGTHENING OUR CORE BUSINESS

Increasing critical mass in strategic areas: Helicopters, Electronics, Cyber and Unmanned Aircraft, to acquire a position of international leadership

Strengthening our presence on global markets

Evolving our approach to the market, from product supplier to global partner

2. PURSuing TRANSFORMATION

Diversifying our activity portfolio and making the most of the cross-cutting skills for which we stand out: Digitisation, Command and Control, Connectivity, Cyber Security

Responding more and more effectively to customers’ demands, with innovative service-based supply models (X-as-a-service), ongoing measurement of customer satisfaction, and excellence in Simulation & Training solutions and systems

Investing in people and skills to support our business ambitions

3. MASTERING THE NEW

Through the Leonardo Labs, high-tech incubators for the development of innovative skills useful to all the Group’s lines of business

Increasing investment in research work, aligning it with the company’s principal competitors

Focusing on Autonomous Intelligent Systems to build leadership in all domains

TARGETS ACHIEVED IN 2022

<table>
<thead>
<tr>
<th>2020</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner in the Tempest programme</td>
<td>Agreement for merger of RADA and listing of Leonardo DRS</td>
</tr>
<tr>
<td>Acquisition of a 30% share in GEM</td>
<td>Acquisition of a 25.1% share in Hensoldt</td>
</tr>
<tr>
<td>Acquisition and integration of Vitrociset</td>
<td>Launch of the Cyber &amp; Security Academy</td>
</tr>
<tr>
<td>Acquisition and integration of Kopter</td>
<td>Launch of the cross-cutting Global Monitoring offering</td>
</tr>
<tr>
<td>Acquisition of a 70% share in AEA</td>
<td>Definition of a new strategy for the Unmanned Aircraft segment</td>
</tr>
<tr>
<td>About 5,300 new hires</td>
<td>Launch of the X-2030 platform</td>
</tr>
<tr>
<td>Launch of the LEAP programme</td>
<td>Creation of IFTS</td>
</tr>
<tr>
<td>Creation of the Leonardo Labs</td>
<td>Plan for relaunching the Aerostructures Division</td>
</tr>
<tr>
<td>Leadership in ESG ratings and indicators</td>
<td>About 5,300 new hires</td>
</tr>
<tr>
<td>Skydweller Programme</td>
<td>Launch of the davinci-1 supercomputer</td>
</tr>
<tr>
<td>Launch of the davinci-1 supercomputer</td>
<td>Launch of the Cyber &amp; Security Academy</td>
</tr>
<tr>
<td>Launch of the cross-cutting Global Monitoring offering</td>
<td>Agreement for merger of RADA and listing of Leonardo DRS</td>
</tr>
</tbody>
</table>

LINES OF ACTION

- 1. STRENGTHENING OUR CORE BUSINESS
- 2. PURSUING TRANSFORMATION
- 3. MASTERING THE NEW
**FINANCIAL SOLIDITY**

The resilience demonstrated by the company during the pandemic, and the central importance the Group assigns to defence in today’s complex geopolitical scenario, have allowed Leonardo to improve its operative performance while maintaining a solid financial structure. Thanks to these dynamics and the good prospects for growth in the next 12 to 24 months, supported by a disciplined financial strategy aimed at achievement of an investment-grade rating, the credit rating agencies improved Leonardo’s outlook in 2022.

**M&A**

Leonardo has strengthened its position on the market with a targeted campaign of mergers & acquisitions resulting in strategic operations of long-term importance that will allow the Group to become a global player in the Aerospace and Defence industries.

<table>
<thead>
<tr>
<th>AGENCIES</th>
<th>Moody’s</th>
<th>S&amp;P</th>
<th>Fitch</th>
</tr>
</thead>
<tbody>
<tr>
<td>RATING</td>
<td>Ba1/Positive Outlook</td>
<td>BB+/Positive Outlook</td>
<td>BBB-/Stable Outlook</td>
</tr>
<tr>
<td>DATE</td>
<td>July 2022</td>
<td>May 2022</td>
<td>January 2022</td>
</tr>
</tbody>
</table>

In the Electronics sector, takeover of Vitrociset reinforced the company’s position in logistics, simulation and training, and space.

The acquisition of a 30% share in GEM was aimed at increasing the Group’s presence in the naval industry, particularly in short- to medium-range sensors for navigation and for maritime, coastal and airport surveillance.

The acquisition of Kopter further reinforced Leonardo’s global leadership and position in the Helicopters sector, with a special focus on single-engine helicopters and prospects for development of hybrid and electric propulsion solutions.

In Electronics, a 25.1% share in Hensoldt permitted establishment of a strategic long-term presence on the German defence market, strengthening the existing partnership with initiatives for collaborating in the development of joint opportunities in the air, land and sea domains.

In Electronics, the focus was placed on the portfolio of the subsidiary Leonardo DRS, with the sale of the Global Enterprise Global Enterprise Solutions (GES) and Advanced Acoustic Concepts (AAC) business units. An agreement was reached for the merger of Rada Electronic Industries, listed on Nasdaq, into Leonardo DRS, automatically resulting in listing of the latter company on both Nasdaq and Tase (the Tel Aviv stock exchange), reinforcing Leonardo DRS’s position in its core business of sensors and integrated systems.

1. **STRENGTHENING OUR CORE BUSINESS**

Further developing our core business and activities, with the aid of a more focused and homogeneous portfolio.

In the Electronics sector, takeover of Vitrociset reinforced the company’s position in logistics, simulation and training, and space.

The acquisition of a 30% share in GEM was aimed at increasing the Group’s presence in the naval industry, particularly in short- to medium-range sensors for navigation and for maritime, coastal and airport surveillance.

In the Electronics sector, takeover of Vitrociset reinforced the company’s position in logistics, simulation and training, and space.

The acquisition of a 30% share in GEM was aimed at increasing the Group’s presence in the naval industry, particularly in short- to medium-range sensors for navigation and for maritime, coastal and airport surveillance.

The acquisition of Kopter further reinforced Leonardo’s global leadership and position in the Helicopters sector, with a special focus on single-engine helicopters and prospects for development of hybrid and electric propulsion solutions.

In Electronics, a 25.1% share in Hensoldt permitted establishment of a strategic long-term presence on the German defence market, strengthening the existing partnership with initiatives for collaborating in the development of joint opportunities in the air, land and sea domains.

In Electronics, the focus was placed on the portfolio of the subsidiary Leonardo DRS, with the sale of the Global Enterprise Global Enterprise Solutions (GES) and Advanced Acoustic Concepts (AAC) business units. An agreement was reached for the merger of Rada Electronic Industries, listed on Nasdaq, into Leonardo DRS, automatically resulting in listing of the latter company on both Nasdaq and Tase (the Tel Aviv stock exchange), reinforcing Leonardo DRS’s position in its core business of sensors and integrated systems.
INTERNATIONAL PARTNERSHIPS AND COLLABORATIONS

**Multi-role fighter**
The most important European aeronautical programme developed by Eurofighter Gmbh, a consortium of defence industries from Italy, the United Kingdom, Germany and Spain. Leonardo holds a 36% share in the programme, playing a key role in production of aeronautical and electronic components.
- 680 aircraft ordered by 9 nations
- Production and equipment of more than 60% of the onboard avionics
- In charge of assembly for the Italian and Kuwaiti Air Force fleets
- EFA Kuwait Air Force, the first aircraft equipped with the new scanning radar

**Multi-role helicopter**
Europe’s most important helicopter programme, developed by the NHindustries consortium, in which Leonardo covers 32% of the entire value of the programme. Leonardo’s Tessera (Venice) site is the programme’s Italian assembly and maintenance hub.
- 470 units in service the world over
- More than 330,000 hours of flight

**Tiltrotor**
A Leonardo research project promoted under the EU’s Clean Sky 2 programme for development of a new generation tiltrotor with an architecture and technological systems capable of cutting CO2 emissions and noise footprint, while maximising speed and efficiency.
- 280 knots cruising speed
- 1000 nautical miles of autonomy
- 50% reduction of CO2 emissions

**ATM System**
A research programme concerned with modernisation of air traffic management (ATM) and air navigation services (ANS) in Europe. SESAR is guided by SESARJU, a public-private partnership including the European Union, Eurocontrol and Leonardo, as well as more than 50 other organisations.

**Unmanned systems**
A programme developed by France, Italy, Spain and Germany. The first unmanned flight system designed for flight in unsegregated airspace.
- 7 bl. euro project value
- 7,000 jobs created
- 100% European technologies

**European Multi-Mission Frigates**
Europe’s most important military naval programme, the result of a partnership between the Italian and French defence industries. Leonardo is responsible for integration of combat systems and supply of advanced equipment.
- 10 combat management systems (CMS) integrated in the FREMM
- 50 radar systems and 50 cannons installed on board

THE SYSTEM OF LEONARDO FOUNDATIONS

**Leonardo Foundation - CIVILITÀ DELLE MACCHINE**
The Leonardo Foundation - Civiltà delle Macchine was established in 2018 to promote industrial culture and education and favour the development of communities, support dual technology in the service of civil society, and make the most of Leonardo’s heritage of museums and archives accumulated over seventy years of work in industry. The Foundation’s goals include supporting the birth of a new digital humanism, meaning use of cutting-edge technologies for the common good of humanity, through a multidisciplinary approach combining science, technology and the humanities, which will be of essential importance for guaranteeing a sustainable future. This is the approach inspiring the Civiltà delle Macchine magazine, which promotes dialogue between the humanities and the sciences in support of a constructive debate on the impact of the digital transformation.

**The Med-Or Foundation**
Created in 2021, the Med-Dr foundation is a crossroads between Italy and the wider Mediterranean area, including the Sahel, the Horn of Africa and the Red Sea (“Med”) and up to the Middle and Far East (“Or”). It promotes cooperation and dialogue, making an important contribution to addressing the challenges involved in defining new international geopolitical balances, one of the Foundation’s primary goals. Through concrete projects, events, studies and research projects, the Foundation promotes public-private partnerships, creates synergies between industry and the academic world, and supports innovation, research and scientific education in strategic sectors, including A&D&S, through joint programmes.

**The ANSALDO Foundation**
The Ansaldo Foundation was set up in 2000, but is the result of a process that began as early as 1980 with the opening to the public of Ansaldo’s Historic Archive, Italy’s first corporate archive. It promotes the development of a close synergy between economics, enterprise and work, through studies, advanced education, and the protection and enhancement of the legacy of archives of businesses and other economic entities.
2. PURSUING TRANSFORMATION

Making the organisation more modern and flexible and adopting more effective and innovative business models to expand the business and respond to customers’ needs.

INDUSTRY 4.0

Digitisation, robotisation and robust automation of assembly lines are only a few of the technologies enabling Industry 4.0 which, when applied to production processes, represent a key to developing a new-generation manufacturing industry. The drive towards digitisation requires the creation of infrastructures and platforms relying on integrated digital assets, to increase competitiveness and support significant increases in production rates in the medium to long term. Their full implementation is a key to Leonardo’s gradual transition towards the model of Industry 4.0, focusing on flexibility, productive efficiency, reduction of margins of error, and quality improvements.

LEONARDO PRODUCTION SYSTEM

The LPS (Leonardo Production System) programme began in 2019 with the goal of optimising the efficiency and productivity of Leonardo’s industrial sites, where 13,000 people are employed in manufacturing units in Italy, the United Kingdom, the United States and Poland, with an approach oriented towards ongoing improvement in the management of processes and programmes.

The programme is based on WCM (World Class Manufacturing), a structured and integrated production methodology aimed at continuously improving all production performances to guarantee product quality and satisfy customer expectations.

THE TEN TECHNICAL PILLARS OF WCM UNDERLYING THE LPS PROGRAMME

1. Safety & Health
2. Cost Deployment
3. Focused Improvement
4.1 Autonomous Maintenance
4.2 Workplace Organisation
5. Professional Maintenance
6. Quality Control
7. Logistic and Customer Service
8. Early Equipment Management
9. People Development
10.1 Environment
10.2 Energy
Over the next ten years, Leonardo will be engaged in enhancing its consolidated lines of business and developing technology innovation projects, as outlined in the Be Tomorrow 2030 strategic plan, with the goal of initiating a sustainable transformation of the new technological cycles, due above all to integration of digital technologies and manufacturing. In this context, Leonardo launched the **LPS 4.0 programme** in 2021, revising the LPS programme to come up with a new version featuring a greater focus on digitisation of production. The development of LPS 4.0 has a direct impact on process transformation costs, helping to improve their sustainability through adoption of digital technologies.

### THE FIGURES ON LPS

| 16 sites | 380 employees selected as pillar leaders and co-leaders | >200 methods and tools | >3,000 employees involved in improvement projects | +30,000 hours of training | >1,900 improvement plans |

Overall, in the areas where LPS has been implemented, the results have been:

- **95%** reduction in accidents (safety)
- **+30%** improvement in productivity
- **0** breakdown conditions

Baseline 2019; 2021 figures

### LPS 4.0

Over the next ten years, Leonardo will be engaged in enhancing its consolidated lines of business and developing technology innovation projects, as outlined in the Be Tomorrow 2030 strategic plan, with the goal of initiating a sustainable transformation of the new technological cycles, due above all to integration of digital technologies and manufacturing. In this context, Leonardo launched the **LPS 4.0 programme** in 2021, revising the LPS programme to come up with a new version featuring a greater focus on digitisation of production. The development of LPS 4.0 has a direct impact on process transformation costs, helping to improve their sustainability through adoption of digital technologies.

### SUSTAINABLE GROWTH OF THE SUPPLY CHAIN

Leonardo’s initiatives supporting the supply chain are competitive levers for protecting the country’s technological sovereignty and generating wealth in the nation. Leonardo’s supply chain consists of 11,000 companies all over the world guaranteeing compliance with requirements for the quality and security of supplies and collaborating actively in the management of contracts. The supply chain includes both international Aerospace, Defence and Security players and numerous technologically specialised SMEs who make an important contribution to the creation and success of the Group’s products.

| 87% of suppliers are Italian SMEs | 72% of suppliers are British SMEs | 60% of suppliers are U.S. SMEs | 82% of suppliers are Polish SMEs |

| 87% of suppliers are Italian SMEs | 72% of suppliers are British SMEs | 60% of suppliers are U.S. SMEs | 82% of suppliers are Polish SMEs |
In Italy, Leonardo is at the centre of an ecosystem of about 4,000 companies employing more than 126,000 people. This generates 10.4 billion euros in added value, permitting the development of local supply chains with a high concentration of know-how and innovation.

**LEONARDO EMPOWERING ADVANCED PARTNERSHIPS**

Through LEAP (Leonardo Empowering Advanced Partnerships), a supplier development programme launched in 2018, Leonardo aims to optimise supplier relations, while at the same time making the most of the technological capabilities of both players in this new project: the Group and the supply chain. Improvement and development projects are already under way for more than 120 suppliers participating in the LEAP programme.

In 2021, the LEAP programme evolved into LEAP - Partnership for Sustainability, setting sustainability goals for suppliers in addition to targets for operative performance and cost-competitiveness. The transition to LEAP-Partnership for Sustainability focuses on the Leonardo suppliers’ commitment to innovation, digital transformation, cyber security and the green transition.

In 2021, more than 500 key suppliers were assessed in terms of ESG sustainability, identifying strong points and areas for improvement in the supply chain. This analysis inspired the “Leonardo Supply Chain Sustainability Manifesto”, addressing three key issues - Digital Transformation, Cyber Security, People & Planet - through 18 concrete projects with measurable progressive milestones.

**RELACING ITALY’S INDUSTRY**

2022 saw the launch of a plan for growth and development in the Electronics sector, with the goal of conquering a position of European leadership in the sector of Electronics for Defence. The plan focuses on the Italian industrial system, with investments of 200 million euros a year in Italy, and 300 million a year including the United Kingdom; another 50 million will be invested in optimisation of industrial sites in Italy over 3 years. The key to the process of reinforcing production lines is the “Factory of the Future”, a model smart factory already under development in the United Kingdom featuring robotics and digital systems.

**ELECTRONICS BUSINESS**

2022 saw the launch of a plan for growth and development in the Electronics sector, with the goal of conquering a position of European leadership in the sector of Electronics for Defence. The plan focuses on the Italian industrial system, with investments of 200 million euros a year in Italy, and 300 million a year including the United Kingdom; another 50 million will be invested in optimisation of industrial sites in Italy over 3 years. The key to the process of reinforcing production lines is the “Factory of the Future”, a model smart factory already under development in the United Kingdom featuring robotics and digital systems.

**AEROSTRUCTURES BUSINESS**

In 2019 a plan for relaunching the aerostructures business was relaunched, addressing the continuation of the crisis caused by the pandemic and its impact on civil air travel, with repercussions for the production of aerostructures. The plan aims to preserve the economic and industrial sustainability of the sites suffering the greatest impact (in Campania and Puglia), consolidating the central role of the aerostructures business - through technological upgrading of programmes and products, plants and production processes - with an investment totalling more than 300 million euros in 2019-2023.
NATIONAL STRATEGIC HUB – PSN

Thanks to its know-how in the area of “secure handling” of data, in 2022 Leonardo joined Polo Strategico Nazionale (PSN), a company that designs, produces and manages the new infrastructure providing cloud services for the Public Administration. Through Leonardo’s security operation centres, guaranteeing impermeability against all kinds of data violations on the part of external agents, the infrastructure for protection of the country’s sensitive data and critical strategic services can now rely on a secure, efficient and dependable cloud. The goal of PSN is to promote the country’s digital transition, with the target of putting 75% of Italy’s public administration on the cloud by 2026.

GLOBAL MONITORING

Leonardo develops global monitoring technologies that contribute to the sustainable development of the Planet on an economic, social and environmental level, guaranteeing well-being for people and security for critical infrastructure, transportation and territory.

Through AI and cloud computing, X-2030 extracts, analyses and uses data for smart territorial monitoring based on a number of sources, including satellite technologies, with the associated Earth observation services, radar systems and sensors, secure communication systems, command and control rooms, helicopters, aircraft, and unmanned systems. The X-2030 platform is a “system of systems” capable of providing an integrated vision of the context of operations. Moreover, it is a strategic tool, in city management and urban security, for the prevention and management of risk in environmental and anthropic events.

In this complex task of global monitoring, technologies for Earth observation, monitoring and protection developed by Leonardo - also through Telespazio and Thales Alenia Space – represent an asset of great importance.

THE PRISMA MISSION

One of the most prominent environmental monitoring solutions today, PRISMA is the hyperspectral mission of the Italian Space Agency mapping the earth’s surface to manage environmental risk. The satellite uses a hyperspectral instrument created by Leonardo, operating in more than 200 bands of the visible and infrared short-wave light spectrum, to analyse the chemical and physical composition of the areas observed, identifying even the slightest signal of fragility and supplying valuable data to monitor the health of the Planet and preserve its resources, thus promoting a concrete sustainable transition. PRISMA is acquiring data to monitor the Earth’s delicate ecosystem, particularly to check up on the transparency of its waters, the health of crops, droughts, the risk of biodiversity loss, fire risk, atmospheric pollution, and natural disasters such as volcanic eruptions, landslides and floods.

1. Telespazio (Leonardo 67%, Thales 33%) and Thales Alenia Space (Thales 67%, Leonardo 33%)
2. Earth observation programme, developed by the EU in collaboration with the European Space Agency (ESA), monitoring the planet and its environment for the benefit of citizens
3. The Earth observation satellite system of the Italian Space Agency (ASI) and Italy’s Ministry of Defence, equipped with synthetic aperture radar sensors, ensuring global coverage of the planet under all weather conditions.
3. MASTERING THE NEW

Innovating and creating new technologies and new high-tech markets.

LEONARDO LABS

Leonardo’s constant investment in research and development and its strong orientation towards open innovation have produced the Leonardo Labs, a network of technological incubators which support all aspects of engineering in Leonardo’s fields of business, exploration of emerging new technologies, and anticipation of future demands on the market. 11 laboratories, each with its own technological focus, operate through a number of centres distributed all over Italy and abroad.

11 LEONARDO LABS

- Applied artificial intelligence
- Future aircraft technologies
- Future electronics & sensing
- Advanced Logistics 4.0
- Space technologies
- Quantum technologies
- Future rotorcraft technologies
- HPC/Cloud/Big data technologies
- Intelligent autonomous system
- Materials technologies
- Future security & safety technologies

4 JOINT LABS

- Solvay
- Istituto Italiano di Tecnologia
- New materials
- Industrial robotics
- Space robotic
- High performance computing

8 FIELDS OF TECHNOLOGICAL RESEARCH

- Digital twins and advanced simulation
- Artificial Intelligence
- Big Data
- HPC/Cloud
- Robotics and Autonomous Systems
- Quantum technologies
- Electrification
- New materials
- TLC, Electrical & Computer Engineer
- Material Engineer
- Aerospace Engineer

>100 researchers and PhD candidates involved

200 researchers by 2023

PROFILES MOST IN DEMAND

- Data Scientist & Data Analyst
- Machine Learning and Deep Learning Engineer
- Machine Learning and Deep Learning Researcher
- Security Engineer
- Robotic Engineer
- TLC, Electrical & Computer Engineer
- Material Engineer
- Aerospace Engineer

LAB SYNERGIES IN BUSINESS AREAS

Effective synergies between the network of Labs and the engineering and R&D functions of the business areas permit transformation of plans for products under development and the creation of new ones.

The Artificial Intelligence Lab, working with Telespazio and the Cyber & Security business area, has developed a solution for analysing hyperspectral data remote-sensed by helicopter. This framework can analyse hyperspectral data to classify and reveal materials and vegetation during surveillance and monitoring of specific activities.

The Big Data Lab, working with the Aircraft, Helicopters and Electronics business areas, has designed and made operative a technological stack for a complete data lake, for management, storage and analysis of operative data on Leonardo products.

Both systems operate on the davinci-1 supercomputer.
Responsible business conduct

Leonardo’s model of Corporate Governance is oriented toward maximising value for shareholders, controlling enterprise risk and maintaining maximum transparency in relations with the market, as well as ensuring the integrity and correctness of decision-making processes.

TRANSPARENCY AND INTEGRITY

Leonardo is the first company in the world’s top ten AD&S enterprises to obtain certification under ISO 37001:2016, the first international standard for anti-bribery management systems.

Ranked (first overall) in category A in the Defence Companies Index on Anti-Corruption and Corporate Transparency (DCI) of Transparency International.

Sustainability Leader in the Dow Jones Sustainability Indices of S&P Global for twelve years, with the highest score in the Aerospace and Defence industry for the third year in a row.

It is one of six Italian companies, and the only one in its field, to be confirmed in the CDP 2021 Climate-A List.

Recognised UN Global Compact LEAD for its commitment to the world’s biggest corporate sustainability initiative.

One of the companies included in the MIB ESG INDEX on the Italian Stock Exchange (Euronext), Italy’s first blue chip indicator for the forty best companies in terms of ESG performance.

Included in the Bloomberg Gender-Equality Index 2022 for the second year in a row.

Improvement of the ESG rating awarded by the principal specialised rating agencies and the most important international analysis and research centres:
- ranked third among European A&D companies according to V.E (Moody ESG Solutions)
- obtained the highest score in the corporate and environmental categories of the ISS ESG (Institutional Shareholder Services group of companies) Quality Score, making Leonardo a leader in the sector’s index

COMPLIANCE COUNCIL

One of the pillars of Leonardo’s compliance system is the Compliance Council, an event promoting a culture based on respect for the rules and on the company’s values, through a debate, open to experts from outside the company, on ethics, integrity and responsibility: the foundations of responsible business conduct. The Compliance Council, which has been held since 2016, offers an opportunity for discussion among different areas in the company and promotion of awareness among employees of the risks involved in business operations.
SDG-ALIGNED INVESTMENTS

Yearly Average 2021-2023: € 600-700 mln*

* Including Capitalized R&D, Capex, Tooling and Other Immaterial Assets

SDG-aligned investments

Other investments

50% OF LEONARDO FUNDING SOURCES NOW ARE “ESG LINKED”

Two ESG linked financial transactions subscribed in 2021

€ 600 mln ESG linked Term Loan

€2.4 bil. ESG linked Revolving Credit Facility (RCF)

OUR MAIN CONTRIBUTION TO SDGS

1. Improving energy efficiency and increasing the share of renewable energy.
2. Improving skills & competencies.
3. Increasing computing power by 40% per capita
4. Strengthening digitalisation and processing capacity
5. Improving energy efficiency and increasing the share of renewable energy.
6. Improving skills & competencies.
7. Commitment to reducing CO₂ emissions
8. Enhanced value creation with a focus on the environment
9. Developing resilience infrastructure and digital processes with green impact
10. Promoting an inclusive environment
11. Reporting on safety and resilient cities, preventing disasters and intervening in emergency situations
12.Promoting waste reduction, recycling, reuse and therefore reducing the impact on environment.

KEY PERFORMANCE INDICATORS (KPIs)

KPIs selected fully aligned with ESG strategy and long-term incentive plan

1. Reduction of CO₂ emissions
2. Employment of women with STEM degree
3. Increase computing power by 40% per capita
4. Increase per capita storage capacity by 40%a

SDG-ALIGNED INVESTMENTS

2021

50% ESG linked

€6.0 bil.

SDG-linked investments

Other investments

50% OF LEONARDO FUNDING SOURCES NOW ARE “ESG LINKED”

Two ESG linked financial transactions subscribed in 2021

€ 2.4 bil. ESG linked Revolving Credit Facility (RCF)

€ 600 mln ESG linked Term Loan

SUSTAINABILITY TARGETS

PILLAR AREA TARGETS

GOVERNANCE

Promote a responsible business model

Issue of a Trade Compliance Guideline including Human Rights Impact Assessment (HRIA) and development of country risk assessment tools

Renewal/maintenance of the ISO 37001:2016 “Anti-Bribery Management System” certification standard

Expand business compliance training to other types of third parties (distributors/resellers), making it a mandatory prerequisite for finalisation of the agreement with them

2022

2025

2025

2025

2025

2022

2025

2023

2025

2023

2022

2023

2022

(6) Updated target of 32% female representation out of total hires over year 2022 in response to the features of the AD&S sector. Set intermediate target for hiring excluding blue-collar workers for 2022, postponing the target for total hires to 2025.
(7) Calculated in relation to revenues, 2019 year baseline.
(8) Reduction in absolute value. 2019 year baseline
(9) Calculated in relation to revenues, 2019 year baseline.
(10) Including recruiting suppliers. Leonardo DRS is not included in the scope.
(11) Calculated as the number of floppy disks/bytes in relation to employees in Italy 2020 year baseline.
(12) Calculated as the number of floppy disks/bytes in relation to employees in Italy 2030 year baseline.
Milestones

2018-2022 INDUSTRIAL PLAN
Presentation of the new 2018-2022 Industrial Plan, with the goal of achieving long-term sustainable growth

OCEAN 2020 PROJECT
Leonardo coordinates a team of 42 partners in 15 European countries in the OCEAN2020 project, a research initiative funded by the European Union in the field of naval defence technologies.

EMPLOYMENT AGREEMENTS
An innovative smart-working agreement was signed with the trade unions, beginning a 12-month pilot project and signing an early retirement agreement to encourage generational turnover.

1586TH ATR FUSELAGE
Delivery of fuselage number 1586, made in Italy for the ATR, the regional air transport vehicle that has become a benchmark for aeronautics worldwide.

LEAP PROGRAMME
Introduction of the LEAP programme, an innovative model for management and enhancement of the value chain in which Leonardo plays a leading role, accelerating the growth of SMEs in the national ecosystem.

70 YEARS OF LEONARDO
Celebration of 70 years of Leonardo, accompanying the growth of Italy and its industries and making the Group a world leader in A&D&S with its increasingly advanced skills.

NEW BUSINESS DIVISIONS
Creation of the Electronics division with the aim of optimising organisation of Electronics for Defence and Security and launching the new Cyber Security division.

2019

ACQUISITION OF VITROCISET
Completion of the acquisition of Vitrociset, strengthening Leonardo’s position in its core business of Services, and particularly Logistics, Simulation & Training and Space Operations.

INAUGURATION OF THE AEROTECH CAMPUS
A hub for technological innovation with a focus on research and development of Aerostructures and support for innovative start-ups in the Aeronautics and Aerospace sectors.

NATIONAL AWARD FOR INNOVATION
Leonardo is presented with Italy’s most important award for innovation, the Premio Nazionale per l’Innovazione (National Award for Innovation), for development of its aerostructures project.

AGREEMENT FOR THE GROWTH OF THE SUPPLY CHAIN
Agreement signed with CDP and Elite, of the Italian Stock Exchange, for sustainable growth of the aerospace & defence sector with tools and solutions, financial and otherwise, for speeding up and supporting plans for growth.

PARTNERSHIP WITH CAE USA
Agreement with CAE USA to offer integrated helicopter training solutions for the US government market.

PARTICIPATION IN THE TEMPEST PROGRAMME
Leonardo and its Italian industrial partners join the Tempest programme, a “system of systems” for air combat in multi-domain scenarios.
BE TOMORROW – LEONARDO 2030 STRATEGIC PLAN
A vision of the company in ten years and beyond, with parallel definition of the plan for digital transformation and the 2030 Sustainability Plan, focusing on three lines of action

NETWORK OF LEONARDO LABS
Technology incubators to support Leonardo in long-term research and development of the most innovative technologies, particularly digital technologies

ACQUISITION OF KOPTER
This operation strengthens the company’s leadership in the helicopter sector, accelerating development of revolutionary technologies, new mission capabilities and increased performance

NEW WHISTLEBLOWING PLATFORM
A whistleblowing platform has been set up for more effective management of reports of internal violations

THE DAVINCI-1 SUPERCOMPUTER
Leonardo’s supercomputer, ranked among the best HPCs (High Performance Computers) in the world for performance, with a computing power of over 5 million billion floating-point operations per second

BUSINESS HERO AWARD
The UK Chambers of Commerce organisation awards Leonardo the Business Hero prize for its contribution during the Covid-19 emergency

INTERNATIONAL FLIGHT TRAINING SCHOOL (IFTS)
Work begins on the IFTS, an international benchmark for advanced military pilot training, in collaboration with the Italian Air Force

LEONARDO 2018-2022
Establishment of laboratories in partnership with industrial partners (Solvay) and research centres (IIT – Istituto Italiano di Tecnologia) for development of Leonardo’s technological and product portfolio

ACQUISITION OF HENSOLDT
Purchase (finalised in 2022) of a 25.1% share in HENSOLDT, a German leader in sensors for defence and security applications. The partnership that has been under way between the two companies for some time now is thus strengthened

ACQUISITION OF GEM
Purchase of a 30% share in GEM to strengthen Leonardo’s position in the ship-building industry, with a special focus on short- to medium-range sensors for maritime, coastal and airport navigation and surveillance

SUPPLEMENTARY CONTRACT
The Supplementary Contract, inspired by the principles of sustainability, growth, trust, joint responsibility and flexibility as a new model for labour relations, was renewed in Italy and signed by the trade unions

FIRST ESG-LINKED LINE OF CREDIT
Subscription of the first ESG-linked revolving line of credit - linked with ESG targets in line with the sustainability strategy underlying the Group’s Industrial Plan - with a syndicate of domestic and international banks

AWHERO CERTIFICATION
A WHero obtains the world’s first military certification for a remotely piloted helicopter in its category from the DAAA (Direction of Aeronautic Armaments and Airworthiness)

60 YEARS OF TELESPAZIO
Celebration of the sixtieth anniversary of the establishment of Leonardo’s subsidiary Telespazio. Founded in 1961 by Rai and Italcable, it is one of the world’s most prominent operators of satellite solutions and services

GENOA TECHNOLOGICAL HUB
Launch of the national hub for the digitisation of Italian industry in Genoa. It will contribute to the digital transition and increase the competitiveness of Leonardo’s technologies and products
**PLAN FOR GROWTH OF THE ELECTRONICS BUSINESS UNIT**
Launch of a five-year plan for growth and development to rise to a position of European leadership in Electronics for Defence, with reinforcement of production lines thanks to the “Factory of the Future”

**OPTIMISATION OF THE LEONARDO DRS PORTFOLIO**
Transfer of the investment in Advanced Acoustic Concepts (AAC) and sale of the Global Enterprise Solutions (GES) business to continue the process of focusing Leonardo DRS’s business portfolio

**MERGER OF RADA INTO DRS**
Agreement for the merger of Rada, a leading Israeli maker of tactical military radar systems, into Leonardo DRS with automatic listing of the latter on both Nasdaq and Tase (Tel Aviv stock exchange)

**FIRST ESG INVESTOR DAY**
Leonardo’s first Investor day focusing on ESG (Environmental, Social and Governance) issues, to underline the priority assigned of ESG concerns in Leonardo’s Industrial Plan

**NATIONAL STRATEGIC HUB – PSN**
PSN (Polo Strategico Nazionale), a project company owned by Leonardo, TIM, Cassa Depositi e Prestiti and Sogei, begins work to provide Italy’s public sector with efficient, secure cloud infrastructure

**THE FIRST DIGITAL HIGH SCHOOL**
Italy’s first project, with the support of Leonardo and the Leonardo Foundation, for an experimental digital high school providing students with a solid background in the STEAM disciplines

**LEONARDO CYBER & SECURITY ACADEMY**
The Leonardo Cyber & Security Academy is a new advanced educational institute providing institutions, companies and strategic infrastructures with training and qualifications in the area of security