

Leonardo S.p.a

2024 CDP Corporate Questionnaire 2024

Word version

Important: this export excludes unanswered questions

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

[Terms of disclosure for corporate questionnaire 2024 - CDP](#)

▪

Contents

C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

☒ English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

☒ EUR

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

☒ Partially privately owned and partially state owned organization

(1.3.3) Description of organization

Leonardo is an industrial and technological leader in the Aerospace, Defence and Security sector, which operates with the purpose to contribute to the progress and safety of the world by delivering meaningful and innovative technological solutions. Leonardo, with more than 53,000 employees, operates in 150 countries in the world offering customised solutions and innovative, value-added after-sales support services in order to be a trusted partner for its customers. It competes in the most important international markets by leveraging technology and product leadership in its business areas (Helicopters, Aircraft, Aerostructures, Electronics, Cyber & Security and Space). Helicopters: the division is deployed worldwide for every type of mission. From the 1.8-ton single-engine category to 16-ton three-engine aircraft, the company's vertical flight solutions are the most advanced and include comprehensive technical assistance and training services to enable operators to carry out their missions efficiently and safely. As well as the full spectrum of capabilities to develop fundamental vertical flight technologies, Leonardo's range of solutions also includes remotely piloted aircraft and tiltrotors, continuously pushing the boundaries of innovation in air mobility and for every mission requirement; Aircraft: the division is responsible for the production of both defence and civil aircraft. Leonardo is active in the production of all generations of air platforms from the Typhoon to the new 6th-generation fighter, the Global Compact Air Programme. In the field of civil aircraft, instead, the Company operates in the regional transport segment with the best seller turboprop aircraft ATR; Aerostructure: the core business of this division is the production of structural components for aircraft. As a partner of the world's leading commercial aircraft manufacturers, Leonardo is specialized in the production and assembly of large structural components in composite and traditional metal for commercial and defense aircraft, helicopters and unmanned aircraft. Leonardo participates in the most important programs in the sector such as the Boeing

787 Dreamliner, the Airbus A220 and A321 and the production of ATR aircraft. Electronics: this division designs, develops and manufactures advanced defence solutions in the air, land, sea, space, and cyber domains, for the security of national borders and the management of complex civil infrastructures. Leonardo's portfolio includes systems and sensors for surveillance, communication, missile defense, electronic warfare and cybersecurity. Cyber & Security: Leonardo provides solutions to protect institutions, enterprises and citizens, guaranteeing the security of digital ecosystems and the resilience of strategic assets through services for the secure digitalisation of processes, infrastructure and applications, technologies and solutions for mission and business critical communications, as well as systems and platforms for constantly monitoring and responding to both physical and cyber threats. •Space: this division deals with space activities, including the design and production of satellites, launch systems, space equipment, and related services. Leonardo brings space closer to the Earth for the benefit of citizens, institutions and businesses, covering the entire value chain of the space industry, from the production of orbiting satellites and infrastructures, to the production of high-tech equipment and sensors, up to the management of services satellites and propulsion and launch systems. These capabilities have been consolidated also through a strategic partnership between Leonardo and Thales in the Space Alliance, alongside Leonardo's industrial stake in Avio.

[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

(1.4.1) End date of reporting year

12/30/2023

(1.4.2) Alignment of this reporting period with your financial reporting period

Select from:

☒ Yes

(1.4.3) Indicate if you are providing emissions data for past reporting years

Select from:

☒ Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Select from:

☒ 5 years

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:

☒ 5 years

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:

☒ Not providing past emissions data for Scope 3

[Fixed row]

(1.4.1) What is your organization’s annual revenue for the reporting period?

15291000

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

XS0215093534 XS2199716304

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

IT0003856405

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

LDO.MI

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply

☒ Italy

☒ Spain

☒ Brazil

☒ Poland

☒ Turkey

☒ Belgium

- ☒ Canada
- ☒ Israel
- ☒ Malaysia
- ☒ Australia
- ☒ Switzerland
- ☒ South Africa
- ☒ United States of America
- ☒ Germany
- ☒ Romania
- ☒ United Kingdom of Great Britain and Northern Ireland

(1.8) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
	<i>Select from:</i> <input checked="" type="checkbox"/> No, this is confidential data	N/A

[Fixed row]

(1.21) For which transport modes will you be providing data?

Select all that apply

- ☒ Aviation

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

- ☒ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

☒ Upstream value chain

☒ Downstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

☒ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

☒ Tier 2 suppliers

(1.24.7) Description of mapping process and coverage

The Leonardo 2024-2028 Sustainability Plan is integrated into the Group Industrial Plan. It is composed of 8 clusters covering the entire value chain. In particular 4 of these have a specific impact on climate action. Leonardo assesses and classifies its suppliers using a structured process based on the following criteria: turnover; supply risk (difficulty in securing an alternative supplier); financial health and dependence on Leonardo; technical and management skills; sustainability and performance (quality and punctuality of deliveries). In 2023, among the over 12,000 suppliers that received orders from Leonardo, 542 Tier-1 suppliers were classified as strategic/critical (which overall represent 58% of total spend), in addition to 50 non-tier-1 suppliers, which despite not having direct relations with Leonardo, have an important role within the supply chain. Specific risk mitigation actions are defined for strategic/critical suppliers (which are those suppliers with high-volume turnover and high-risk of supply), and for suppliers with a high ESG risk (country-, sector- and commodity-specific risk screening). During 2023, Leonardo conducted a careful examination of the Scope 3 emissions produced by the Group to identify, in line with the SBTi methodology, the areas of greatest commitment towards which to promote its decarbonisation actions, including its supply chain and its products and services. With reference to climate change, Leonardo risk factors embrace all stages of the value chain, as they relate to production activities and processes - primarily operations and the supply chain - and to the customers' products and services demand.

[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

(1.24.1.1) Plastics mapping

Select from:

☒ Yes, we have mapped or are currently in the process of mapping plastics in our value chain

(1.24.1.2) Value chain stages covered in mapping

Select all that apply

☒ End-of-life management

(1.24.1.4) End-of-life management pathways mapped

Select all that apply

☒ Preparation for reuse

☒ Recycling

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

3

(2.1.4) How this time horizon is linked to strategic and/or financial planning

The time horizon for assessing climate-related risks and opportunities in the short-term is aligned with other business practice time horizons, including financial guidance, budget plans and sustainability targets

Medium-term

(2.1.1) From (years)

3

(2.1.3) To (years)

6

(2.1.4) How this time horizon is linked to strategic and/or financial planning

The time horizon for assessing climate-related risks and opportunities in the medium-term is aligned with the time horizon of the 5-year Industrial Plan

Long-term

(2.1.1) From (years)

6

(2.1.2) Is your long-term time horizon open ended?

Select from:

☒ No

(2.1.3) To (years)

10

(2.1.4) How this time horizon is linked to strategic and/or financial planning

The time horizon for assessing climate-related risks and opportunities in the long-term is aligned with the time horizon of the 10-year Strategic Plan.
[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

(2.2.1) Process in place

Select from:

☒ Yes

(2.2.2) Dependencies and/or impacts evaluated in this process

Select from:

☒ Impacts only

(2.2.4) Primary reason for not evaluating dependencies and/or impacts

Select from:

☒ Other, please specify :Activities on dependencies evaluation are at an early stage

(2.2.5) Explain why you do not evaluate dependencies and/or impacts and describe any plans to do so in the future

Leonardo defines its sustainable strategy also based on the materiality analysis, by identifying 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. In addition, Leonardo is aware of the dependencies between each aspects, for example climate change and Biodiversity. Specifically, Leonardo is fully aware that biodiversity is negatively affected by climate change. In turn an improvement in terms of biodiversity has a positive impact on reducing climate change effects. On the back of this, Leonardo has recently started to evaluate this kind of dependencies and impacts, by using specific tools for biodiversity evaluation.

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both risks and opportunities	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☒ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☒ Impacts

☒ Risks

☒ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☒ Direct operations

☒ Upstream value chain

☒ Downstream value chain

(2.2.2.4) Coverage

Select from:

☒ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☒ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☒ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

- ☒ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

(2.2.2.10) Integration of risk management process

Select from:

- ☒ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- ☒ Site-specific

(2.2.2.12) Tools and methods used

Enterprise Risk Management

- ☒ COSO Enterprise Risk Management Framework
- ☒ Enterprise Risk Management
- ☒ ISO 31000 Risk Management Standard
- ☒ Risk models
- ☒ Stress tests

International methodologies and standards

- ☒ IPCC Climate Change Projections
- ☒ ISO 14001 Environmental Management Standard
- ☒ Life Cycle Assessment

(2.2.2.13) Risk types and criteria considered

Acute physical

- ✓ Cyclones, hurricanes, typhoons
- ✓ Flood (coastal, fluvial, pluvial, ground water)
- ✓ Storm (including blizzards, dust, and sandstorms)
- ✓ Tornado
- ✓ Wildfires

Chronic physical

- ✓ Changing temperature (air, freshwater, marine water)
- ✓ Increased severity of extreme weather events
- ✓ Sea level rise

Policy

- ✓ Carbon pricing mechanisms
- ✓ Changes to national legislation

Market

- ✓ Availability and/or increased cost of raw materials
- ✓ Changing customer behavior
- ✓ Uncertainty in the market signals

Reputation

- ✓ Increased partner and stakeholder concern and partner and stakeholder negative feedback
- ✓ Stigmatization of sector

Technology

- ✓ Transition to lower emissions technology and products
- ✓ Unsuccessful investment in new technologies

Liability

- ✓ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- ☒ Customers
- ☒ Employees
- ☒ Investors
- ☒ Regulators
- ☒ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

- ☒ No

(2.2.2.16) Further details of process

The identification, assessment and monitoring of main risks and related treatment actions in Leonardo are supported by specific methodologies, tools and metrics aimed at their analysis and management. The Enterprise Risk Management (ERM) methodology and process fosters the identification and management of the cause-effect link between ESG factors, including climate change, and the potential impact on the Company identifying the main risks, opportunities and related treatment actions, supporting the preparation of the Industrial Plan, which also includes the strategic vision and the sustainability initiatives. The risk management process involves business lines, technical departments and support staff departments, notably: Process owners, Risk owners, Action owners, Risk managers. The identification and assessment of risks, including those which are climate-related (transitional and physical risks), is conducted at least quarterly. Risks are evaluated based on their likelihood and their potential strategic, operational, financial, compliance and reputational impacts on the Company. ERM reporting, intended also to inform both governance and control bodies, facilitates risk monitoring and awareness and enables the decision-making process related to the definition of mitigation actions aligned to the Company's Risk Appetite. ESG-related risk analysis is also supported through dedicated checklists related to the main risk factors relevant to the Company. Such checklists include a sub-set of factors specifically referred to Leonardo, selected from an initial pre-defined list of ESG-related risk factors, which are generally applicable to the AS&D sector. The subset of risk factors is then defined and updated considering the Company's mission and the competitive positioning targets in the market, as well as the outcomes of the materiality analysis, current and emerging regulations, trends at global level and ESG rating requirements. With reference to climate change, Leonardo's risk factors embrace all stages of the value chain, as they relate to production activities and processes - primarily operations and the supply chain - and to the customers' products and services demand. Then, Leonardo has been conducting for two years a materiality analysis according to the double materiality principle. this means that both impact materiality and financial materiality are considered and evaluated.

Row 2

(2.2.2.1) Environmental issue

Select all that apply

☒ Water

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☒ Impacts

☒ Risks

(2.2.2.3) Value chain stages covered

Select all that apply

☒ Direct operations

(2.2.2.4) Coverage

Select from:

☒ Partial

(2.2.2.7) Type of assessment

Select from:

☒ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☒ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

(2.2.2.10) Integration of risk management process

Select from:

- ☒ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- ☒ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

- ☒ WRI Aqueduct

Enterprise Risk Management

- ☒ COSO Enterprise Risk Management Framework
- ☒ Enterprise Risk Management
- ☒ ISO 31000 Risk Management Standard
- ☒ Risk models
- ☒ Stress tests

(2.2.2.13) Risk types and criteria considered

Acute physical

- ☒ Drought

Chronic physical

- ☒ Water availability at a basin/catchment level
- ☒ Water stress
- ☒ Water quality at a basin/catchment level

Policy

- ☒ Increased pricing of water

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- ☒ Local communities
- ☒ Water utilities at a local level
- ☒ Other, please specify :Stress index Aqueduct

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

- ☒ Yes

(2.2.2.16) Further details of process

The identification, assessment and monitoring of main risks and related treatment actions in Leonardo are supported by specific methodologies, tools and metrics aimed at their analysis and management. The Enterprise Risk Management (ERM) methodology and process fosters the identification and management of the cause-effect link between ESG factors, including water, and the potential impact on the Company identifying the main risks, opportunities and related treatment actions, supporting the preparation of the Industrial Plan, which also includes the strategic vision and the sustainability initiatives. The identification and assessment of risks is conducted at least quarterly. Risks are evaluated based on their likelihood and their potential strategic, operational, financial, compliance and reputational impacts on the Company. ERM reporting, intended also to inform both governance and control bodies, facilitates risk monitoring and awareness and enables the decision-making process related to the definition of mitigation actions aligned to the Company Risk Appetite The Water Site Risk Analysis (WSRA) deployment aids Leonardo's water risk response strategy for its industrial sites. This method assesses standard risk factors like site location, operational processes, and water management measures. Based on this evaluation, tailored response and monitoring strategies are developed. In 2023, WSRA covered 31 sites, accounting for nearly 90% of the Group's annual water withdrawal. This analysis informs additional actions required for water risk mitigation. Then, Leonardo has been conducting for two years a materiality analysis according to the double materiality principle. this means that both impact materiality and financial materiality are considered and evaluated.

[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☒ Yes

(2.2.7.2) Description of how interconnections are assessed

Regarding to climate change, and in particular to the emissions of some production sites of Leonardo, there is a specific risk due to EU climate regulation. Some of Leonardo's facilities may face stricter climate regulations than current ones, varying by country. In Italy, for instance, 9 plants are under the Emission Trading Scheme (ETS). When surpassing allocated limits, these plants must offset CO2 emissions by purchasing allowances. Pressures to mitigate industrial environmental impacts could reduce free allowances and increase their prices. This is one of transitional risk interconnected with environmental impact tied to GHG emission released in atmosphere.

[Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

☒ Yes, we have identified priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

☒ Direct operations

(2.3.3) Types of priority locations identified

Sensitive locations

☒ Areas important for biodiversity

☒ Areas of limited water availability, flooding, and/or poor quality of water

Locations with substantive dependencies, impacts, risks, and/or opportunities

- ☒ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to water

(2.3.4) Description of process to identify priority locations

The Water Site Risk Analysis (WSRA) deployment aids Leonardo's water risk response strategy for its industrial sites. This method assesses standard risk factors like site location, operational processes, and water management measures. Based on this evaluation, tailored response and monitoring strategies are developed. In 2023, WSRA covered 31 sites, accounting for nearly 90% of the Group's annual water withdrawal. This analysis informs additional actions required for water risk mitigation.

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

- ☒ No, we have a list/geospatial map of priority locations, but we will not be disclosing it

[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

- ☒ Qualitative

- ☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

- ☒ EBITDA

(2.4.3) Change to indicator

Select from:

☒ % decrease

(2.4.4) % change to indicator

Select from:

☒ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☒ Frequency of effect occurring

☒ Time horizon over which the effect occurs

☒ Likelihood of effect occurring

(2.4.7) Application of definition

Leonardo continuously intensifies its decarbonization actions, investing financial resources to develop and implement low-carbon solutions and processes which reduce the Group carbon exposure and mitigate the impact on natural capital, benefiting our stakeholders and shareholders. Climate-related risks and opportunities have also influenced Leonardo's financial planning, for example, in terms of revenues, indirect costs, capex, capital allocation, acquisitions and assets management. To address the outcomes of the scenario analysis, the Company implements mitigating measures to ensure the resilience of its strategy. Risks are evaluated based on their likelihood and their potential strategic, operational, financial, compliance and reputational impacts on the Company. ERM reporting, intended also to inform both governance and control bodies, facilitates risk monitoring and awareness and enables the decision-making process related to the definition of mitigation actions aligned to the Company Risk Appetite.

Opportunities

(2.4.1) Type of definition

Select all that apply

☒ Qualitative

☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

- ☒ Indirect operating costs

(2.4.3) Change to indicator

Select from:

- ☒ % decrease

(2.4.4) % change to indicator

Select from:

- ☒ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

- ☒ Time horizon over which the effect occurs
- ☒ Likelihood of effect occurring

(2.4.7) Application of definition

Leonardo's investments and initiatives to ease the transition towards a low carbon economy support the reduction of resource consumption (e.g., energy, water and waste production) and to increase the purchase of energy from renewable sources and self-production. Such efficiency actions within production processes might lead to larger cost savings for energy supplies, a lower dependence on third party sources and an increase of energy resilience, as well as a better ability to comply with future, stricter energy efficiency-related law requirements.

Risks

(2.4.1) Type of definition

Select all that apply

- ☒ Qualitative
- ☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☒ Revenue

(2.4.3) Change to indicator

Select from:

☒ % decrease

(2.4.4) % change to indicator

Select from:

☒ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☒ Frequency of effect occurring

☒ Time horizon over which the effect occurs

☒ Likelihood of effect occurring

(2.4.7) Application of definition

Leonardo continuously intensifies its decarbonization actions, investing financial resources to develop and implement low-carbon solutions and processes which reduce the Group carbon exposure and mitigate the impact on natural capital, benefiting our stakeholders and shareholders. Climate-related risks and opportunities have also influenced Leonardo's financial planning, for example, in terms of revenues, indirect costs, capex, capital allocation, acquisitions and assets management. To address the outcomes of the scenario analysis, the Company implements mitigating measures to ensure the resilience of its strategy. Risks are evaluated based on their likelihood and their potential strategic, operational, financial, compliance and reputational impacts on the Company. ERM reporting, intended also to inform both governance and control bodies, facilitates risk monitoring and awareness and enables the decision-making process related to the definition of mitigation actions aligned to the Company Risk Appetite.

Opportunities

(2.4.1) Type of definition

Select all that apply

- ☒ Qualitative
- ☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

- ☒ Revenue

(2.4.3) Change to indicator

Select from:

- ☒ % increase

(2.4.4) % change to indicator

Select from:

- ☒ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

- ☒ Time horizon over which the effect occurs
- ☒ Likelihood of effect occurring

(2.4.7) Application of definition

Climate change-related market and policy conditions pose interesting opportunities to increase revenues whether Leonardo offers new low-carbon technologies and solutions able to capitalize on these opportunities and represent a risk whether the Group is not able to adapt its portfolio of solutions. Consequently, Leonardo's R&D strategy has been influenced by these risks and opportunities mainly in: - aeronautical sector, generally characterized by high emissions; - electronic sector, because its Air Traffic Management (ATM) systems contribute to reduce environmental impacts optimizing air and maritime traffic; - space sector, in which Leonardo has several advanced solutions for earth observation

[Add row]

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified
	Select from: <input checked="" type="checkbox"/> Yes, we identify and classify our potential water pollutants	Oil, Nitrates, Phospates, Inorganic pollutant

[Fixed row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☒ Yes, both in direct operations and upstream/downstream value chain

Water

(3.1.1) Environmental risks identified

Select from:

☒ Yes, only within our direct operations

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Other, please specify :As first assessment activities, the focus is on direct operations

(3.1.3) Please explain

In 2023, Leonardo carried out a water risk assessment by using the WRSRA with the aim of having a complete overview of the water-related risks in its direct operations. In 2023, WRSRA covered 31 sites, accounting for nearly 90% of the Group's annual water withdrawal. This analysis informs additional actions required for water risk mitigation

Plastics

(3.1.1) Environmental risks identified

Select from:

☒ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

Leonardo is aware of risks associated with the plastic-related activities, but none have a significant and material effect on our organization. Leonardo over the last years put in place several concrete actions to reduce the plastic use in the internal process (es. in the canteen) and promote several awareness and engagement initiatives on the topics, such as the Plastic Free Initiative.

[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

☒ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☒ Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Italy

(3.1.1.9) Organization-specific description of risk

Leonardo, owning and operating some large combustion plants in Italy with a heating combustion power greater than 20 MW (e.g. Leonardo's stationary combustion plants powered by natural gas used to generate energy) is subject, in these plants, to the EU Emission Trading Scheme (ETS), the greenhouse gas emission allowance system governed by Italian Legislative Decree 30 of 13 March 2013, as amended, and transposing EU Directive 2009/29/EC. Installations that fall within the scope of applicability of ETS cannot carry out their activities without authorization to emit greenhouse gases. The risk for Leonardo is that, should it continue to emit at current trends in its sites under ETS, therefore exceeding the free allowances recognized by this GHG allowance system, it would be exposed to the price change of CO₂e emissions (in metric tons), having to purchase the missing credits in the free market. In Italy, 9 Leonardo's sites fall within the scope of the ETS (Emission Trading Scheme) regulations, and must therefore offset their CO₂e emissions by acquiring allowances partly free of charge, and partly for valuable consideration.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Virtually certain

(3.1.1.14) Magnitude

Select from:

☒ Medium-low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The main effect coming from the ETS-related risks is the increase of the indirect (operating) costs per year for Leonardo, related to the need to buy CO2e allowances in the free market to comply with the ETS' requirements.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

15000000

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

23000000

(3.1.1.25) Explanation of financial effect figure

The potential financial impact refers to the increase of the indirect (operating) costs per year for Leonardo, related to the need to buy CO2e allowances in the free market to comply with the ETS' requirements to which 9 of its Italian plants. The minimum cumulative three-year value of the financial impact of about 15 million was calculated considering the cost/allowance in 2023 (about 67,27 per tCO2e), the 77,300 allowances purchased by Leonardo in the free market in 2023 and the estimated values for 2024 and 2025 assuming 9 sites under ETS regulation, a decrease of quotas to be purchased for the next years and a cost/allowance slightly higher compared to 2023 value. The maximum value of the cumulative three-year financial impact of about 23 million was calculated assuming an average cost/allowance of 100 estimated for the next years (in line with the Leonardo Industrial Plan guidelines), considering the 77,300 allowances purchased by Leonardo in the free market in 2023 and assuming 9 sites under ETS regulation and a decrease of quotas to be purchased for the next years.

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☒ Increase environment-related capital expenditure

(3.1.1.27) Cost of response to risk

6000000

(3.1.1.28) Explanation of cost calculation

The 6M figure is related to the new thermal plant implementation for the Vergiate site, regarding which the current steam generators will be replaced with more energy-efficient machines. The new plant will be able to reduce gas consumption by about 900,000 m3 per year, equal to about 1,800 tCO2e avoided. The project is now under implementation, with completion planned by 2025, according to the production needs of the plant. Furthermore other initiatives are under analysis on other sites in order to reduce the gas consumption and consequently the impact of ETS exposure.

(3.1.1.29) Description of response

The risk described so far can have both strategic impact due to the achievement of the emission reduction target and financial impact due to the market volatility of the ETS certificates. To mitigate this risk, Leonardo's actions are: 1) The consumption forecasts update related to its 9 installations under ETS, every 3 months, to analyse the allowance needs and purchase them in the most cost-efficient way; 2) The implementation of an internal compensation mechanism that prevents it from buying quotas on the market (e.g. allowances allocated at no cost by the authority to its sites under ETS can be transferred from those with less CO2e emissions than that assigned, to the more energy-intensive ones, then only emissions in excess of those assigned and of those internally compensated have to be effectively bought on the market; the intragroup transfer does not imply costs); 3) The introduction of a carbon price used also to evaluate the convenience of any investments to be made to achieve emissions reductions for minimizing or avoiding purchases of quota (in 2023, 67.27 per tCO2e was assumed but it is expected to increase in the next future.

Water

(3.1.1.1) Risk identifier

Select from:

☒ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

- ☒ Water stress

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- ☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- ☒ Italy

(3.1.1.7) River basin where the risk occurs

Select all that apply

- ☒ Unknown

(3.1.1.9) Organization-specific description of risk

Water is a critical environmental resource, essential for our industrial production. Leonardo water withdrawal equals 6 mil m3/year. Over-consumption, pollution, environmental degradation and changing climatic conditions are, globally, making clean water an increasingly scarce resource. As a consequence, water is ascending Corporates' sustainability agenda for its potential impact on business growth and license to operate. Leonardo has a formal improvement commitment, as disclosed in the 2023 Integrated Annual report, with a 25% reduction target set for 2030. Water scarcity scenarios may expose the manufacturing industry to the risk of having to reduce or stop production (business continuity). The geographical location of the Group's sites, especially those located in high water stress areas, increase the vulnerability of production processes. For most water-stressed industrial processes, production cycles may need to be rescheduled according to the seasonal water variation in the local water-bearing aquifers

(3.1.1.11) Primary financial effect of the risk

Select from:

- ☒ Disruption in production capacity

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Unlikely

(3.1.1.14) Magnitude

Select from:

☒ Medium-low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Water scarcity scenarios may expose the manufacturing industry to the risk of having to reduce or stop production (business continuity), primarily affecting revenues (and then ebit and cash flow).

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

25000000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

80000000

(3.1.1.25) Explanation of financial effect figure

Water scarcity scenarios may expose the manufacturing industry to the risk of having to reduce or stop production (business continuity). The primary financial effect is a reduction of revenues, estimated to be in the range of 25M and 80M in the 5 years of the Industrial Plan. The minimum value was calculated considering the annual revenues of the site/sites and a production interruption of 2 weeks. The maximum value was calculated considering the annual revenues of the site/sites and a production interruption of 1 month and a half.

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☒ Adopt water efficiency, water reuse, recycling and conservation practices

(3.1.1.27) Cost of response to risk

2000000

(3.1.1.28) Explanation of cost calculation

The total cost of about 2 million to mitigate this risk has been calculated by considering the cost of interventions to mitigate the water-related physical event.

(3.1.1.29) Description of response

As to mitigate the risk of water stress affecting the production capacity, and increasing the need for capital expenditures, Leonardo has been putting in place several mitigation actions including rainwater recovery and reuse projects, water recovered from chemical-physical processes, wastewater reuse (e.g. installation of evapoconcentrator for treatment of industrial wastewater and liquid waste).

Climate change

(3.1.1.1) Risk identifier

Select from:

☒ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☒ Other acute physical risk, please specify :Increased severity and frequency of extreme weather events such as cyclones and floods

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Italy

☒ United Kingdom of Great Britain and Northern Ireland

☒ United States of America

(3.1.1.9) Organization-specific description of risk

Leonardo operates in 111 sites (55 in Italy, 30 in the U.S., 7 in the UK, 1 in Poland and 18 in rest of the World), it runs the risk that the increased severity of extreme weather events due to climate change could cause direct damages or impacts to its assets, requiring an increase in capital expenditure necessary for recovery actions. In particular, also with reference to the "IPCC Sixth Assessment Report: Climate Change 2022", Leonardo identified, as context of risk, the following main potential acute physical effects that could be linked with the geographical areas where it operates: floods generated by storms, sea level rise, etc. at Leonardo's sites located in Italy, UK, Northern Europe and the USA, because some of Leonardo's sites in these countries are located in proximity to flood risk areas or near the coast; - hurricanes on sites, located in the U.S., in proximity to hurricanes risk areas. The risk of suffering damages or impacts due to extreme weather events due to climate change, with the consequent need of recovery costs, is company-specific for Leonardo precisely because it has sites in areas that could be subject to the above-disclosed climate change-related acute physical events.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased capital expenditures

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ About as likely as not

(3.1.1.14) Magnitude

Select from:

☒ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The main effect on economic and financial figures is the increase of capital expenditures for Leonardo to recover from eventual damages or impacts to which its facilities may be subject due to extreme weather events.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

0

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

1000000000

(3.1.1.25) Explanation of financial effect figure

The financial impact refers to the potential increase of capital expenditures for Leonardo to recover from eventual damages or impacts to which its facilities may be subject due to extreme weather events. The minimum value of the potential financial impact has been indicated as 0 in case of no acute physical events occur to Leonardo's sites. The maximum value of the potential financial impact, equal to 1 billion, has been calculated referring to the maximum financial value of damages or impacts to Leonardo's sites, leading to business reduction or interruption, covered by insurance ("All Risks Property Program") stipulated by Leonardo for the potential damages or impacts that could be caused by physical events to its plants. This value is to be considered in case catastrophic events occur in several Leonardo's sites.

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

- ☒ Improve maintenance of infrastructure

(3.1.1.27) Cost of response to risk

9000000

(3.1.1.28) Explanation of cost calculation

The total cost of about 9 million to mitigate this risk has been calculated by adding the costs incurred by Leonardo to carry out preventive actions towards physical events and the insurance policy costs sustained by Leonardo in 2023 to cover all the physical risks.

(3.1.1.29) Description of response

As a task to mitigate the risk of suffering potential damages or impacts to its properties that could be provided by acute physical effects, increasing the need for capital expenditure for recovery actions, Leonardo: - implements preventive actions to limit this risk (e.g. by improvements of its locations' structures); - undertakes insurance policies covering potential damages that could be caused by physical related events. As result of this approach in 2017, the West Plains Leonardo's site was compensated by the insurance company after a flood, due to the amount of rain that fell in a short period of time causing the outfalls and ditch lines flooded. In fact, the insurance policy stipulated by Leonardo through its "All Risks Property Program", covers damages due to physical events up to 1 billion in aggregate for the insured period. In this location, improvements to avoid new flood have been carried out through the realization of retention basins and channelization outside the plant to prevent future flooding as a result of water build-up and then its release from neighboring properties. Therefore, no on-site improvements could have prevented or minimized that release
[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:

☒ OPEX

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

5200000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.7) Explanation of financial figures

The amount of the financial figure vulnerable to transition risk refers to the company's exposure towards the ETS regulation. Specifically, it considers the total cost incurred in the reporting year to buy the CO2 quotas (calculated as the sum of quotas bought by each site covered by ETS regulation). Then, the figure has been compared to the total cost for purchases and services costs registered in the reporting year.

Water

(3.1.2.1) Financial metric

Select from:

☒ Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

80000000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.7) Explanation of financial figures

The financial figure refers to the potential revenue reduction due to the disruption in production capacity taking into consideration the following assumptions along the Industrial Plan horizon: estimated revenues for the specific Division's production sites involved in the water risk assessment, the estimated production level, timeframe of production interruption.

[Add row]

(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?

Row 1

(3.2.1) Country/Area & River basin

Italy

☒ Unknown

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☒ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

10

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☒ 1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☒ Less than 1%

(3.2.11) Please explain

The Water Site Risk Analysis has been conducted on 31 production sites. The methodology is based on the evaluation of a specific set of red flags addressing, on the one hand, the intrinsic exposure to water risk (Risk Exposure), based on the geographical position and the relevance of the water resource for the site activities, and, on the other, the level of effectiveness of the management and organizational measures implemented for the water resource management (Risk Level). Taking into account the aforementioned evaluations, 10 resulted as high exposure.

[Add row]

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
	<i>Select from:</i> <input checked="" type="checkbox"/> Yes	<i>Select all that apply</i> <input checked="" type="checkbox"/> Fines	<i>We regularly monitor environmental violations, including water-related ones and disclose them in the Annual Integrated Report.</i>

[Fixed row]

(3.3.1) Provide the total number and financial value of all water-related fines.

(3.3.1.1) Total number of fines

1

(3.3.1.2) Total value of fines

640

(3.3.1.3) % of total facilities/operations associated

0.9

(3.3.1.4) Number of fines compared to previous reporting year

Select from:

☒ Higher

(3.3.1.5) Comment

In the previous reporting year, a water-related violation occurred, but without penalty or fine associated.

[Fixed row]

(3.3.2) Provide details for all significant fines, enforcement orders and/or other penalties for water-related regulatory violations in the reporting year, and your plans for resolving them.

Row 1

(3.3.2.1) Type of penalty

Select from:
☒ Fine

(3.3.2.2) Financial impact

640

(3.3.2.3) Country/Area & River basin

Italy
☒ Unknown

(3.3.2.4) Type of incident

Select from:
☒ Effluent limit exceedances

(3.3.2.5) Description of penalty, incident, regulatory violation, significance, and resolution

The fine refers to the exceedances of limits required by the relevant regulation.
[Add row]

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:

☒ Yes

(3.5.1) Select the carbon pricing regulation(s) which impact your operations.

Select all that apply

☒ EU ETS

(3.5.2) Provide details of each Emissions Trading Scheme (ETS) your organization is regulated by.

EU ETS

(3.5.2.1) % of Scope 1 emissions covered by the ETS

46.68

(3.5.2.2) % of Scope 2 emissions covered by the ETS

0

(3.5.2.3) Period start date

12/31/2022

(3.5.2.4) Period end date

12/30/2023

(3.5.2.5) Allowances allocated

14056

(3.5.2.6) Allowances purchased

77300

(3.5.2.7) Verified Scope 1 emissions in metric tons CO2e

91356

(3.5.2.8) Verified Scope 2 emissions in metric tons CO2e

0

(3.5.2.9) Details of ownership

Select from:

☒ Facilities we own and operate

(3.5.2.10) Comment

In Italy, 9 sites fall within the scope of the ETS (Emission Trading Scheme) regulations, compared to 12 sites in 2013, and must therefore offset their CO2e emissions by acquiring allowances partly free of charge, and partly for valuable consideration.

[Fixed row]

(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Leonardo, owning and operating 9 sites located throughout Italy with stationary combustion plants powered by natural gas with a heating combustion power greater than 20 MW (at Pomigliano D'Arco and Nola (Campania region), Grottaglie and Foggia (Apulia region), Cameri and Caselle Nord (Piedmont region), Venegono Superiore, Cascina Costa and Vergiate (Lombardy region), is subject to the Emission Trading System (ETS), the EU regulatory instrument to reduce greenhouse gas emissions from major emitting plants. These sites have their emissions verified by a body accredited by the Ministry of the Ecological Transition (former Ministry for the Environment, Land and Sea). Installations that fall within the scope of applicability of the ETS cannot carry out their activities without authorization to emit greenhouse gases. Description of strategy: to comply with this regulation, Leonardo purchases in the market the CO2e emissions in excess of those assigned by the regulatory authority. In order to minimize or avoid quota purchases Leonardo implemented an internal compensation mechanism for the CO2e emissions produced by its sites subject to ETS. This system allowed Leonardo to limit the quotas bought on the market for the emissions in excess of those assigned and of those internally compensated. In addition, Leonardo continuously monitors the parameters that affect CO2 emissions and performance and evaluates, considering an internal carbon price (current used value is about 67.27 per tCO2e but it is estimated to increase in the next years), the convenience of any investments to be made to achieve emissions reductions in house for minimizing or avoiding purchases of quota in excess of those assigned by the regulatory authority. Example of company-specific risk response: a new thermal plant is being designed at the Vergiate factory, regarding which the current steam generators will be replaced with more energy-efficient machines. The new plant will be able to reduce gas consumption by about 900,000 m3 per year, equal to about 1,800 tCO2e avoided, through an investment of more than M 6. The project will be implemented in the period from 2023-25, according to the production needs of the plant. Case study of how the strategy was applied. Furthermore, Leonardo expects carbon regulation (e.g. GHG emissions constraints) to become effective also in countries where it operates and at the moment it does

not exist. For example, Leonardo's Helicopter division site in Philadelphia (US) focuses on helicopter (as the AW 139) manufacturing and maintenance, product and customer support, procurement and storage of parts and training of mechanics and pilots. This site could be one of the most affected by the introduction of such new regulation, due to the amount of scope 1 carbon emissions produced and its energy intensive production activities similar to ones in Italy, under the ETS regulation. To mitigate the potential risks linked to eventual new carbon regulations, Leonardo uses the same internal carbon price, to carry out the same evaluation, also for its energy intensive production plants that are located in these countries. Moreover, a carbon price, estimated to increase over time, is also related to flights under the scope of application of the Aviation EU's ETS on intra-EU flights, which extends the European CO2 emissions trading system to flight activities. Regarding this issue, Leonardo already makes efforts to reduce CO2 emissions of its aeronautical products by investment in innovation for the development of low-carbon solutions. To anticipate the potential impact of this regulation on Leonardo's products, Leonardo is taking part in the EU Horizon 2020 framework R&D programmes through the Clean Sky 2 programme (2014-2024, Leonardo's investments: M 192). The aim of the Clean Sky 2 programme is to develop a new generation of efficient aircraft and helicopters with reduced GHG emissions. At technical level, the emissions reduction of these new generation green regional aircrafts is equal to 35-40% reduction of CO2 and 50% reduction of NOx for a 90-seats turboprop, in comparison with the same aircraft that uses state-of-the-art technologies in the 2000s. A new generation of tiltrotor, an aircraft that operates as airplane and helicopter, would allow for a up to 50% CO2 emissions reduction in comparison with medium value of helicopters.

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	Select from: <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized
Water	Select from: <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

☒ Use of renewable energy sources

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Italy

(3.6.1.8) Organization specific description

Programs like energy self-production are an opportunity for Leonardo involving the possibility of cost savings for energy supplies, a lower dependence on third-party sources and an increase of energy resilience, as well as a better ability to comply with future, stricter energy efficiency-related law requirements. Following the formalisation of an additional lot of contracts in 2023 for a total installable capacity of 35.3 MWp, there are 16 agreements in place for the construction of plants at different stages of implementation. Furthermore, 15 additional plants are in the process of being analysed with the aim of maximising electricity production from on-site plants, reducing dependence on fossil fuels and diversifying the risk associated with volatile energy markets. The current estimate of self-consumed PV energy relating to the plants at which operations have already been started may then reach a value of about 50 GWh/year when fully operational, equivalent to about 16,000 tons of CO₂e per year avoided. The outcome of the authorisation procedures, which are currently in progress, will confirm these values and the timing of construction of the plants, with the aim of giving maximum acceleration to the project. The systems hosted at Leonardo's plants will be owned by a third-party partner who will make a portion of the energy produced available to the sites, thus helping to reduce the withdrawal of electricity from the external grid and associated costs.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Reduced indirect (operating) costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☒ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☒ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☒ Medium-low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The self-production program has a positive effect in reducing energy recurring costs for Leonardo sites, specifically by reducing the cost of energy that will be produced by the photovoltaic plants and consumed by Leonardo sites.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

4000000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

5000000

(3.6.1.23) Explanation of financial effect figures

The total financial effect figure is the sum of the cost savings of the self-production programme (Leonardo will buy photovoltaic energy at lower prices compared to external grid) and of energy savings related to LED technology (that will enable a structural reduction of Leonardo energy consumption). For self-production program the estimated consumption from photovoltaic at full speed will be ar. 50.000 MWh/y, with a cost saving between 80 and 100 /MWh (depending on price scenarios).

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

The self-production program is based on a zero capex model since it is implemented through third party investors, that are realizing the PV plants within the major Leonardo sites and will sell part of the energy produced to Leonardo at competitive prices

(3.6.1.26) Strategy to realize opportunity

The self-production programme is included in the Leonardo Sustainability plan, and contributes to the 2025 target (reduction of electric consumption from external grid of -10%, normalized on revenues). Each LDO site included within the self-production program is analyzed, in order to understand spaces available for potential photovoltaic installations. The potential production proposed by suppliers then is analyzed in relation with the Leonardo site consumption, in order to verify the energy impact. The objective of both Leonardo and third-party suppliers is to maximize energy production from photovoltaic installable within Leonardo sites. The Supplier, which is the owner of the PV plant, sells to the external network all the energy that the Leonardo sites are not able to consume.

Water

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☒ Reduced water usage and consumption

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Italy

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☒ Unknown

(3.6.1.8) Organization specific description

Smart Water project aims at improving efficiency of water withdrawals and to install new smart meters, aimed at real time monitoring of consumption, the audit of results of the actions taken, and the design of efficiency improvement actions. The actions implemented in the period from 2022 to 2023, including the installation of about 50 smart meters, have allowed an estimated reduction of about 500,000 cubic meters/ year of water supplied compared to 2019

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Reduced indirect (operating) costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☒ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☒ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☒ Medium-low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The Smart Water project aims at reducing water withdrawal needs capital expenditure to be allocated over the next years considering the several phases of the project.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

0

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

0

(3.6.1.23) Explanation of financial effect figures

The cost of the single cubic meter is still too low to perform a sensitivity analysis

(3.6.1.24) Cost to realize opportunity

2600000

(3.6.1.25) Explanation of cost calculation

The figure refers to the sum of the investment costs in the 2023-2025 period including projects on water supply network optimisation and revamping. It considers 482.000m3/year of water saved by 2023 and additional 106.000m3/year by 2024 and, then 300.000m3/year of water saving expected by 2025 from operational implementation of the completed water supply network revamping.

(3.6.1.26) Strategy to realize opportunity

The Smart Water project plays a key role, which, when fully implemented, will make it possible to reduce water withdrawals, particularly at sites located in water-stressed areas. The Smart Water program, developed in two phases, was designed to optimize the integrated water systems of Leonardo sites, with the goal of reducing water consumption by 25 compared to the 2019 baseline. This was achieved through regular consumption monitoring and subsequent network and related system upgrades.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☒ Cost savings

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Italy

(3.6.1.8) Organization specific description

Full Potential LED lighting programme: Work is continuing on the massive programme to replace lighting systems with LED technology, envisaged in the Sustainability Plan. In the period from 2021 to 2023, investments of about mil. 20.1 were completed, which will allow, when fully operational, to save about 21.6 GWh/year, equal to more than 6,800 tons of CO2e avoided per year, which must be added to the 6,000 tons of CO2e avoided per year thanks to the first installations completed in the period from 2014 to 2020. The programme, on which Leonardo has decided to give maximum acceleration, envisages an overall investment of about mil. 31 and an estimated reduction in consumption of about 31 GWh/year when fully operational, equal to about 10,000 tons of CO2e avoided per year. The programme will also make it possible to improve working environments, with regard to all impacted areas: industrial, office and outdoor areas.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Reduced indirect (operating) costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☒ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☒ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☒ Medium-low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The LED technology program has a positive effect in reducing energy recurring costs for Leonardo sites, specifically by reducing the consumption of electric energy (thanks to) and consequently the associated costs.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

5500000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

6200000

(3.6.1.23) Explanation of financial effect figures

The total financial effect figure is the sum of the cost savings of the Full LED Program. The estimated energy saving at full speed will be ar. 31.000 MWh/y, with a cost saving between 178 and 200 /MWh (depending on price scenarios).

(3.6.1.24) Cost to realize opportunity

31000000

(3.6.1.25) Explanation of cost calculation

The financial figure refers to capex investments, calculated as sum of all single projects/sites figures in terms of LED lamps and associated costs for supply installation.

(3.6.1.26) Strategy to realize opportunity

The Full LED Program is included in the Leonardo Sustainability plan, and contributes to the 2025 target (reduction of electric consumption from external grid of -10%, normalized on revenues). Each Leonardo site included in the Full LED Program is analyzed, with a detailed assessment on lamp numbers, unit power and hours of yearly usage. Then for each site are selected representative areas, on which are developed a technical requirement according to the type of use (offices, industrial areas, precision areas, warehouses, external areas, etc.). Then the supplier develops the technical projects, both maximizing energy efficiency and respecting the technical requirements (level of light, uniformity, glare, etc.). Once the project is verified the supplier starts to procure and deliver material on sites, starting the installation phase.

[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:

☒ OPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

1900000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☒ Less than 1%

(3.6.2.4) Explanation of financial figures

The amount of the financial figure vulnerable to transition risk refers to the cost-saving in the last reporting year related to the LED programme. Then, we compare this figure to the total purchases and services cost accounted in the last reporting year.

Water

(3.6.2.1) Financial metric

Select from:

☒ CAPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☒ Less than 1%

(3.6.2.4) Explanation of financial figures

We consider the sites involved in the Smart Water project, that is the main water-related opportunity for the company and the cumulated capex for the 2023-2025 period compared to the total capex for the same period (Group annual capex estimated in the range of 750-850 M).
[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☒ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☒ More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☒ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☒ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

Leonardo's policy with regard to diversity in the governing body is a natural element of the process for self-evaluation of the functioning of the Board and its Committees and of their size and composition. The diversity factor is in fact a basic element in the self-evaluation process, which contains an in-depth qualitative and quantitative analysis of the characteristics and competencies represented in the Board and its Committees (including professional background, experience, gender and seniority in the position), with a view to making the most of the range of prospects existing among the members of the governing body

(4.1.6) Attach the policy (optional)

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Water	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board’s oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☒ Board-level committee

(4.1.2.2) Positions’ accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☒ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☒ Board Terms of Reference

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☒ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☒ Overseeing the setting of corporate targets

☒ Monitoring progress towards corporate targets

☒ Overseeing and guiding public policy engagement

☒ Approving and/or overseeing employee incentives

☒ Monitoring the implementation of the business strategy

☒ Monitoring the implementation of a climate transition plan

☒ Overseeing and guiding the development of a business strategy

☒ Monitoring compliance with corporate policies and/or commitments

(4.1.2.7) Please explain

The Sustainability and Innovation Committee, which is composed by 5 non-executive Directors most of whom are independent, supports the Board of Directors in addressing the sustainability issues pertaining to its own role, including climate-related issues. The Committee: 1) establishes, in agreement with the Control and Risks Committee, whether the objectives of the Sustainability Plan are pursued; 2) creates ways of interaction with all stakeholders (stakeholder engagement) also on climate change-related topics 3) examines, in agreement with the Control and Risks Committee, the general layout of the Consolidated Non-Financial Statement (included in the Integrated Annual Report), including those information on climate-related issues, as well as the completeness and transparency of the disclosure, issuing a preliminary opinion in this regard for approval by the Board; 4) tracks the company's progress in achieving also its climate-related targets including reviewing periodic reports on key performance indicators related to emissions reduction, energy consumption, etc.; 5) monitors the key sustainability/ESG indices and promotes the Group's positioning with respect to the international benchmark; 6) supports the Company in identifying technologies and capabilities that may support Leonardo's business areas; 7) supports the Company in assessing the consistency between Leonardo's technological capacity and Industrial Plan; 8) supports the Company in creating academic and research networks at both national and international level with a view to Open Innovation; 9) analyses, for the matters within its competence (e.g. sustainability, climate change, etc.), the issues that are important for Leonardo in order to generate value in the long term. As of the date of approval of the Corporate Governance Report in March 2024, no. 8 meetings of the Committee were held during 2023, as were no. 5 meetings during the current 2024 financial year. In Leonardo, the Control and Risks Committee also plays a key role in monitoring climate-related topics, since it monitors the

objectives of the Sustainability Plan in agreement with the Sustainability and Innovation Committee. The Control and Risks Committee supports the assessments and decisions of the BoD pertaining to the internal control and risk management system. The Committee plays a key role in overseeing ESG risks, including climate-related risks. It also informs the BoD at every meeting and at least twice a year with a specific report on the activities carried out.

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- ☒ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- ☒ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- ☒ Board Terms of Reference

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- ☒ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- ☒ Overseeing the setting of corporate targets
- ☒ Monitoring progress towards corporate targets
- ☒ Overseeing and guiding public policy engagement
- ☒ Approving and/or overseeing employee incentives
- ☒ Monitoring the implementation of the business strategy
- ☒ Monitoring the implementation of a climate transition plan
- ☒ Monitoring compliance with corporate policies and/or commitments

(4.1.2.7) Please explain

At board-level oversight, the Sustainability and Innovation Committee supports the Board of Directors in addressing sustainability issues, including water. At management level, indeed, the Chief Sustainability Officer of Leonardo is responsible for sustainability strategy and for the identification of related objectives (including all aspects related to water).

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- ☒ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- ☒ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- ☒ Board Terms of Reference

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- ☒ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- | | |
|---|--|
| <input checked="" type="checkbox"/> Overseeing the setting of corporate targets | <input checked="" type="checkbox"/> Monitoring the implementation of a climate transition plan |
| <input checked="" type="checkbox"/> Monitoring progress towards corporate targets | <input checked="" type="checkbox"/> Monitoring compliance with corporate policies and/or commitments |
| <input checked="" type="checkbox"/> Overseeing and guiding public policy engagement | |

- ☒ Approving and/or overseeing employee incentives
- ☒ Monitoring the implementation of the business strategy

(4.1.2.7) Please explain

At board-level oversight, the Sustainability and Innovation Committee supports the Board of Directors in addressing sustainability issues, including biodiversity. At management level, indeed, the Chief Sustainability Officer of Leonardo is responsible for sustainability strategy and for the identification of related objectives (including all aspects related to biodiversity).

[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

- ☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Integrating knowledge of environmental issues into board nominating process
- ☒ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- ☒ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

- ☒ Experience in the environmental department of a government (national or local)
- ☒ Active member of an environmental committee or organization

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Integrating knowledge of environmental issues into board nominating process
- ☒ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- ☒ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

- ☒ Experience in the environmental department of a government (national or local)
- ☒ Active member of an environmental committee or organization

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes

	Management-level responsibility for this environmental issue
Water	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☒ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☒ Assessing environmental dependencies, impacts, risks, and opportunities

Engagement

☒ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

☒ Setting corporate environmental targets

Strategy and financial planning

- ☒ Implementing the business strategy related to environmental issues

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ Half-yearly

(4.3.1.6) Please explain

The CEO & General Manager defines the direction for the Group's climate action, including the approval of climate and environmental strategy and the monitoring of climate-related risks and opportunities

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Engagement

- ☒ Managing engagement in landscapes and/or jurisdictions
- ☒ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Measuring progress towards environmental corporate targets
- ☒ Measuring progress towards environmental science-based targets
- ☒ Setting corporate environmental policies and/or commitments
- ☒ Setting corporate environmental targets

Strategy and financial planning

- ☒ Developing a climate transition plan
- ☒ Implementing a climate transition plan
- ☒ Conducting environmental scenario analysis
- ☒ Implementing the business strategy related to environmental issues
- ☒ Developing a business strategy which considers environmental issues
- ☒ Managing environmental reporting, audit, and verification processes

Other

- ☒ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ More frequently than quarterly

(4.3.1.6) Please explain

The Chief Sustainability Officer (CSO) is responsible for leading, managing and monitoring Leonardo's climate change strategy and environmental topics, including water. In cooperation with the Top Management team and in accordance with the Group's Industrial Plan 2024- 2028, the CSO promotes the integration of sustainability along the entire value chain and supports all necessary measures and initiatives to meet the challenges of the water management.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Engagement

- ☒ Managing engagement in landscapes and/or jurisdictions
- ☒ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Measuring progress towards environmental corporate targets
- ☒ Measuring progress towards environmental science-based targets
- ☒ Setting corporate environmental policies and/or commitments
- ☒ Setting corporate environmental targets

Strategy and financial planning

- ☒ Developing a climate transition plan
- ☒ Implementing a climate transition plan
- ☒ Conducting environmental scenario analysis
- ☒ Implementing the business strategy related to environmental issues
- ☒ Developing a business strategy which considers environmental issues
- ☒ Managing environmental reporting, audit, and verification processes

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ More frequently than quarterly

(4.3.1.6) Please explain

The Chief Sustainability Officer (CSO) is responsible for leading, managing and monitoring Leonardo's climate change strategy and environmental topics, including biodiversity. In cooperation with the Top Management team and in accordance with the Group's Industrial Plan 2024- 2028, the CSO promotes the integration of sustainability along the entire value chain and supports all necessary measures and initiatives to meet the challenges of biodiversity. In 2024 Leonardo issued the first policy on Biodiversity at Group level.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Engagement

- ☒ Managing engagement in landscapes and/or jurisdictions
- ☒ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Measuring progress towards environmental corporate targets
- ☒ Measuring progress towards environmental science-based targets
- ☒ Setting corporate environmental policies and/or commitments
- ☒ Setting corporate environmental targets

Strategy and financial planning

- ☒ Developing a climate transition plan
- ☒ Implementing a climate transition plan
- ☒ Conducting environmental scenario analysis
- ☒ Implementing the business strategy related to environmental issues
- ☒ Developing a business strategy which considers environmental issues
- ☒ Managing environmental reporting, audit, and verification processes

Other

- ☒ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ More frequently than quarterly

(4.3.1.6) Please explain

The Chief Sustainability Officer (CSO) is responsible for leading, managing and monitoring Leonardo's environmental and climate change strategy. In cooperation with the Top Management team and in accordance with the Group's Industrial Plan 2024- 2028, the CSO promotes the integration of sustainability along the entire value chain and supports all necessary measures and initiatives to meet the challenges of climate change.

[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☒ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

10

(4.5.3) Please explain

Leonardo's remuneration incentives are designed to support the Group in creating sustainable long-term value. Therefore, the short and long-term incentives for the CEO and General Manager, the Co-General Manager, the Group's executives (MBO and LTI) and managers with strategic responsibility, are linked to ESG metrics, including climate-related ones. 5% of the long-term variable remuneration is linked to CO2 emission intensity, while 5% of the short-term variable remuneration is related to the admission to the DJSI. The admission is mainly driven by the environmental dimension score which accounts for more than 30% of the total evaluation. Then, the environmental questions are fully aligned with the CDP questionnaire.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☒ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

5

(4.5.3) Please explain

Leonardo's remuneration incentives are designed to support the Group in creating sustainable long-term value. Therefore, the short and long-term incentives for the CEO and General Manager, the Co-General Manager, the Group's executives (MBO and LTI) and managers with strategic responsibility, are linked to ESG metrics, including climate-related ones. 5% of the short-term variable remuneration is related to admission to the DJSI. The admission is mainly driven by the environmental dimension score which accounts for more than 30% of the total evaluation. Then, the environmental questions are fully aligned with the CDP questionnaire.

[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☒ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

☒ Bonus - % of salary

☒ Shares

(4.5.1.3) Performance metrics

Targets

☒ Organization performance against an environmental sustainability index

Emission reduction

☒ Reduction in emissions intensity

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☒ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Leonardo's remuneration incentives are designed to support the Group in creating sustainable long-term value. Therefore, the short and long-term incentives for the CEO and General Manager, the Co-General Manager, the Group's executives (MBO and LTI) and managers with strategic responsibility, are linked to ESG metrics, including climate-related ones.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The incentive plan of Leonardo focuses on MBO (Management by Objectives) and LTI (Long-Term Incentives). Specifically, regarding climate change, the MBOs are linked to the annual submission of the DJSI (Dow Jones Sustainability Index), while the LTIs are tied to three-year goals for reducing GHG emissions. Specifically, the KPIs included in the Remuneration package are fully aligned with the Group's strategy as reported in the Sustainability Plan, fully embedded in the Industrial Plan 2024-2028.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☒ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

☒ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☒ Organization performance against an environmental sustainability index

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☒ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

5% of the short-term variable remuneration is linked to the inclusion of Leonardo in the Dow Jones Sustainability Index. One of the section included in the assessment is related to the water management system and the water performance.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The incentive plan of Leonardo focuses on MBO (Management by Objectives) and LTI (Long-Term Incentives). Specifically, regarding water, the MBOs are linked to the annual submission of the DJSI (Dow Jones Sustainability Index) which includes an assessment fully devoted to the water-management system and water performance. The KPIs included in the Remuneration package are fully aligned with the Group's strategy as reported in the Sustainability Plan, fully embedded in the Industrial Plan 2024-2028.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☒ Other C-Suite Officer, please specify :CEO and General Manager, Co-General Manager, Group's executives and managers with strategic responsibility

(4.5.1.2) Incentives

Select all that apply

☒ Bonus - % of salary

☒ Shares

(4.5.1.3) Performance metrics

Targets

☒ Organization performance against an environmental sustainability index

Emission reduction

☒ Reduction in emissions intensity

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☒ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Leonardo's remuneration incentives are designed to support the Group in creating sustainable long-term value. Therefore, the short and long-term incentives for the CEO and General Manager, the Co-General Manager, the Group's executives (MBO and LTI) and managers with strategic responsibility, are linked to ESG metrics, including climate-related ones.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The incentive plan of Leonardo focuses on MBO (Management by Objectives) and LTI (Long-Term Incentives). Specifically, regarding climate change, the MBOs are linked to the annual submission of the DJSI (Dow Jones Sustainability Index), while the LTIs are tied to three-year goals for reducing GHG emissions. Specifically, the KPIs included in the Remuneration package are fully aligned with the Group's strategy as reported in the Sustainability Plan, fully embedded in the Industrial Plan 2024-2028.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☒ Other C-Suite Officer, please specify :CEO and General Manager, Co-General Manager, Group's executives and managers with strategic responsibility

(4.5.1.2) Incentives

Select all that apply

☒ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☒ Organization performance against an environmental sustainability index

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☒ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

5% of the short-term variable remuneration is linked to the inclusion of Leonardo in the Dow Jones Sustainability Index. One of the section included in the assessment is related to the water management system and the water performance.

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The incentive plan of Leonardo focuses on MBO (Management by Objectives) and LTI (Long-Term Incentives). Specifically, regarding water, the MBOs are linked to the annual submission of the DJSI (Dow Jones Sustainability Index) which includes an assessment fully devoted to the water-management system and water performance. The KPIs included in the Remuneration package are fully aligned with the Group’s strategy as reported in the Sustainability Plan, fully embedded in the Industrial Plan 2024-2028.
[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

☒ Climate change

(4.6.1.2) Level of coverage

Select from:

☒ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☒ Direct operations

☒ Upstream value chain

☒ Downstream value chain

☒ Portfolio

(4.6.1.4) Explain the coverage

The Sustainability Plan includes 100 projects across the entire value chain. Looking at the Planet pillar, the decarbonisation path aims at reducing direct and indirect climate-altering emissions in line with the SBTi commitment. Technology, digitalisation, efficiency improvement of operations and involvement of the supply chain are the main drivers integrated into the production model and the development of new products and solutions to promote this commitment. We are very much focussed on developing the Sustainable Aviation Fuels and on introducing a massive virtualization of the training, both aimed at reducing the fossil fuel use. Then, transition to a circular business model is also part of the Sustainability Plan: a transformative approach is being pursued across the entire value chain of the products and materials used: reuse, reconditioning, life extension, product as a service are already implemented as best practices while other models such as circular supply chain, extended manufacturer's liability, industrial symbiosis are opportunities for the Group's evolving and increasingly circular business. Then, Leonardo is committed to the efficient use of energy and natural resources and a reduction in emissions and pollution, operating in compliance with applicable laws and stakeholder expectations.

(4.6.1.5) Environmental policy content

Environmental commitments

- ☒ Commitment to a circular economy strategy
- ☒ Commitment to comply with regulations and mandatory standards
- ☒ Commitment to take environmental action beyond regulatory compliance
- ☒ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

- ☒ Commitment to not invest in fossil-fuel expansion
- ☒ Commitment to not funding climate-denial or lobbying against climate regulations

Additional references/Descriptions

- ☒ Description of environmental requirements for procurement
- ☒ Description of grievance/whistleblower mechanism to monitor non-compliance with the environmental policy and raise/address/escalate any other greenwashing concerns

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- ☒ Yes, in line with the Paris Agreement

(4.6.1.7) Public availability

Select from:

- ☒ Publicly available

(4.6.1.8) Attach the policy

Sustainability Plan 24-28.pdf

Row 2

(4.6.1.1) Environmental issues covered

Select all that apply

☒ Water

(4.6.1.2) Level of coverage

Select from:

☒ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☒ Direct operations

(4.6.1.4) Explain the coverage

The Sustainability Plan includes more than 100 projects across the entire value chain. Looking at the Planet pillar, it is impacted by the Sustainability Plan's along all the value chain. The transition to a circular business model forms an integral part of Leonardo's Sustainability Plan strategy and projects. Specifically, a transformative approach is being pursued across the entire value chain of the products and materials used: reuse, reconditioning, life extension, product as a service are already implemented as best practices while other models such as circular supply chain, extended manufacturer's liability, industrial symbiosis are opportunities for the Group's evolving and increasingly circular business. Then, Leonardo is committed to the efficient use of energy and natural resources, including the reduction of water consumption and reuse. Among the Sustainability targets, Leonardo set specific targets on water (es. 25% reduction in water withdrawals by 2030). 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.

(4.6.1.5) Environmental policy content

Environmental commitments

- ☒ Commitment to a circular economy strategy
- ☒ Commitment to comply with regulations and mandatory standards
- ☒ Commitment to take environmental action beyond regulatory compliance
- ☒ Commitment to stakeholder engagement and capacity building on environmental issues

Water-specific commitments

- ☒ Commitment to reduce or phase out hazardous substances
- ☒ Commitment to reduce water withdrawal volumes

Additional references/Descriptions

- ☒ Description of impacts on natural resources and ecosystems
- ☒ Description of grievance/whistleblower mechanism to monitor non-compliance with the environmental policy and raise/address/escalate any other greenwashing concerns

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- ☒ Yes, in line with another global environmental treaty or policy goal, please specify :In line with the The Taskforce on Nature-related Financial Disclosures

(4.6.1.7) Public availability

Select from:

- ☒ Publicly available

(4.6.1.8) Attach the policy

Sustainability Plan 24-28.pdf

Row 3

(4.6.1.1) Environmental issues covered

Select all that apply

- ☒ Biodiversity

(4.6.1.2) Level of coverage

Select from:

- ☒ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

- ☒ Direct operations

(4.6.1.4) Explain the coverage

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 Hierarchy 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 Sustainability Plan includes more than 100 projects across the entire value chain. Looking at the Planet pillar, it is impacted by the Sustainability Plan's along all the value chain. Biodiversity is one of the several streams covered by the Sustainability Plan and Leonardo is planning specific actions to evaluate the company's impacts to protect and restore and mitigate the impacts in the development and use of products. In 2024, Leonardo issued a policy at Group level on Biodiversity.

(4.6.1.5) Environmental policy content

Environmental commitments

- ☒ Commitment to respect legally designated protected areas
- ☒ Commitment to comply with regulations and mandatory standards
- ☒ Commitment to take environmental action beyond regulatory compliance
- ☒ Commitment to avoidance of negative impacts on threatened and protected species
- ☒ Commitment to stakeholder engagement and capacity building on environmental issues
- ☒ Commitment to implementation of nature-based solutions that support landscape restoration and long-term protection of natural ecosystems

Additional references/Descriptions

- ☒ Description of impacts on natural resources and ecosystems
- ☒ Description of grievance/whistleblower mechanism to monitor non-compliance with the environmental policy and raise/address/escalate any other greenwashing concerns

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- ☒ Yes, in line with the Kunming-Montreal Global Biodiversity Framework

(4.6.1.7) Public availability

Select from:

☒ Publicly available

(4.6.1.8) Attach the policy

Group Policy on Biodiversity.pdf

[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

☒ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☒ Science-Based Targets Initiative (SBTi)

☒ Task Force on Climate-related Financial Disclosures (TCFD)

☒ UN Global Compact

(4.10.3) Describe your organization's role within each framework or initiative

To actively contribute to climate action, Leonardo values the collaborations with legislative and administrative bodies, universities and research centres. From this perspective, engagement activities are aligned with the corporate strategic outlook, which places at the centre the commitment to tackle climate change in line with the objectives of the Paris Agreement. Leonardo is aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and publishes a TCFD Report which contains information on Governance, Strategy, Risk and Opportunity Management, Metrics and Targets related to climate change. During 2023, Leonardo continued to work with the United Nations Global Compact, of which the company has been members since 2018. Leonardo is on the Board of Directors of the Global Compact Network Italy Foundation, which allows it to actively contribute on sustainability discussions.

[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

- ☒ Yes, we engaged directly with policy makers
- ☒ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

- ☒ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

- ☒ Paris Agreement

(4.11.4) Attach commitment or position statement

LEONARDO_TCFD 2024 FINAL.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

- ☒ Yes

(4.11.6) Types of transparency register your organization is registered on

Select all that apply

(4.11.7) Disclose the transparency registers on which your organization is registered & the relevant ID numbers for your organization

https://transparency-register.europa.eu/searchregister-or-update/organisation-detail_en?id02550382403-01 REG number 02550382403-01

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

Leonardo ensures the alignment of its external engagement activities with its climate commitments and transition plan through a well-defined process. The organization manages these activities across divisions and geographies in a consistent and coordinated manner, reflecting its climate change strategy. To achieve this, Leonardo has established a centralized framework involving stakeholders from different departments. This comprehensive approach allows for a holistic response to climate change issues. Regular assessments are conducted within this framework to evaluate the alignment of engagement activities with climate commitments. Ongoing initiatives, partnerships, and collaborations are reviewed to ensure they align with the organization's climate goals. Leonardo maintains open channels of communication and collaboration with external stakeholders, facilitating knowledge exchange and feedback on engagement activities. This ensures the organization remains up to date with the evolving climate change landscape. Of key importance is the engagement of external and internal stakeholder in the materiality process that the Company carries out yearly to identify its material topics. In cases of conflicts, Leonardo has a transparent process for resolution. Stakeholders, including senior management, engage in discussions to identify actions aligned with the organization's climate strategy. Leonardo is committed to improving its processes and addressing potential disputes. It recognizes the need for a common approach across divisions and geographies, adapting strategies to ensure consistency with climate change commitments. Overall, Leonardo's approach reflects its dedication to the Paris Agreement goals and sustainable energy transition. By managing engagement activities in line with its commitments, the organization contributes to environmental protection.

[Fixed row]

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Taxonomy Regulation 2020/852. The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☒ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Financial mechanisms (e.g., taxes, subsidies, etc.)

☒ Emissions trading schemes

☒ Sustainable finance

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☒ Regional

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☒ EU27

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

☒ Support with minor exceptions

(4.11.1.7) Details of any exceptions and your organization's proposed alternative approach to the policy, law, or regulation

Leonardo supported the initiative, giving some recommendations to better consider the Aerospace & Defence sector within the Taxonomy applications envisaged in the documentation drafted by the Platform on Sustainable Finance.

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☒ Participation in working groups organized by policy makers

☒ Responding to consultations

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Leonardo supported the initiative, giving some recommendations to better consider the Aerospace & Defence sector within the Taxonomy applications envisaged in the documentation drafted by the Platform on Sustainable Finance Leonardo supported the initiative, giving some recommendations to better consider the Aerospace & Defence sector within the Taxonomy applications envisaged in the documentation drafted by the Platform on Sustainable Finance.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☒ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☒ Paris Agreement

[Add row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

☒ Indirect engagement via a trade association

(4.11.2.4) Trade association

Europe

☒ Other trade association in Europe, please specify :International Aerospace and Environment Group

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☒ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☒ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☒ No, we did not attempt to influence their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

Leonardo is a member of the International Aerospace and Environment Group (IAEG), an organization including the industry's leading companies committed to advancing innovative environmental solutions and standards for aerospace. Among the topics dealt with are hazardous substance management, alternative technology development, and GHG emissions reporting and management.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☒ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☒ Paris Agreement

Row 3

(4.11.2.1) Type of indirect engagement

Select from:

☒ Indirect engagement via a trade association

(4.11.2.4) Trade association

Europe

☒ Other trade association in Europe, please specify :Defence Industries Association of Europe (ASD)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☒ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☒ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☒ No, we did not attempt to influence their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

Leonard's Chief Executive Officer and General Manager (CEO) is member of the current board of ASD. Leonardo is a founding member of ASD and participates to its cooperation projects. ASD considers climate change as a technological, political and industrial challenge. Therefore, ASD is at the forefront of investing in ambitious and comprehensive research programmes to meet the increasing mobility needs of citizens, which result in rapid growth in air traffic, while reducing air and noise pollution to ensure environmental sustainability.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☒ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☒ Paris Agreement

Row 4

(4.11.2.1) Type of indirect engagement

Select from:

☒ Indirect engagement via a trade association

(4.11.2.4) Trade association

Europe

☒ European Roundtable for Industry (ERT)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☒ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☒ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☒ No, we did not attempt to influence their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

The European Round Table for Industry (ERT)'s objective is building a sustainable future for Europe that is strong, open and competitive. One of the focus areas aimed at reaching such objective is the successful transition towards a low carbon economy, and thus contributes to achieving the goals of the Paris Climate Agreement.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☒ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☒ Paris Agreement

[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:

☒ Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

☒ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

☒ GRI

☒ IFRS

☒ TCFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- ☒ Climate change
- ☒ Water
- ☒ Biodiversity

(4.12.1.4) Status of the publication

Select from:

- ☒ Complete

(4.12.1.5) Content elements

Select all that apply

- | | |
|---|---|
| <input checked="" type="checkbox"/> Strategy | <input checked="" type="checkbox"/> Value chain engagement |
| <input checked="" type="checkbox"/> Governance | <input checked="" type="checkbox"/> Water accounting figures |
| <input checked="" type="checkbox"/> Emission targets | <input checked="" type="checkbox"/> Content of environmental policies |
| <input checked="" type="checkbox"/> Emissions figures | |
| <input checked="" type="checkbox"/> Risks & Opportunities | |

(4.12.1.6) Page/section reference

Please refer to Leonardo Integrated Annual Report 2023, pages: 30, 146-154, 164-165

(4.12.1.7) Attach the relevant publication

2024 Integrated Annual Report Leonardo.pdf

(4.12.1.8) Comment

Leonardo 2023 Integrated Annual Report contains integrated approach to reporting financial performance and environmental, social and governance (ESG) information, with the aim of offering in a single document a complete, measurable and transparent view of the value generated by the Company. The report is structured into four pillars: - Governance: corporate governance, responsible business conduct, risk management and stakeholder engagement; - People: protection of labor, welfare and inclusion, the enhancement of people and skills, health and safety and respect for human rights; - Planet: sustainable management of natural resources and the decarbonization of industrial processes and technological solutions, limiting the environmental impact and adopting circular models; - Prosperity: technology innovation, supply chain value, relations with customers, territories and communities, and technological solutions to contribute to economic and social progress.

Row 2

(4.12.1.1) Publication

Select from:

☒ In other regulatory filings

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☒ Climate change

(4.12.1.4) Status of the publication

Select from:

☒ Complete

(4.12.1.5) Content elements

Select all that apply

☒ Emissions figures

☒ Other, please specify :Incentive scheme linked to GHG reduction

(4.12.1.6) Page/section reference

Please refer to Leonardo 2024 Remuneration Report, paragraphs: - Long-term variable remuneration including climate change-related criteria (pag.25)

(4.12.1.7) Attach the relevant publication

Remuneration Report Leonardo.pdf

(4.12.1.8) Comment

As reported in the 'Remuneration Report 2024' the Shareholders' Meeting approved the Remuneration report 2024 and the Long-Term Incentive Plan for the next 3-year cycle. Leonardo's remuneration incentives are designed to support the Group in creating sustainable long-term value. Therefore, the short and long-term

incentives for the CEO and General Manager, the Co-General Manager, the Group's executives (MBO and LTI) and managers with strategic responsibility, are linked to ESG metrics, including climate-related ones. While maintaining the main architectural elements unchanged, the Long-Term Incentive Plan has introduced, at a structural level, sustainability performance objectives consistent with the Industrial Plan, as well as the strengthening of the pay-for-performance link by designing payout curves for all objectives

Row 3

(4.12.1.1) Publication

Select from:

☒ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

☒ GRI

☒ TCFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☒ Climate change

(4.12.1.4) Status of the publication

Select from:

☒ Complete

(4.12.1.5) Content elements

Select all that apply

☒ Strategy

☒ Governance

☒ Emission targets

☒ Emissions figures

☒ Value chain engagement

☒ Public policy engagement

☒ Water accounting figures

☒ Content of environmental policies

(4.12.1.6) Page/section reference

Please refer to Leonardo for Climate Action (TCFD Report 2023), pages: 6, 7, 9, 12-14, 24-28, 31-32, 36

(4.12.1.7) Attach the relevant publication

LEONARDO_TCFD 2024.pdf

(4.12.1.8) Comment

“Leonardo for Climate Action” was born to share Leonardo’s commitment to climate action with all stakeholders, with information on the ways in which the company evaluates and monitors the risks and opportunities linked to climate change, in compliance with the Task Force on Climate-related Financial Disclosure (TCFD) standard, in addition to its decarbonisation initiatives, both in production processes and in the creation of sustainable products and solutions.

[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

☒ Yes

(5.1.2) Frequency of analysis

Select from:

☒ Annually

Water

(5.1.1) Use of scenario analysis

Select from:

☒ No, and we do not plan to within the next two years

(5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

☒ Other, please specify :water's cost is too low

(5.1.4) Explain why your organization has not used scenario analysis

As of today, the cost of water is still too low to perform a meaningful sensitivity analysis

[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☒ IEA NZE 2050

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Policy

☒ Market

☒ Reputation

☒ Technology

☒ Acute physical

☒ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 1.5°C or lower

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2025

☒ 2050

(5.1.1.9) Driving forces in scenario

Stakeholder and customer demands

☒ Consumer attention to impact

☒ Impact of nature footprint on reputation

☒ Other stakeholder and customer demands driving forces, please specify :Low carbon products demand

Regulators, legal and policy regimes

☒ Global regulation

☒ Global targets

Macro and microeconomy

☒ Other macro and microeconomy driving forces, please specify :discount rates, GDP projections, and other macro-economic or demographic variables relevant to the analysis

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Transition scenarios IEA NZE 2050 – Company-wide- Leonardo is exposed to transition risks that are mainly related to the transition to a low-carbon economy. In assessing these risks and opportunities, Leonardo uses the IEA NZE 2050 scenario, which is the most ambitious decarbonization scenario and is aligned with the Destination 2050 roadmap. In the Aerospace & Defence sector, the most significant implications are related to products, with different levels: 1) Market and technology – demand for low carbon products (e.g. more efficient, no fossil fuel, lighter innovative, circular materials, longer life cycle, etc) could be significantly pushed also for military sector as currently emerging. Ability to decarbonize could be a strategic competitive game with peers. 2) Policy & Legal – acceleration for standards limiting carbon emissions as national headline carbon emission targets, technology standards, etc. For example, attention to environmental impacts could lead to a reduction in freely allocated allowances and an increase in their price for sites under the EU ETS. To solve this, the main actions Leonardo is taking are

energy self-production and energy efficiency programmes, that will lead to a reduction of purchased allowances, and the constant monitoring of the allowances market to capture opportunities for reducing operating costs. Another point of attention is related to suppliers which could become critical for Leonardo, considering that ESG factors are gaining more importance even for small and medium-sized enterprises. Therefore, Leonardo evaluates its key suppliers through LEADS-Leonardo Assessment and Development for Sustainability- to identify their preparedness on new ESG requirements. 3) Reputation – inability to reach decarbonization targets and meet stakeholder expectations. Indeed, the increasing competition in the sectors where Leonardo operates and the need to maximize the useful life of the company's products and solutions could lead to an increase in the portfolio of institutional clients, including countries with lower environmental regulations, resulting in reputational impacts. About this, Leonardo has a sustainability operating model, ensuring the allocation of responsibilities and the pervasiveness within the organization, also to be more aligned with stakeholders' requests and managing their expectations.

(5.1.1.11) Rationale for choice of scenario

Leonardo is exposed to transition risks that are mainly related to the transition to a low-carbon economy. In assessing these risks and opportunities, Leonardo uses the IEA NZE 2050 scenario, which is the most ambitious decarbonization scenario and is aligned to the Destination 2050 roadmap. In the Aerospace & Defence sector, the most significant implications are related to products, with different levels: 1) Market and technology – demand for low carbon products (e.g. more efficient, no fossil fuel, lighter innovative, circular materials, longer life cycle, etc) could be significantly pushed also for military sector as currently emerging. Ability to decarbonize could be a strategic competitive game with peers. 2) Policy & Legal – acceleration for standards limiting carbon emissions as national headline carbon emission targets, technology standards, etc. For example, attention to environmental impacts could lead to a reduction in freely allocated allowances and an increase in their price for sites under the EU ETS. To solve this, the main actions Leonardo is taking are energy self-production and energy efficiency programmes, that will lead to a reduction of purchased allowances, and the constant monitoring of the allowances market to capture opportunities for reducing operating costs. Another point of attention is related to suppliers which could become critical for Leonardo, considering that ESG factors are gaining more importance even for small and medium-sized enterprises. Therefore, Leonardo evaluates its key suppliers through LEADS-Leonardo Assessment and Development for Sustainability- to identify their preparedness on new ESG requirements. 3) Reputation – inability to reach decarbonization targets and meet stakeholder expectations. Indeed, the increasing competition in the sectors where Leonardo operates and the need to maximize the useful life of the company's products and solutions could lead to an increase in the portfolio of institutional clients, including countries with lower environmental regulations, resulting in reputational impacts. About this, Leonardo has a sustainability operating model, ensuring the allocation of responsibilities and the pervasiveness within the organization, also with the aim to be more aligned with stakeholders' requests and managing their expectations.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☒ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☒ No SSP used

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Policy

☒ Market

☒ Reputation

☒ Technology

☒ Acute physical

☒ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 4.0°C and above

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2030

(5.1.1.9) Driving forces in scenario

Stakeholder and customer demands

- ☑ Consumer attention to impact
- ☑ Impact of nature footprint on reputation
- ☑ Other stakeholder and customer demands driving forces, please specify :Low carbon products demand

Regulators, legal and policy regimes

- ☑ Global regulation
- ☑ Global targets

Macro and microeconomy

- ☑ Other macro and microeconomy driving forces, please specify :discount rates, GDP projections, and other macro-economic or demographic variables relevant to the analysis

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Physical climate scenarios RCP 8.5- Company-wide - Leonardo identified the selected scenario, which includes the "business as usual" scenario (RCP 8.5) and the scenario considering a temperature increase limited to 2C/1.5C (RCP 2.6), through a comprehensive process that involved various parameters, assumptions, and analytical methods. The parameters used in the scenario development were based on measurable factors that could significantly impact Leonardo's business performance. These factors may have included discount rates, GDP projections, and other macroeconomic or demographic variables relevant to the analysis. Assumptions were made about how these parameters would likely develop over the scenario's timeframe. These assumptions may have considered the timing of policy changes, such as the implementation of carbon pricing mechanisms, or the projected market prices of key commodities or products. In terms of analytical choices, Leonardo considered time horizons, data sources, and models to support the scenario analysis. This could have involved utilizing Shared Socioeconomic Pathways (SSPs) in conjunction with the scenario, which provides alternative storylines for future societal development. The analysis conducted using this scenario involved quantitative modelling, data analysis, and statistical techniques to assess the impacts and resilience of Leonardo's strategy in relation to climate-related physical risks. (e.g. in Italy around 20 sites are exposed to high flooding risk) for which protection measures at existing sites may be insufficient, forcing Leonardo to rethink the geographical presence of its manufacturing sites, as well as its supply chain, and implement mitigating actions to preserve business continuity, with related increased costs

(5.1.1.11) Rationale for choice of scenario

Overall, the scenario analysis performed by Leonardo was a comprehensive and systematic process, incorporating parameters, assumptions, and analytical methods to evaluate the potential risks and opportunities associated with different climate change scenarios.
[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- ☒ Risk and opportunities identification, assessment and management
- ☒ Strategy and financial planning
- ☒ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

- ☒ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

Aware of outcomes of the scenario analysis, Leonardo continuously intensifies its decarbonization actions, investing financial resources to develop and implement low-carbon solutions and processes which reduce the Group carbon exposure and mitigate the impact on natural capital, benefiting our stakeholders and shareholders. Climate-related risks and opportunities have also influenced Leonardo's financial planning, for example, in terms of revenues, indirect costs, capex, capital allocation, acquisitions and assets management. To address the outcomes of the scenario analysis, the Company implements mitigating measures to ensure the resilience of its strategy. Looking at operations, if Leonardo were to exceed the recognized free allowances for its 9 Italian plants under ETS, it would be exposed to the price change of CO2e emissions when purchasing missing credits on the free market. This risk is relevant for Leonardo already in the short/medium-term time horizon for the costs that it could suffer considering that after 2020 the Country Plan Assignments have significantly reduced the allocation of free allowances. In the context of the IEA NZE 2050 scenario results, Leonardo is further pushing to accelerate its decarbonization journey, funnelling more financial resources towards the development of low-carbon solutions; at the same time benefitting Leonardo's shareholders in terms of carbon exposure (as investee company) and the global community. Then, the Group awareness on climate change regulations is having an ever-increasing impact on Leonardo's products. Due to climate change policies, market preferences are oriented on more environmentally products, and this could impact Leonardo's sales and revenues. Consequently, Leonardo may face both a risk and an opportunity, depending on Leonardo's ability to supply the market with low-emission solutions. The potential impact of the risk could be that Leonardo will reduce sales and revenues of products which will not meet low carbon requirements, for example, while an interesting opportunity could consist in increasing

revenues if Leonardo is able to offer competitive low-carbon technologies and solutions to prevent or mitigate acute physical risks (e.g. earth monitoring, weather forecasting, etc.). d) Leonardo's commitment to fight climate change is backed up by the engagement and collaboration activities that the company carries out with its supply chain. The Company has prepared the Manifesto for Supply Chain Sustainability, which focuses on industrial efficiency, action for the Planet, green energy, and finally eco-design and circular economy. Leonardo has also recognized the issue of managerial culture and skills as key to accompanying suppliers on the path to decarbonization, therefore the Group has designed training, awareness and sustainability planning and reporting support programs for suppliers.
[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

☒ Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:

☒ Yes

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

☒ Yes

(5.2.5) Description of activities included in commitment and implementation of commitment

The decarbonisation path undertaken by Leonardo is aimed at reducing direct and indirect climate-altering emissions in line with the commitment made by joining the Science Based Targets initiative (SBTi). Technology, digitalisation, efficiency improvement of its operations and involving the supply chain are the main drivers integrated into the production model and the development of new products and solutions to promote this commitment. Leonardo pursues the goal of reducing its carbon footprint. As early as in 2022, this commitment was strengthened by including a target of a 50% reduction in Scope 1 and Scope 2 (market based) emissions in 2030 compared to 2020 within the Group's Sustainability Plan. This commitment is pursued through several initiatives, aimed at decarbonising and curbing the energy consumption of its operations, including the energy self-production programme, the Full Potential LED lighting programme, the replacement of SF6 gas with a

less climate-altering gas, which avoided the emission of about 180,000 tons of CO₂e in 2023 compared to 2020, and the development of additional innovative solutions. In 2023, the effort supported by the Group resulted in a 9.5% reduction in Scope 1 and Scope 2 (market based) emissions compared to 2022. Concerning the scope 3 emissions Leonardo aims to become a driver for reducing emissions in its supply chain. The supplier engagement programme undertaken by the Group is aimed at creating a community that is aware of and committed to achieving increasingly ambitious sustainability goals⁵⁹. Among the actions taken, Leonardo has started specific training, awareness and sustainability reporting planning support programmes to bring its suppliers' decarbonisation path into line with the SBTi. Leonardo plans to further support the decarbonisation of its supply chain by supporting it through the creation of a community engaged in a common vision and goal; the development of the necessary skills, through training courses, workshops, and specific advice, involving experts and market industry leaders for sustainable solutions and financial support initiatives for small- and medium-sized enterprises. Leonardo is active in reducing Scope 3 emissions related to the use of its sold products and services by promoting innovative solutions, the use of alternative materials and state-of-the-art fossil fuel substitutes, which enable the customer to reduce emissions generated in the phase of use.

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

☒ We have a different feedback mechanism in place

(5.2.8) Description of feedback mechanism

Leonardo regularly engages with financial shareholders, under the Engagement Policy of the company, also on climate-related topics, such as decarbonization roadmap and targets for emissions reduction. Leonardo's decarbonization strategy is assessed and discussed by the Board of Directors through the Sustainability and Innovation Committee and in consultation with the Control and Risks Committee. The members of the BoD are appointed through the list mechanism involving the shareholders. During 2023, the Sustainability and Innovation Committee checked the state of work progress of the Sustainability Plan, as well as the definition of criteria to measure performance indicators (KPIs) functional to assessing whether the actions taken are effective for the attainment of sustainability objectives (e.g. 50% reduction in Scope 1 Scope 2 market-based emissions by 2030 and the targets approved by the SBTi related to Scope 1,2,3), including the implementation of actions for climate adaption and mitigation, such as: 1) definition of a decarbonization plan, 2) energy efficiency initiatives, 3) investments in advanced solutions for resilience and risk reduction, environmental protection and emergency response, transportation with reduced environmental impact.

(5.2.9) Frequency of feedback collection

Select from:

☒ More frequently than annually

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

Guided by the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda and by the integration of environmental, social and governance (ESG) dimensions into business, the sustainability goals defined by Leonardo cover the fields of Governance, People, Planet, Prosperity with specific targets and related monitoring KPIs for each area. During 2024, the SBTi validated Leonardo's decarbonization targets covering Scope 1, 2 and 3 emissions. The achievement of the

goals to 2023 in the Prosperity and Governance areas, related to the certification of anti-corruption management processes and sustainable supply chain training and development, under the programmes of dialogue and collaboration with the main suppliers carried out for years by the Group, pushed Leonardo to set new and more ambitious goals on training for key suppliers on sustainability issues, integration of ESG requirements in the selection criteria of suppliers, certification of anti-corruption management processes and employee training on trade compliance and human rights. The Plan focuses on six core SDGs: development of competencies (SDG 4), creation of decent work and growth of partners (SDG 8), support to innovation and digital transformation (SDG 9), development of solutions for the security of people, infrastructures and territories (SDG 11) and climate action (SDG 13), adding sustainable production models (SDG 12) to its business activity. The Plan also has significant impact on additional SDGs: the reduction of food waste (SDG 2), the development of solutions to combat health emergencies and promote wellbeing initiatives for people (SDG 3), the promotion of a culture that fosters gender equality (SDG 5), water resource optimisation (SDG 6), energy efficiency and the higher use of renewable sources (SDG 7), the mitigation of environmental impact on the seas and in support of biodiversity (SDGs 14, 15),

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

The first Sustainability Plan was defined in 2021, in application of the guidelines expressed in the Sustainability Masterplan 2030, with the aim of translating the Group's sustainability vision and objectives into projects and initiatives that can be measured in the short, medium and long term, through a structured model guided by a data-driven approach measuring its performance through specific ESG KPIs monitored. The Plan is subject to an annual review and update process to better target the strategy. With 2023, work was completed on the update cycle of the three-year plan 2021-2023, which enabled the Group to achieve important results across the entire value chain. The Plan was updated in 2023, in line with the guidelines provided in the 2022 materiality analysis counting 110 projects. and classified in two main types: 55 "tactical" projects, which look at short- to medium-term benefits and contribute to the achievement of the Group's Sustainability Goals, and other 55 "transformative" projects, which will produce medium- to long-term impacts. The robustness, consistency and coherence of ESG data are ensured by a bottom-up collection and verification process. Both progress data on single projects and economic data are collected and analysed to verify the performance of the activity and to direct actions and resources towards the achievement of the Group's objectives. New Sustainability Plan 2024- 2028, is aligned with the strategic vision of the Group's Industrial Plan, gathering, according to a shared framework, projects with the greatest impact across the entire value chain and a focus on specific priorities such as eco-design and Digital Twin, decarbonization, environmental footprint management, circularity and LCA, sustainable supply chain, sustainable products and solutions and social impact. The R&D cluster, contains most of the transformative initiatives linked to long-term goals, which also serve as a cross-cutting driver for other clusters of the Plan: from reducing environmental impact of operations to the study into new products and solutions with lower carbon footprint. These include projects in line with the commitment to the Science Based Targets initiative (SBTi), such as the Next Generation Tiltrotor, virtual training technologies, and the use of Sustainable Aviation Fuels, as well as the development of new materials and technologies for recycling of carbon resins, which are key elements in the transition to a circular business model. Concerning decarbonization, one of the most important achievement belongs to Scope 1 and Scope 2 market based GHG emissions with. a reduction of 9.5% compared to 2022, despite growth of business volumes, is mainly related to the progressive replacement of SF6 gas with a gas with minimal environmental impact, used as an inert substance in a specific helicopter production process, and to the increase of the share of energy from renewable sources purchased from the grid.

(5.2.12) Attach any relevant documents which detail your climate transition plan (optional)

LEONARDO_TCFD 2024 FINAL.pdf

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

- ☒ Water
- ☒ Biodiversity

(5.2.14) Explain how the other environmental issues are considered in your climate transition plan

Leonardo is committed to the efficient use of energy and natural resources and a reduction in emissions and pollution, operating in compliance with applicable laws and stakeholder expectations. Audit programmes, risk identification and management processes in the area of environment and any related improvement and mitigation plans make it possible to ensure a safe working environment, as well as check for regulatory compliance, maintain site management system certifications, certify emission allowances, and assess the correct application of monitoring, control and reporting tools to protect people, the environment and business continuity. Leonardo is increasingly committed to the responsible management of natural resources, with specific regard to water resources and waste. To this end, Leonardo has commenced work on projects to reduce water withdrawals and increase the volumes of water to be recovered and reused, and to reduce the amount of waste produced and increase the amount of waste to be sent to recovery operations, with a view to circular economy. In particular, Leonardo has launched the Water Audit Cycle (WAC) project, which has allowed desktop studies to be conducted in relation to the analysis of factory water balance, primary water and wastewater treatment systems (both domestic and industrial), and technological systems (e.g., cooling towers) that use water, with the aim of identifying actions for the recovery and reuse of water resources on site (Water Circularity). Concerning Biodiversity Leonardo contributes to the anthropisation of geographical areas and the modification of the natural ecosystem with its products and production processes and of its supply chain. If “business as usual” inexorably increases impacts on the natural capital on which one’s business depends, Leonardo deploys numerous actions that in some cases produce a reduction in impacts on biodiversity, such as those for decarbonisation and optimisation of environmental resources while in others they enable biodiversity gains, as in the case of actions for active restoration and regeneration of ecosystems. The Group conducts a precise mapping of production sites and their relative distance from protected natural areas in order to assess any interconnections with ecosystems.

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

- ☒ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

- ☒ Products and services
- ☒ Upstream/downstream value chain

- ☒ Investment in R&D
 - ☒ Operations
- [Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

- ☒ Risks
- ☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- ☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Climate change is having an ever-increasing impact on Leonardo's products. Some of its products rely on fossil fuel combustion engine, and climate change policies are modifying market preferences that could impact Leonardo's sales and revenues. Due to climate change, Leonardo may face both a risk and an opportunity, depending on Leonardo's ability to supply the market with low-emission solutions. The potential impact of the risk could be that of Leonardo reducing sales and revenues of products which will not meet low carbon requirements, for example, or an interesting opportunity of increasing revenues if Leonardo is able to offer competitive low carbon technologies and solutions to prevent or mitigate acute physical risks (e.g. earth monitoring, weather forecasting, etc.). Leonardo's strategy has been influenced by these climate-related risks and opportunities mainly in: 1) Aeronautical (helicopters and aircraft) and naval sectors, generally characterized by high emissions; 2) Electronics sector, as its Air and Vessel Traffic Management (ATM and VTM) systems contribute to reduce emissions optimizing air and maritime traffic; 3) Space sector, in which it has advanced solutions for earth observation. In these sectors, Leonardo decided to invest and push the sales of its current solutions already able to mitigate the causes of climate change and avoided emissions, and of those used for Earth monitoring and rescue activities, able to perform adaption activities to limit the vulnerability of environmental and socio-economic systems due to the adverse effects of climate change. Time horizon vary depending on the type of products and services. Generally, it refers to a medium- term horizon (4-6 years) for Earth monitoring solutions, and a long-term (6 years) for aeronautical and naval products. Leonardo's most substantial strategic decision influenced by these climate-related risks and opportunities has been the acquisition of Kopter Group AG, a Swiss helicopter company developing a new single-engine helicopter and innovative hybrid/electric propulsion solutions. The acquisition

replaces the investments aimed at developing a new single-engine helicopter envisaged in the Leonardo's plan to reinforce its commitment to develop low carbon technologies.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

☒ Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Leonardo's suppliers and customers are fundamental components of its value chain, being strategic and relevant partners for the Company. In order to respond to the customers' growing demand for low carbon products, Leonardo's business is constantly oriented towards sales of solutions that meet this need and development of new technologies by investing in R&D. For this reason, the potential impacts of climate-related physical and transition risks on Leonardo's supply chain (such as supply chain interruptions or to the necessity of suppliers to cope with the need of new technologies and with higher compliance costs due to current or emerging regulations on GHG) could lead to a production capacity decrease and reduced revenues. These climate-related risks influenced Leonardo's supply chain strategy. The Group launched several supply chain related initiatives and the implementation of its relative procedures. For example, in case a supplier subjected to an extreme physical event is forced to interrupt production and cannot restart it in reasonable times, Leonardo may appeal to the supplier classified behind in the ranking for suppliers' selection. Furthermore, Leonardo generally tends to involve its suppliers in R&D projects for the development of new low-carbon products capable of mitigating the causes of climate change right from the early stage of product development. Time horizon covered by this strategy refers to the long term (6 years). Leonardo's most substantial strategic decision regarding the supply chain influenced by these climate-related risks consisted in the implementation of a supplier evaluation procedure that includes environmental factors. Indeed, since the pre-qualification phase each supplier has to submit through Leonardo's Procurement Portal a questionnaire including sustainability-related questions and, in addition, it has to provide a self-certification document declaring its compliance with laws and rules affecting environmental requirements. Subsequently, during the qualification phase, which is a fundamental phase to award contracts, specific certifications are requested on environmentally critical supplies.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Climate change-related market and policy conditions pose interesting opportunities to increase revenues whether Leonardo offers new low-carbon technologies and solutions able to capitalize on these opportunities and represent a risk whether the Group is not able to adapt its portfolio of solutions. Consequently, Leonardo's R&D strategy has been influenced by these risks and opportunities mainly in: - aeronautical sector, generally characterized by high emissions; - electronic sector, because its Air Traffic Management (ATM) systems contribute to reduce environmental impacts optimizing air and maritime traffic; - space sector, in which Leonardo has several advanced solutions for earth observation. Indeed, Leonardo decided to invest in R&D for developing new aeronautical solutions able to mitigate causes of climate change and containing emissions, and to provide more advanced geo-information services able to perform adaption activities to limit the negative effects of climate change. The time horizon covered by this strategy is strongly linked to the development time of new products and services. It generally refers to a medium-term horizon (4-6 years) for earth monitoring solutions, and to a long-term horizon (6 years) for aeronautical solutions. Leonardo's most substantial strategic decision influenced by these climate-related opportunities consisted in the participation to Horizon Europe framework, in programs as Clean Sky 2 (2014-2024 - Leonardo's investments: 192 M) dedicated to the development of technologies for the Next Generation Tiltrotor, an aircraft taking-off as an helicopter (objective to reduce up to 50% of CO₂e emissions) and for a new Green Regional Aircraft (objective to reduce of 35-40% the CO₂e emissions), and SESAR (2016-2022 - 47M) that develops the new European ATM system (objective to reduce of 10% the airlines' CO₂e emissions). At the same time, Leonardo decided to participate in EU programs as Copernicus that has objective to provide Europe with its own capacity to monitor the environment and manage humanitarian emergencies and natural disasters. Finally, Leonardo will be also involved in the programs Clean Aviation and SESAR 3 that will continue the work of Clean Sky and SESAR. The climate-related scenario analysis contributed to this decision.

Operations

(5.3.1.1) Effect type

Select all that apply

☒ Risks

☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Considering Leonardo's activities and the geographical location of its sites, the main climate-related risks (r) and opportunities (o) related to its operations are: r1) changing or more stringent regulations on environmental management impacting operating costs; r2) capital expenditures for recovery actions and operations interruption due to catastrophic or chronic events; o1) reduction of indirect costs due to efficiency gains and emissions reduction. Leonardo strategy has been influenced by these climate related risks and opportunities by the implementation of several initiatives (i) such as: i1) to increment the number of certified sites for environmental aspects; i2) to invest in energy efficiency and emissions reduction initiatives. i3) to implement preventive adaptation measures to limit the risk of interruption of operations (e.g. improvements of locations' structures) in case of climate-related physical events, and subscription of insurance policies to cover potential damages. These strategies cover long-term time horizon (6 years). Leonardo's most substantial strategic decision influenced by these climate-related risks and opportunities consisted of starting in 2019 the evaluation phase of the Energy Self-Production Program to reduce energy expenditures, emissions and exposition to the variation of carbon price. Following the formalisation of an additional lot of contracts in 2023 for a total installable capacity of 35.3 MWp, there are 16 agreements in place for the construction of plants at different stages of implementation (2 with operations started at construction sites, 2 with operations still to be started at construction sites in early 2024, and 12 with design and permitting activities in progress). Furthermore, 15 additional plants are in the process of being analysed with the aim of maximising electricity production from on-site plants, reducing dependence on fossil fuels and diversifying the risk associated with volatile energy markets.

Operations

(5.3.1.1) Effect type

Select all that apply

☒ Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Leonardo has commenced work on projects to reduce water withdrawals and increase the volumes of water to be recovered and reused, and to reduce the amount of waste produced and increase the amount of waste to be sent to recovery operations, with a view to circular economy. In particular, Leonardo has launched the Water Audit Cycle (WAC) project, which has allowed desktop studies to be conducted in relation to the analysis of factory water balance, primary water and wastewater treatment systems (both domestic and industrial), and technological systems (e.g., cooling towers) that use water, with the aim of identifying actions for the recovery and reuse of water resources on site (Water Circularity

[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☒ Revenues

(5.3.2.2) Effect type

Select all that apply

☒ Risks

☒ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☒ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Climate-related risks and opportunities have influenced Leonardo's financial planning on revenues, indirect costs, capex, capital allocation, acquisitions and assets. The remuneration rewards scheme is an example of indirect costs impacted by Leonardo's consideration on risks and opportunities linked to reducing Scope 1 and 2 emissions. The climate change objective, as a part of Long-Term Incentive plan (LTI), has been established by Leonardo in 2021 and has also characterized 2023 with the aim of aligning individual economic incentives with the strategic and sustainability plan of the company and the emission reduction targets set. The objective of the LTI, as included on the Remuneration Report 2024, involves reducing Scope 1 and 2 (location-based) emissions intensity on revenues (M) per year (Intensity of CO2 emissions on revenues). The target of 15 at 2026 is consistent with a 5% reduction in emissions with respect to the target for 2023 LTI, equal to 15,8%, and constitutes an important objective of the Leonardo Sustainability Plan. The time horizon covered by this remuneration incentive is a 3-year period (2024-2026), medium-term.

Row 2

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☒ Indirect costs

(5.3.2.2) Effect type

Select all that apply

☒ Risks

☒ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☒ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Regarding other indirect costs to mitigate climate-related risks and seize the relative opportunities, Leonardo has implemented energy efficiency measures such as replacing industrial lamps with LED Technology since 2014 in energy-intensive sites (the period from 2021 to 2023, investments of about mil. 20.1 were completed, which will allow, when fully operational, to save about 21.6 GWh/year, equal to more than 6,800 tons of CO₂e avoided per year, which must be added to the 6,000 tons of CO₂e avoided per year thanks to the first installations completed in the period from 2014 to 2020. The programme, on which Leonardo has decided to give maximum acceleration and which will be completed in 2024, envisages an overall investment of about mil. 31 and an estimated reduction in consumption of about 31 GWh/year when fully operational, equal to about 10,000 tons of CO₂e avoided per year.

Row 3

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☒ Capital expenditures

(5.3.2.2) Effect type

Select all that apply

☒ Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☒ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Regarding capital expenditures (CE) to mitigate the identified physical risks and seize the identified opportunities, Leonardo planned SDG-linked investments for 2022-2024 (including capital expenditures), with reference also to SDG 13 and SDG 7 on climate change and clean energy. Part of this expenditures aims also to improve the structures of locations potentially subject to acute or chronic risks to reduce the chances of damage and production reduction/interruption; cope with the need to reduce emissions of manufacturing processes and solutions. The time horizon covered is short-term (up to 3 years).

Row 4

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☒ Capital allocation

(5.3.2.2) Effect type

Select all that apply

☒ Risks

☒ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☒ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

As regards capital allocation, Leonardo set the objective of having at least 50% of investments in support of the SDGs in 2023-2025 out of a total investment value of approximately mil. 750-850 per year, including capitalised R&D costs, capital expenditures (CapEx), tooling and other investments in intangibles. In particular, the main impacts reported for the investments are linked to SDG 8 “Decent work and economic growth”, SDG 9 “Industry, Innovation & Infrastructure” and SDG 12 “Responsible Consumption and Production”, giving a direct contribution to strengthening innovation processes, developing the supply chain, creating skilled jobs and to continuous research into innovative solutions for the society, the environment and the safety of people, infrastructures, and territories. Regarding capital allocation to seize the relative opportunities (e.g. development and/or expansion of low emission goods and services) and with the aim to achieve its objectives and strategic goals, Leonardo planned investments in R&D to develop new low-carbon technologies and advanced solutions for preventing or mitigating climate transition and physical risks by the participation in national and European programs. This planning covers a long-term time horizon (6 years). Among these, for example, Leonardo planned investments in R&D to participate on programs as Clean Sky 2 (2014-2024 - M 192 total of eligible costs) to develop enabling technologies for the Next Generation Tiltrotor, an aircraft that takes-off as an helicopter (objective: reduction of CO2e up to 50%) and for a new Green Regional Aircraft (objectives: reduction of CO2e by 35-40%).

Row 5

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☒ Acquisitions and divestments

(5.3.2.2) Effect type

Select all that apply

☒ Risks

☒ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☒ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Regarding acquisitions, the ever-increasing opportunity of raising revenues by an increasing sale of low carbon products, especially in the aeronautical sector typically characterized by high emissions, has influenced the Leonardo's financial planning regarding acquisition of companies specialized in this sector to have the related in-house know-how and capabilities. Indeed, in 2020-2022 Key Strategic Projects, Leonardo decided to acquire and merge with Kopter Group AG, a Swiss helicopter company developing a new single-engine helicopter and innovative hybrid/electric propulsion solutions, with the aim to replace the investments aimed at developing a new single-engine helicopter envisaged in the Leonardo's plan, in this way reinforcing its commitment to develop low-carbon technologies. The time horizon covered is long term (6 years).

Row 6

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☒ Assets

(5.3.2.2) Effect type

Select all that apply

☒ Risks

☒ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☒ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Regarding assets, Leonardo's participation to the most important funded national and European R&D projects to reduce environmental impacts of airplanes and helicopters and monitor earth by satellites for seizing the opportunities led to the introduction of new assets, taken into consideration by the Leonardo's financial planning. Among these, for example, advanced tools for designing, manufacturing and testing parts and demonstrators related to the R&D activities, and patent applications to protect the intellectual property. The tools have been acquired partially through Leonardo's investments and partially thanks to national and European funding allocated for the dedicated R&D activities (e.g. in Clean Sky 2 program (2014-2024), around 65% are Leonardo's eligible costs, while the remaining 35% are

from EU contribution). The costs for the patent applications, instead, have been incurred entirely by Leonardo. The time horizon this planning covers is long-term (6 years).
[Add row]

(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Methodology or framework used to assess alignment with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> A sustainable finance taxonomy	Select from: <input checked="" type="checkbox"/> At both the organization and activity level

[Fixed row]

(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition.

Row 1

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

☒ A sustainable finance taxonomy

(5.4.1.2) Taxonomy under which information is being reported

Select from:

☒ EU Taxonomy for Sustainable Activities

(5.4.1.3) Objective under which alignment is being reported

Select from:

☒ Climate change mitigation

(5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:

☒ Yes

(5.4.1.5) Financial metric

Select from:

☒ Revenue/Turnover

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

0

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

0

(5.4.1.10) Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)

3

(5.4.1.11) Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)

97

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

In compliance with EU Taxonomy Regulations, Leonardo published the required information for the year 2023 regarding the percentages of revenues, capital expenditures (capex) and operating expenses (opex) relating to sustainable taxonomy eligible and ineligible economic activities, as well as aligned and non-aligned activities among those set out in the Delegated Acts. To verify the alignment of eligible activities to the EU taxonomy, the technical screening criteria were assessed

against the Climate Change Mitigation objective and DNSH against the other objectives and minimum safeguards. The guidelines provided in Annex I attached to the Disclosures Regulation have been considered for the definition of the denominators of revenues, capex and opex.

Row 2

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

☒ A sustainable finance taxonomy

(5.4.1.2) Taxonomy under which information is being reported

Select from:

☒ EU Taxonomy for Sustainable Activities

(5.4.1.3) Objective under which alignment is being reported

Select from:

☒ Climate change mitigation

(5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:

☒ Yes

(5.4.1.5) Financial metric

Select from:

☒ CAPEX

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

19210200

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

(5.4.1.10) Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)**(5.4.1.11) Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)****(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition**

In compliance with EU Taxonomy Regulations, Leonardo publishes the required information for the year 2023 regarding the percentages of revenues, capital expenditures (capex) and operating expenses (opex) relating to sustainable taxonomy eligible and ineligible economic activities, as well as aligned and non-aligned activities among those set out in the Delegated Acts. To verify the alignment of eligible activities to the EU taxonomy, the technical screening criteria were assessed against the Climate Change Mitigation objective and DNSH against the other objectives and minimum safeguards. The guidelines provided in Annex I attached to the Disclosures Regulation have been considered for the definition of the denominators of revenues, capex and opex.

Row 3**(5.4.1.1) Methodology or framework used to assess alignment**

Select from:

☒ A sustainable finance taxonomy

(5.4.1.2) Taxonomy under which information is being reported

Select from:

☒ EU Taxonomy for Sustainable Activities

(5.4.1.3) Objective under which alignment is being reported

Select from:

☒ Climate change mitigation

(5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:

☒ Yes

(5.4.1.5) Financial metric

Select from:

☒ OPEX

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

6597360

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

1

(5.4.1.10) Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)

4

(5.4.1.11) Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)

96

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

In compliance with EU Taxonomy Regulations, Leonardo publishes the required information for the year 2023 regarding the percentages of revenues, capital expenditures (capex) and operating expenses (opex) relating to sustainable taxonomy eligible and ineligible economic activities, as well as aligned and non-aligned activities among those set out in the Delegated Acts. To verify the alignment of eligible activities to the EU taxonomy, the technical screening criteria were assessed against the Climate Change Mitigation objective and DNSH against the other objectives and minimum safeguards. The guidelines provided in Annex I attached to the Disclosures Regulation have been considered for the definition of the denominators of revenues, capex and opex

[Add row]

(5.5) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

(5.5.1) Investment in low-carbon R&D

Select from:

☒ Yes

(5.5.2) Comment

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 in the product management and development with a circular approach; 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 to reduce emissions during product use; 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), that allows emissions reduction; the selection of primary materials with a lower environmental footprint (e.g.thermoplastic materials, Product Lifecycle Management System, and the use of innovative composite materials in order to reduce fuel consumption and any associated environmental impact). Moreover, Leonardo is increasing the level of digitalization and virtualization across the Company, through the use of innovative and smart maintenance solutions.

[Fixed row]

(5.5.2) Provide details of your organization's investments in low-carbon R&D for capital goods products and services over the last three years.

Row 1

(5.5.2.1) Technology area

Select from:

☒ Other, please specify :Simulation& Training: technologies for aircraft design and development, training, maintenance

(5.5.2.2) Stage of development in the reporting year

Select from:

☒ Pilot demonstration

(5.5.2.3) Average % of total R&D investment over the last 3 years

0.01

(5.5.2.5) Average % of total R&D investment planned over the next 5 years

0.1

(5.5.2.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Leonardo is very much focussed on its decarbonization roadmap based, among other drivers, on a massive use of digitalization. In this regard, Leonardo has been strongly working on virtualization technologies to significantly reduce the need for flights on real platforms, with a consequent reduction in the use of fuels and production of climate-altering emissions. The virtualisation of product testing (Certification-by-Simulation) will also drastically reduce the flight activities required to obtain certifications for platforms and/or their subsystems. The current real tests (on the ground or in flight) may take place in digital form by using advanced simulation systems and accurate models. The reported figures refer to the Simulation & Training projects included in the Sustainability Plan 2024-2028. We reported the figure for the last fiscal year since this stream of projects has been included in the last cycle of the Sustainability Plan. Then, we consider the 5-year Industrial Plan horizon, assuming as stable the % of total R&D on revenues. Looking at these projects, they have reached the TRL4 level.

[Add row]

(5.5.8) Provide details of your organization's investments in low-carbon R&D for transport-related activities over the last three years.

Row 1

(5.5.8.1) Activity

Select all that apply

☒ Aviation

(5.5.8.2) Technology area

Select from:

☒ Other, please specify :Developing of new low carbon products

(5.5.8.3) Stage of development in the reporting year

Select from:

☒ Pilot demonstration

(5.5.8.4) Average % of total R&D investment over the last 3 years

0.9

(5.5.8.6) Average % of total R&D investment planned over the next 5 years

0.6

(5.5.8.7) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Leonardo is developing a model of a more efficient, eco-friendly next-generation civil tiltrotor within the Clean Sky 2 Programme, to reduce CO2 emissions up to 50% and noise emissions by 30% in the take-off phase and up to 75% in the flyover condition compared to the average values of rotary-wing aircraft that are currently on the market. Leonardo develops eco-design approaches to the development of specific NGCTR subsystems within the Programme. Life Cycle Assessment (LCA) models have been developed to quantify the environmental benefits obtained from the design of additive manufacturing transmission components and composite wing structures. Supported by detailed LCA models, eco-design approaches will be gradually extended to more complex macro-systems of products in the Helicopters sector. Based on these activities, Leonardo will implement, in the future, an approach in line with the ISO 14040 and 14044 standards, delivering training to the main partners to gather the data required for LCA assessments.

[Add row]

(5.9) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

(5.9.1) Water-related CAPEX (+/- % change)

13

(5.9.2) Anticipated forward trend for CAPEX (+/- % change)

(5.9.3) Water-related OPEX (+/- % change)

141

(5.9.4) Anticipated forward trend for OPEX (+/- % change)

103

(5.9.5) Please explain

The figures refer to the Water-related projects included in the Leonardo's Sustainability Plan. As regards the forward looking data, we consider the Industrial Plan horizon compared to the last reporting year.
[Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Carbon

[Fixed row]

(5.10.1) Provide details of your organization’s internal price on carbon.

Row 1

(5.10.1.1) Type of pricing scheme

Select from:

- ☒ Shadow price

(5.10.1.2) Objectives for implementing internal price

Select all that apply

- ☒ Conduct cost-benefit analysis
- ☒ Drive energy efficiency
- ☒ Drive low-carbon investment
- ☒ Identify and seize low-carbon opportunities
- ☒ Navigate regulations

(5.10.1.3) Factors considered when determining the price

Select all that apply

- ☒ Alignment to scientific guidance
- ☒ Scenario analysis

(5.10.1.4) Calculation methodology and assumptions made in determining the price

The price is determined through the alignment with the price of allowances under an Emissions Trading Scheme. Carbon price is used to assess the convenience of investments aimed at minimizing energy consumption and/or avoiding purchase of allowances in the market.

(5.10.1.5) Scopes covered

Select all that apply

- ☒ Scope 1
- ☒ Scope 3, Category 3 - Fuel- and energy-related activities (not included in Scope 1 or 2)

(5.10.1.6) Pricing approach used – spatial variance

Select from:

- ☒ Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

☒ Evolutionary

(5.10.1.9) Indicate how you expect the price to change over time

The evolution of the carbon price over time is estimated to increase in the frame of the IEA NZE 2050 transition scenario analysis referring to the CO2e emissions pathway, it is estimated that, starting from its current value, carbon price could reach around 100 over the Industrial Plan horizon).

(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

67.27

(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

67.27

(5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

☒ Capital expenditure

☒ Operations

☒ Product and R&D

(5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

☒ Yes, for all decision-making processes

(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

4

(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

☒ Yes

(5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

The evolution of the carbon price over time is estimated to increase in the frame of the IEA NZE 2050 transition scenario analysis referring to CO2e emissions pathway (it is estimated that, starting from its current value, carbon price could reach around 100 over the next years considering the Industrial Plan horizon). The internal carbon price is used as a driver of energy efficiency projects and to identify and seize low-carbon opportunities. ETS market is constantly monitored through a central team that, according to market analysis and screening, implements procurement activities for the Leonardo Italian sites under the ETS mechanism.

[Add row]

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change <input checked="" type="checkbox"/> Water
Customers	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change
Investors and shareholders	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change
Other value chain stakeholders	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change

[Fixed row]

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Climate change

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☒ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

☒ Contribution to supplier-related Scope 3 emissions

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☒ 100%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

In 2023, Tier 1 suppliers of Leonardo accounted to around 12,000 at worldwide level. Top Suppliers accounting for the 70% of global scope 3 upstream GHG emissions.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

☒ 1-25%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

389

Water

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☒ No, we do not currently assess the dependencies and/or impacts of our suppliers, but we plan to do so within the next two years

[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☒ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☒ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to climate change

(5.11.2.4) Please explain

Leonardo, under the SBTi initiative, set the target: 58% of Leonardo's suppliers by emissions covering Scope 3, categories 1 and 2 (purchased goods and services and capital goods) will set science-based targets by 2028. The engagement and involvement of the 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 decarbonisation targets. As a consequence, Leonardo launched specific awareness and sustainability reporting training programs to support its suppliers.

Water

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☒ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

- ☒ Procurement spend
- ☒ Strategic status of suppliers

(5.11.2.4) Please explain

The water is one of the area covered by the Ecovadis assessment. In 2023, Leonardo engaged with 70 key suppliers to define some improvement plans including also water-related actions on specific areas.

[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

- ☒ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

- ☒ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

In the prequalification phase Leonardo verifies the possession of the economic-financial, ethical-legal, social and environmental requirements while in the qualification phase it evaluates the technical and operational capabilities related to the supplies as well as the minimum requirements requested by Leonardo on environmental management, protection of conditions and rights of employees, protection of health and safety, cyber security and protection of intellectual property. Depending on the product sector, a further verification of product qualification may be necessary, to ascertain compliance with the technical requirements of the component or part to be purchased. Furthermore, for some product areas, the selection of suppliers takes into account the availability of specific additional ESG requirements, for

example the possession of ISO 14001, ISO 45001, quality and cyber security certifications. The maintenance of the requirements is monitored through periodic control activities for the entire duration of the contractual relationships, both through recurring checks (every two years for the prequalification requirements and every three years for the qualification requirements) and through periodic audit plans, reaching in cases of serious or repeated shortcomings, up to temporary or definitive exclusion from the Albo.

Water

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☒ Yes, suppliers have to meet environmental requirements related to this environmental issue, but they are not included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☒ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

In the prequalification phase Leonardo verifies the possession of the economic-financial, ethical-legal, social and environmental requirements while in the qualification phase it evaluates the technical and operational capabilities related to the supplies as well as the minimum requirements requested by Leonardo on environmental management, protection of conditions and rights of employees, protection of health and safety, cyber security and protection of intellectual property. Depending on the product sector, a further verification of product qualification may be necessary, to ascertain compliance with the technical requirements of the component or part to be purchased. Furthermore, for some product areas, the selection of suppliers takes into account the availability of specific additional ESG requirements, for example the possession of ISO 14001, ISO 45001, quality and cyber security certifications. The maintenance of the requirements is monitored through periodic control activities for the entire duration of the contractual relationships, both through recurring checks (every two years for the prequalification requirements and every three years for the qualification requirements) and through periodic audit plans, reaching in cases of serious or repeated shortcomings, up to temporary or definitive exclusion from the Albo.

[Fixed row]

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:

- ☒ Compliance with an environmental certification, please specify

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- ☒ Certification
- ☒ Supplier self-assessment
- ☒ Other, please specify :Request for documents, inspections and on-site audits

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

- ☒ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

- ☒ 100%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

- ☒ 100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

- ☒ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☒ Exclude

(5.11.6.12) Comment

Environmental aspects are considered across all the supplier selection process. In 2023, reputational analysis of suppliers was strengthened through the extensive use of infoproviders, which, through specialised databases and media analysis, make it possible to highlight risks or alerts on the counterparty and its representatives on the economic, financial, ethical, legal, social and environmental fronts. For some product areas, supplier selection takes account of the availability of specific additional ESG requirements and certifications. Maintenance of the requirements is monitored via periodic checks throughout the entire duration of contractual relationships.

Water

(5.11.6.1) Environmental requirement

Select from:

☒ Environmental disclosure through a non-public platform

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☒ Supplier scorecard or rating

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☒ 51-75%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☒ 26-50%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

- ☒ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

- ☒ 100%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

- ☒ Developing quantifiable, time-bound targets and milestones to bring suppliers back into compliance
- ☒ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

Leonardo participates in the International Aerospace Environmental Group (IAEG) comprised of more than 70% of the whole industry globally. IAEG recently selected EcoVadis, among the world leaders in sustainability assessments, to conduct ESG performance measurements of the aerospace and defence supply chain. Leonardo has been working to implement LEADS, the supplier evaluation model developed and adopted to improve key suppliers' performance in relation to sustainability and development risks. Leonardo launched specific awareness and sustainability reporting training programs to support its suppliers. More than 300 suppliers were assessed through EcoVadis in 2023.

Climate change

(5.11.6.1) Environmental requirement

Select from:

- ☒ Adoption of the UN International Labour Organization Principles

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- ☒ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☒ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☒ 100%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☒ 100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

☒ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☒ Exclude

(5.11.6.12) Comment

As required by the Supplier Code of Conduct, suppliers are expected to operate in consideration of the International Labour Organisation (ILO) standards regulating working, resting hours, maximum consecutive work days, and annual leave. In addition, the Supplier Code of Conduct includes specific requirements for social dialogue and freedom of association. Within the accreditation and prequalification process in Leonardo's supplier register and in Joscar, 100% of suppliers accept Supplier Code of Conduct.

[Add row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

- ☒ Emissions reduction

(5.11.7.3) Type and details of engagement

Capacity building

- ☒ Provide training, support and best practices on how to make credible renewable energy usage claims
- ☒ Provide training, support and best practices on how to measure GHG emissions

Innovation and collaboration

- ☒ Collaborate with suppliers on innovations to reduce environmental impacts in products and services

(5.11.7.4) Upstream value chain coverage

Select all that apply

- ☒ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

- ☒ 100%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

- ☒ 51-75%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Leonardo aims to become a driver for reducing emissions in its supply chain. The supplier engagement programme undertaken by the Group is aimed at creating a community that is aware of and committed to achieving increasingly ambitious sustainability goals. Among the actions taken, Leonardo has started specific training, awareness and sustainability reporting planning support programmes to bring its suppliers' decarbonisation path into line with the SBTi. Leonardo plans to further support the decarbonisation of its supply chain by supporting it through the creation of a community engaged in a common vision and goal; the development of the necessary skills, through training courses, workshops, and specific advice, involving experts and market industry leaders for sustainable solutions and financial support initiatives for small- and medium-sized enterprises. Leonardo relies on a supplier evaluation model named LEADS (Leonardo Assessment and Development for Sustainability), with the aim of better understanding the performance and potential of its key suppliers, with specific regard to sustainability and development issues and risks, by monitoring 3 axes: 1) performance, from the perspective of quality, punctuality and costs, 2) technical and operational capabilities and asset availability, 3) sustainability, from the perspective of managerial and innovation capabilities, compliance with ESG principles and compliance and risk management practices. With reference to the ESG sustainability axis of the LEADS model, as from 2021 Leonardo evaluated more than 800 key suppliers, with 200 KPIs, identifying strengths and areas for improvement in the supply chain regarding issues such as innovation capacity, STEM and managerial skills, circularity, and reduction of environmental impacts. Based on the results of this process, Leonardo then prepared and promoted the "Manifesto for Supply Chain Sustainability", to support and accelerate the transformation of its supply chain. Among the 800 key suppliers analysed on the ESG sustainability component, 55 were included in a continuous improvement plan, which also includes other two LEADS assessment axes (operational performance; technical skills and industrial capabilities) and whose progress is monitored by a multifunctional and multidivisional team on a quarterly basis. One year after the first measurement, the results of the second sustainability assessment showed significant improvements in all areas of analysis, with an

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☒ Yes, please specify the environmental requirement :Setting science-based decarbonisation targets by 2028

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☒ Yes

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

☒ No other supplier engagement

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☒ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

- ☒ Educate and work with stakeholders on understanding and measuring exposure to environmental risks
- ☒ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services
- ☒ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

- ☒ Align your organization's goals to support customers' targets and ambitions
- ☒ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

(5.11.9.3) % of stakeholder type engaged

Select from:

☒ 51-75%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☒ 100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Leonardo generally informs about the emissions generated by the use of its products and services all its customers which are interested or purchase solutions with significant environmental impacts. Leonardo's business sector mainly interested is the aeronautical sector because aircraft and helicopters are typically characterized by significant emissions. Main Leonardo's scope in performing this type of engagement is to promote to customers its technologies, solutions, systems, services and procedures that, in these sectors, create benefits for the environment permitting to avoid GHG emissions. Leonardo, indeed, is increasingly developing products that are manufactured using cutting-edge materials, innovative processes, and technologies that limit their energy consumption, thereby reducing the emissions produced. For example, Leonardo allows virtual pilot training, through the creation of simulators, reducing real flight hours and the resulting emissions. The use of alternative materials, on the other hand, allows the manufacture of lighter aircraft that consume less and produce smaller amounts of emissions. Leonardo is investing to develop products that can use alternative fuels to fossil fuels such as, for example, synthetic fuels and Sustainable Aviation Fuels (SAFs). In line with this strategy, Leonardo promoted the first flight of an AW139 helicopter in 2023, using 100% SAFs at the Cascina Costa plant. The flight, which lasted about 70 minutes, showed no significant differences from the performance of traditional fuel. Then, the UK Government introduced the Cabinet Office Social Value Model in 2021, following the Social Value Act 2012, changing public sector procurement. The Social Value Model is a way for suppliers to demonstrate the additional social value they can create when tendering for government contracts. This is the case also for the Ministry of Defense, one the customers of Leonardo in UK. The UK government has structured social value into 5 areas: equal opportunities, reducing economic inequality, combating climate change, post-pandemic recovery, and wellbeing. During the selection process for awarding new contracts, the UK government gives a weight of at least 10% to the social value produced by individual companies.

(5.11.9.6) Effect of engagement and measures of success

This engagement activity contributes to the reduction of use-of-sold product emissions generated by the use of products. Indeed, in carrying out this engagement activity toward its customers, the Company promotes its products capable of emitting less than those of its competitors. For example, the "Family" helicopters (AW139, AW169, and AW189) are characterized by very high emissions efficiency in terms of kg fuel/flight hours and 12 helicopters model are able to fly by using Sustainable Aviation Fuels. Indeed, these products use less fuel consumption and are manufactured from lighter materials producing far fewer emissions than the market. For what concerns, instead, the ATR-P72 and ATR Meltem produce 45% less CO2 (fuel burnt per trip vs. regional jets). The percentage of stakeholder engaged is calculated as the ratio between the emissions amount related to the Family helicopters, civil Helicopters and ATR-P72 products compared to the total emissions of the category "Use of sold products". Leonardo measures the success of its engagement activities by assessing the share of less emissive products sold on the total number of products.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☒ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

- ☒ Educate and work with stakeholders on understanding and measuring exposure to environmental risks
- ☒ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services
- ☒ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

- ☒ 26-50%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- ☒ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Leonardo regularly engages with the financial community (investors, proxy advisors) on climate-related topic. (presentations of the Industrial Plan, as well as of interim financial results, conference call and webcast, Company Roadshows with the Group's management, Deal Roadshows on the occasion of non-recurring transactions, Capital Market Day with site visits, including virtual tools). For example, in order to maintain the dialogue already established with the market on ESG topics, in the course of 2023, the Company participated in the annual meeting with investors specializing in ESG organized by Euronext - the Italian Stock Exchange Borsa Italiana (Euronext Sustainability Week) and in the European ESG Conference organized by Société Générale.

(5.11.9.6) Effect of engagement and measures of success

Leonardo measures the effect of the engagement through several metrics: first of all, the price performance, specifically after specific events dedicated to the financial community (e.g. after the ESG investor day). Then Leonardo continuously monitors the composition of its shareholder base taking into consideration the % of the investors signatories of the Principles for Responsible Investment (the percentage reported refers to 32% in 2023 of the institutional investors). Finally, Leonardo put in place specific survey related to specific events fully devoted to investors to have feedback of the engagement activities.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

- ☒ Other value chain stakeholder, please specify :business partners

(5.11.9.2) Type and details of engagement

Education/Information sharing

- ☒ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

- ☒ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

(5.11.9.3) % of stakeholder type engaged

Select from:

- ☒ Unknown

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- ☒ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Leonardo engages with other companies, also from other industry. For example, Leonardo signed an agreement with Enel to obtain the provision through Enel X of green energy self-generation plants, energy efficiency, consumption monitoring and demand response services for its offices and sites in Italy, the UK and the US. Leonardo's Self-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 self-consumed photovoltaic energy from the plants can reach a value of about 50 GWh/y. Furthermore, Leonardo collaborates with ENI to exploit and use sustainable biofuels for aviation and joint research programs with a specific focus on e-fuels and hydrogen.

(5.11.9.6) Effect of engagement and measures of success

Collaboration with business partners can be implemented through several mechanisms. The signing of an agreement (a MoU for example) is the first official effect of the engagement activities, followed by the concrete implementation of the activities covered by the MoU (for example, the installation of the solar plants by Enel X).

Climate change

(5.11.9.1) Type of stakeholder

Select from:

- ☒ Other value chain stakeholder, please specify :Academia and R&D centres

(5.11.9.2) Type and details of engagement

Education/Information sharing

- ☒ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

- ☒ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services
- ☒ Run a campaign to encourage innovation to reduce environmental impacts

(5.11.9.3) % of stakeholder type engaged

Select from:

- ☒ Unknown

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- ☒ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Leonardo takes part in regional, national and international research and innovation funding projects and programs including European-level research programs to develop new technologies and solutions with lower impact on the environment and capable of producing fewer emissions in line with the Green Deal objectives. For example, Leonardo is involved in “Horizon Europe”, the European key funding program for research and innovation for the period 2021 - 2027, tackling climate change and helping to achieve the UN Sustainable Development Goals. Within this framework, Leonardo participates to “Clean Aviation” which focuses on disruptive technological objectives such as electric and hydrogen propulsion for fixed-wing aircraft and for the regional aircraft segment in general. Furthermore, as part of the new SESAR 3 research and innovation program for the digitalization of European skies, Leonardo contributes to the development of projects focused on Advanced Air Mobility, Air Traffic Management systems, artificial intelligence for aviation, civil/military interoperability, Aviation green deal. Leonardo plays a leading role in the “EU Next Generation Rotorcraft Technologies Project” (ENGRT), which aims to lay the foundation for the development of the next generation of European military rotary-wing aircraft as part of the collaborative framework with key European industrial players funded by the European Defence Fund (EDF). Within the “Clean Sky 2”

program, the Company is developing a new model of a more efficient, eco-friendly next generation civil tiltrotor with the objective of reducing CO2 emissions up to 50%. In 2023, Leonardo continued to develop eco-design approaches to the development of specific NGCTR subsystems within the program. Life Cycle Assessment (LCA) models have been developed to quantify the environmental benefits obtained from the design of additive manufacturing transmission components and composite wing structures. Supported by detailed LCA models, eco-design approaches will be gradually extended to more complex macro-systems of products in the Helicopters Division. By endorsing Clean Sky 2, the Council of the European Union has given the green light to the next generation of innovative aircraft and helicopters which will deliver on the challenges faced in mobility, environment, and competitiveness.

(5.11.9.6) Effect of engagement and measures of success

The collaboration with R&D centers usually involves several stage, also depending on the specific research project. The TRL (Technology Readness Level) and its trend over the time is one of the indicator of the evolution of the project since it is a measurement system used to assess the maturity level of a particular technology.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☒ Other value chain stakeholder, please specify :Institutions

(5.11.9.2) Type and details of engagement

Education/Information sharing

☒ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

Innovation and collaboration

☒ Engage with stakeholders to advocate for policy or regulatory change

(5.11.9.3) % of stakeholder type engaged

Select from:

☒ 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☒ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Leonardo values the collaborations with legislative and administrative bodies aligned with the corporate strategic outlook, which places at the centre the commitment to tackle climate change in line with the objectives of the Paris Agreement. In December 2023, Leonardo participated in the United Nations Climate Change Conference (COP) for the first time. The occasion allowed the Company to organise the “Technology Driven Climate Action” activity, which focused on how the technologies, solutions and products developed by the Group can contribute to the mitigation of climate change. Participants included the Italian Ministry of Environment and Energy Security (MASE), non-profit organisations, such as the CDP (formerly Carbon Disclosure Project), the UN Global Compact Network Italy, and associations such as ESA (European Space Agency).

(5.11.9.6) Effect of engagement and measures of success

Leonardo evaluates the results of this kind of engagement looking at the numbers of stakeholders participating in the specific event and/or campaign, monitoring the feedback by using a media and stakeholder analysis, and considering the effects of the output of the collaboration (e.g. position paper on legislation) and the related reaction from the audience.

[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

☒ Financial control

(6.1.2) Provide the rationale for the choice of consolidation approach

The 2023 environmental reporting scope covered 111 sites around the world. The scope has been based on the materiality of the environmental impact from operating sites, the number of employees of Leonardo SpA's and its subsidiaries consolidated on a line-by-line basis. In order to ensure consistency with the consolidation criteria of the Consolidated Financial Statements, the Group's environmental data do not include those of the joint ventures.

Water

(6.1.1) Consolidation approach used

Select from:

☒ Financial control

(6.1.2) Provide the rationale for the choice of consolidation approach

The 2023 environmental reporting scope covered 111 sites around the world. The scope has been based on the materiality of the environmental impact from operating sites, the number of employees of Leonardo SpA's and its subsidiaries consolidated on a line-by-line basis. In order to ensure consistency with the consolidation criteria of the Consolidated Financial Statements, the Group's environmental data do not include those of the joint ventures.

Plastics

(6.1.1) Consolidation approach used

Select from:

☒ Financial control

(6.1.2) Provide the rationale for the choice of consolidation approach

The 2023 environmental reporting scope covered 111 sites around the world. The scope has been based on the materiality of the environmental impact from operating sites, the number of employees of Leonardo SpA's and its subsidiaries consolidated on a line-by-line basis. In order to ensure consistency with the consolidation criteria of the Consolidated Financial Statements, the Group's environmental data do not include those of the joint ventures.

Biodiversity

(6.1.1) Consolidation approach used

Select from:

☒ Financial control

(6.1.2) Provide the rationale for the choice of consolidation approach

The 2023 environmental reporting scope covered 111 sites around the world. The scope has been based on the materiality of the environmental impact from operating sites, the number of employees of Leonardo SpA's and its subsidiaries consolidated on a line-by-line basis. In order to ensure consistency with the consolidation criteria of the Consolidated Financial Statements, the Group's environmental data do not include those of the joint ventures.

[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:

☒ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

(7.1.2.1) Change(s) in methodology, boundary, and/or reporting year definition?

Select all that apply

☒ Yes, a change in methodology

☒ Yes, a change in boundary

(7.1.2.2) Details of methodology, boundary, and/or reporting year definition change(s)

In 2023, Leonardo's scope of reporting changed compared to 2022 by including 111 sites instead of 105, according to the following. Sites included in 2022 but excluded from the 2023 scope of reporting: Dulles (USA), Hauppauge (USA), Lemont Furnace (USA), Tampa (USA), Roma Via Flaminia (Italy), Uznach (Switzerland). These sites were excluded because they were closed, sold or had fewer than 20 employees. The exclusion of these sites resulted in a reduction of CO2 of 1,057.17 tCO2 (Scope 1 & 2 location-based) and 1,003.89 tCO2 (Scope 1 & 2 market-based). New sites included in the 2023 scope of reporting: Greensboro (USA), Subang (Malaysia), Itapevi (Brasil), Esseldon Fields (Australia), Fishermans Bend (Australia), Perth (Australia), Pretoria (South Africa), Germantown (USA), Bet Shean (Israel), Netanya (Israel), Roma Via Montello (Italy), Decimomannu (Italy). The inclusion of these sites resulted in an increase in CO2 of 13,181.30 (Scope 1 & 2 location-based) and 12,275.42 (Scope 1 & 2 market-based). In addition, the calculation methodology for Scope 3 emissions (specifically category 11 and 1) has been changed compared to the previous year.

[Fixed row]

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

(7.1.3.1) Base year recalculation

Select from:

☒ No, because the impact does not meet our significance threshold

(7.1.3.3) Base year emissions recalculation policy, including significance threshold

The 2023 changes in boundary, with respect to 2022, do not meet the significance threshold. The significance threshold has been defined by Leonardo in accordance with the external auditors. The total change in emissions has been calculated as (total CO2 increase due to new sites included) – (total CO2 decrease due to sites excluded), resulting in 13,181 tCO2 – 1,057 tCO2. The net CO2 change is equal to 12,124 tCO2, corresponding to 2.86% on the total Scope 1&2 (location based) emissions of the Group, thus below with respect to the significance threshold.

(7.1.3.4) Past years' recalculation

Select from:

☒ No

[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

- ☒ European Union Emission Trading System (EU ETS): The Monitoring and Reporting Regulation (MMR) – General guidance for installations
- ☒ ISO 14064-1
- ☒ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- ☒ Other, please specify :US EPA,Green-e Energy Residual Mix Emissions Rates TERNA-ENERDATA,AIB Residual Mix,UN Framework Convention on ClimateChange: for waste mgmt related emission factors,UK Govern.GHG Conversion Factors,AIMSEnergyArticle, Ministerio Brasile EmissionFactors

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

(7.3.1) Scope 2, location-based

Select from:

- ☒ We are reporting a Scope 2, location-based figure

(7.3.2) Scope 2, market-based

Select from:

- ☒ We are reporting a Scope 2, market-based figure

(7.3.3) Comment

As of 31.12.2023, total scope 2 (location-based) emissions amounted to 227,905 tCO₂e, decreasing by 8% compared to the base year (248,958 tCO₂e in 2020), while scope 2 (market-based) emissions amounted to 55,088 tCO₂e decreasing by 13% compared to the base year (63,003 tCO₂e in 2020). Please refer to the 2023 Integrated Annual Report page 440.

[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

☒ No

(7.4.1) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Row 1

(7.4.1.2) Scope(s) or Scope 3 category(ies)

Select all that apply

☒ Scope 3: Franchises

☒ Scope 3: Downstream transportation and distribution

☒ Scope 3: Investments

☒ Scope 3: Downstream leased assets

☒ Scope 3: Processing of sold products

☒ Scope 3: End-of-life treatment of sold products

(7.4.1.10) Explain why this source is excluded

As regards, the downstream transportation and distribution, 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. As regards, downstream leased assets, Leonardo's business is based on selling products, not on leasing them. Therefore, this category is not applicable. Leonardo does not have any franchises. This category is not applicable for Leonardo's business structure or activities.

[Add row]

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

359711.0

(7.5.3) Methodological details

Source of the emission factor: › UNFCCC - National Inventory Submissions 2023 › Table of national standard parameters (MASE) 2022 › AIMS Energy Article 2018 › IPCC AR6 - Scope 1 emissions have been evaluated in line with the GHG Protocol Standard Methodology. The 2020 emission factors sources used in the calculation of scope 1 emissions are the following: - Boustead 5.0.12 (Production) - The Greenhouse Gas Protocol: Emission factor from cross sector tools - March 2017. - ECOINVENT (LCE Elaboration) - ADL Elaboration - GHG Protocol 2008 Aluminium Sector - UNFCCC NIR Italy, 2020_2018 (for waste) - Average Grid: EPA - United States Environmental Protection Agency - eGRID2018 - Residual Mix: 2020 Green-e Energy Residual Mix Emissions Rates - Average Grid: Terna - dati Enerdata 2017 - Residual mix: AIB - Association of Issuing Bodies - European Residual Mixes 2019 - GHG Protocol - Fifth assessment report

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

248958.0

(7.5.3) Methodological details

Scope 2 emissions have been evaluated in line with the GHG Protocol Standard Methodology. Concerning the location-based scope 2 emissions, the emission factors used in the 2020 calculation are the following: - EPA - United States Environmental Protection Agency - eGRID2018 - TERNA - dati ENERDATA 2017

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

(7.5.3) Methodological details

Scope 2 emissions have been evaluated in line with the GHG Protocol Standard Methodology. Concerning the market-based scope 2 emissions, the emission factors used in the 2020 calculation are the following: - 2020 Green-e Energy Residual Mix Emissions Rates - AIB - Association of Issuing Bodies - European Residual Mixes 2019

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

103304.0

(7.5.3) Methodological details

Leonardo purchases various goods and services, some of which have an upstream carbon footprint (e.g. raw materials, chemicals and packaging material). Such emissions include: ammonia, nitric acid, urea, petrochemicals, iron and steel, aluminium, magnesium, paper and cardboard packaging. To calculate this value, quantities of each good purchased in the base year (2020) have been provided by the procurement department and matched with literature emission factors to quantify related upstream emissions. The 2020 emission factors sources are the following: - Boustead Model, for raw materials related emission factors; - The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition).

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

241610.0

(7.5.3) Methodological details

Emissions from this source have been estimated in 2020 by using the Greenhouse Gas Protocol tool “Quantis-Scope 3 Evaluator”, a web-based tool from Greenhouse Gas Protocol and Quantis that requires, as input data, the amount of expenditure sustained for capital goods.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO₂e)

29213.0

(7.5.3) Methodological details

Scope 3 emissions related to category 3 have been evaluated in line with the GHG Protocol Standard Methodology. The 2020 emission factors source are: the Boustead Model and the UK Government GHG Conversion Factors for Company Reporting.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO₂e)

25343.0

(7.5.3) Methodological details

Scope 3 emissions related to category 4 have been evaluated in line with the GHG Protocol Standard Methodology. The 2020 emission factors source: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition).

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

24854.0

(7.5.3) Methodological details

Scope 3 emissions related to category 5 have been evaluated in line with the GHG Protocol Standard Methodology. The 2020 emission factor sources: United Nation Framework Convention on Climate Change.

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

13717.0

(7.5.3) Methodological details

Scope 3 emissions related to category 6 have been evaluated in line with the GHG Protocol Standard Methodology. The 2020 emission factors source is the following: - The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)). - The emissions from the leased car fleet for business travel have been instead considered within the "Upstream leased assets" category.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

57883.0

(7.5.3) Methodological details

Scope 3 emissions related to category 7 have been evaluated in line with the GHG Protocol Standard Methodology. The 2020 emission factors source is the “Documentation of the data and calculations to support the Greenhouse Gas Protocol Scope 3 Screening Tool” of the Greenhouse Gas Protocol tool “Quantis-Scope 3 Evaluator”, (a web-based tool from Greenhouse Gas Protocol and Quantis that makes it easier for companies to measure, report and reduce emissions throughout their value chain that provided the tons of CO2 equivalent related to the employee commuting afterwards).

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

10994.0

(7.5.3) Methodological details

Scope 3 emissions related to category 8 have been evaluated in line with the GHG Protocol Standard Methodology. This figure includes emissions from cars leased by Leonardo, both short and long term lease, on the basis of kilometres travelled per year. The emissions data has been completely provided by suppliers on the basis of km run by leased cars in the reporting year, representing 100% of total emissions from leased cars, and have been calculated multiplying the travelled kilometres for the relative emissions factors of the cars.

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

1502126.0

(7.5.3) Methodological details

Scope 3 emissions relative to this category have been calculated referring to the 111 helicopters (distributed between AW139/W3, AW169, AW189 /149, AW109, AW119, SW4, AW009, NH90, AW101) sold by Leonardo in the reporting year, for which an expected lifetime of 20 years has been assumed with a provided number of Flight Hours/Year/Helicopter equal to 400 and a correspondent average value (weighted in function of the number of different types of sold helicopters in the reporting year) of 452.2 ton CO2/year/helicopter. The information regarding CO2 emissions of the indicated helicopters have been obtained by a technical calculation provided by the Helicopters Division.

[Fixed row]

(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

195682

(7.6.3) Methodological details

Data used to compute Scope 1 emissions from the Group's web-based system comes from direct measurements, calculations, and estimates. Emissions at sites with monitoring systems are based on annual laboratory analyses. For sites without these analyses, the Group's system calculates NOX and SO2 emissions using annual fuel consumption data and established emission coefficients. The emission factors sources are the following: - UNFCC - National Inventory Submissions 2021; - Table of national standard parameters 2022 (MASE); - AIMS Energy Article 2018; - IPCC AR6 - Sixth assessment report; - Australian National Greenhouse accounts factors (February 2023)

Past year 1

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

213107

(7.6.2) End date

12/30/2022

(7.6.3) Methodological details

Source of the emission factor: GHG Protocol Global UNFCCC - National Inventory Submissions 2021 Table of national standard parameters (MITE) AIMS Energy Article 2018

Past year 2

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

262984

(7.6.2) End date

12/30/2021

(7.6.3) Methodological details

Source of the emission factor: GHG Protocol Global UNFCCC - National Inventory Submissions 2021 Table of national standard parameters (MITE)

Past year 3

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

359711

(7.6.2) End date

12/30/2020

(7.6.3) Methodological details

Please refer to the related CDP questionnaire submitted by Leonardo

Past year 4

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

332780

(7.6.2) End date

12/30/2019

(7.6.3) Methodological details

Please refer to the related CDP questionnaire submitted by Leonardo

Past year 5

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

286643

(7.6.2) End date

12/30/2018

(7.6.3) Methodological details

Please refer to the related CDP questionnaire submitted by Leonardo

[Fixed row]

(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

227905

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

(7.7.4) Methodological details

Scope 2 emissions have been evaluated in line with the GHG Protocol. Energy consumption data from the Group's web-based system comes from direct measurements, calculations, and estimates. Emissions at sites with monitoring systems are based on annual laboratory analyses. Since 2023, district heating emissions have been incorporated into Scope 2 reporting. The emission factors sources are the following: • EPA - United States Environmental Protection Agency - eGRID2021; • Terna - ENERDATA 2020; • Terna –ENERDATA 2020; Ministero Brasile, Australian National Greenhouse accounts factors (February 2023); • 2023 Green-e Energy Residual Mix Emissions Rates; • AIB - Association of Issuing Bodies - European Residual Mixes 2022; • site's providers; • UK Government GHG Conversion Factors for Company Reporting (DEFRA 2023).

Past year 1

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO₂e)

213040

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO₂e) (if applicable)

63924

(7.7.3) End date

12/30/2022

(7.7.4) Methodological details

Source of the emission factor: Average Grid US, Source: EPA - United States Environmental Protection Agency - eGRID2020; Average Grid Europe, Source: TERNA - ENERDATA data 2020; Residual Mix United States and Canada, Source: 2022 Green-e Energy Residual Mix Emissions Rates; Residual Mix Europe, Source: AIB - Association of Issuing Bodies - European Residual Mixes 2021.

Past year 2

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO₂e)

215907

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

62029

(7.7.3) End date

12/30/2021

(7.7.4) Methodological details

Reporting method based on the principles of the GHG Protocol new Scope 2 reporting guidance, using the following coefficients: • Average Grid US, Source: EPA - United States Environmental Protection Agency - eGRID2019; • Average Grid Europe, Source: TERN - ENERDATA data 2020; • Residual Mix United States and Canada, Source: 2021 Green-e Energy Residual Mix Emissions Rates; • Residual Mix Europe, Source: AIB - Association of Issuing Bodies - European Residual Mixes 2020.

Past year 3

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

248958

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

63003

(7.7.3) End date

12/30/2020

(7.7.4) Methodological details

Please refer to the related CDP questionnaire submitted by Leonardo

Past year 4

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

267468

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

70856

(7.7.3) End date

12/30/2019

(7.7.4) Methodological details

Please refer to the related CDP questionnaire submitted by Leonardo

Past year 5

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

262331

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

65110

(7.7.3) End date

12/30/2018

(7.7.4) Methodological details

Please refer to the related CDP questionnaire submitted by Leonardo

[Fixed row]

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

2263633

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Leonardo purchases many goods and services (e.g. raw materials, chemicals and packaging material). The emissions related to this category are quantified according to the "Spend-based method" reported in the GHG Protocol, thus based on: - Quantity of each purchased good in terms of weight (es. Kg, tonne), provided by the procurement department. - Emission factors in terms of tCO2/tons of each purchased good, identified in sectoral studies / literature. Emissions and emission factors are aligned with IAEG's, a more complete inventory of all the other categories of emissions within Scope 3. As a result of this activity. The emission factor sources are the following: - Boustead Model - IPCC Guidelines 2006 - DEFRA UK 2023 - UNFCCC NIR 2023_2021 and GHG Protocol 2008 Aluminium Sector. The GWP source is the IPCC Sixth Assessment Report, 2023 (AR6)

Capital goods

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

149149

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

The Scope 3 emissions relative to this category are relevant for Leonardo considering the overall upstream (i.e. cradle-to-gate) emissions from the production of equipment, machineries, buildings, facilities and vehicles acquired by Leonardo in the reporting year. For the calculation of scope 3 emissions related to capital goods, a spend-based methodology in accordance with the GHG protocol has been adopted. The formula used is the following: (value of capital good (€) emission factor of capital good per unit of economic value (kg CO2e/€)) Quantities of each good purchased (€) in the reporting year have been provided by the procurement department. Spend-based emission factors have been retrieved from IAEG (International Aerospace Environmental Group)

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

34594

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Fuel-and-energy related activities category includes emissions related to extraction/production/transportation phase of energy and fuel (diesel, methane and gasoline). The emissions related to this category are quantified according to the “Average data method” reported in the GHG Protocol, thus based on: - Quantity of fuel (diesel for heat and energy production; diesel and gasoline for cars, trucks and forklifts; methane) and electricity consumed during the reporting year, provided by the Leonardo’s procurement department; - WTT emission factors related to each type of fuel (diesel, methane, gasoline) and WTT emission factors related to electricity for each Country. Emission factor sources: DEFRA UK 2023 and DEFRA UK 2022. The GWP source is the IPCC Sixth Assessment Report, 2022 (AR6)

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

17027

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

The emissions related to this category are quantified according to the “distance – based method” reported in the GHG Protocol and include CO2 emissions for road freight transport; CO2 emissions for freight transport by train; CO2 emissions for freight transport by ship; CO2 emissions for air freight transport. This value has been

calculated based on: - the weight of goods (inbound and outbound) transported by trucks, trains, navy and airplanes - the kilometres travelled by each type of transport mode - the emissions factors identified for each type of transport mode (heavy good vehicle, rail, short haul air, long haul air, shipping large container vessel) Emission factor source: GHG Protocol – Emission factors from cross sector tools – March 2017. The GWP source is the IPCC Sixth Assessment Report, 2022 (AR6)

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

26371

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Waste-type-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

The emissions related to this category are quantified according to the “waste – type – specific method” reported in the GHG Protocol and include CO2 emissions for generated for the disposal of hazardous and non-hazardous waste; incinerated waste and recycled metal waste. This value has been calculated based on - the weight of waste produced during the reporting year for type (eg. hazardous, not hazardous), disposal method (incineration, recycling, etc) and Country of disposal - the emissions factors identified for each waste type, disposal method and Country of disposal Emission factors sources are: UNFCCC NIR 2022_2020 and DEFRA UK 2022. The GWP source is the IPCC Sixth Assessment Report, 2022 (AR6)

Business travel

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

27200

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

The quantification of Leonardo's Scope 3 emissions related to this category was based on: - the number of flights and trains journeys and kilometres travelled by each employee for business reasons, during the reporting year. These data have been downloaded by Leonardo's internal informatics system used to book business travels. - emission factors, identified basing on the type of travel (air or train). Emission factor sources: GHG Protocol – Emission factor from cross sector tools – March 2017. The GWP source is the IPCC Sixth Assessment Report, 2022 (AR6). Please be aware that the emissions from the leased car fleet for business travel have been considered within the "Upstream leased assets" category. Leonardo has a strong national and international presence with offices in various regions and countries, and with partners around the world. This usually requires frequent business travels by train or airplane.

Employee commuting

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

54713

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Leonardo's Scope 3 emissions from employee commuting in the reporting year, have been calculated considering the results of the survey that Leonardo has submitted to its employees, to collect data on their mobility movements. Basing on data collected, the average emissions per person corresponds to 1.021 tCO₂, resulting in a total of 54,713 tCO₂ when multiplied by the total of Leonardo employees (53,566). Depending on the type of vehicle used for moving, a specific emission factor, provided by the Institute for Environmental Protection and Research (ISPRA), has been used for the calculation

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

12170

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

The emissions related to this category are quantified according to the “distance - based method” reported in the GHG Protocol and include CO2 emissions from cars leased by Leonardo, both short and long - term lease. The emissions related to this category are quantified based on kilometres travelled per year. The emissions data has been completely provided by suppliers on the basis of km run by leased cars in the reporting year, and have been calculated multiplying the travelled kilometres for the relative emissions factors of the cars. Emission factor sources: GHG Protocol – Emission factor from cross sector tools – March 2017. The GWP source is the IPCC Sixth Assessment Report, 2023 (AR6)

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Leonardo manages and pays for 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.

Processing of sold products

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

We have investigated this Scope 3 category and we considered it as not relevant for our business based on quantitative investigations.

Use of sold products

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

3215336

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Methodology for direct use phase emissions, please specify : Σ (units sold in reporting year \times hours of usage in a year \times total lifetime expected (in years) \times electricity or fuel consumed (Nominal Power or kg fuel / per hour \times hours used per year) \times emission factor for fuel or electricity (kg CO2e/kg fuel or KWh of electricity)

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Scope 3 emissions relative to this category have been calculated referring to the use of all Leonardo products: aircrafts, helicopter, simulators, electronics and cyber systems sold in the reporting year. The formula adopted is the following: $(\text{units sold in reporting year} \times \text{hours of usage in a year} \times \text{total lifetime expected (in years)} \times \text{electricity or fuel consumed (Nominal Power or kg fuel / per hour} \times \text{hours used per year)} \times \text{emission factor for fuel or electricity (kg CO2e/kg fuel or KWh of electricity)})$
Sustainable Aviation Fuel (SAF) use has been considered in the calculation of the emission factors for fuel. Emission factors have been retrieved from: • GHG Aviation Tool • SBT Aviation Guideline • Terna Enerdata 2019 • IRENA 2019.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

We have investigated this Scope 3 category and we considered it as not relevant for our business based on quantitative investigations.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

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

Franchises

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

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

Investments

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

We have investigated this Scope 3 category and we considered it as not relevant for our business based on quantitative investigations.

Other (upstream)

(7.8.1) Evaluation status

Select from:

☒ Not evaluated

(7.8.5) Please explain

NO other upstream categories are considered

Other (downstream)

(7.8.1) Evaluation status

Select from:

☒ Not evaluated

(7.8.5) Please explain

NO other downstream categories are considered
[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place

	Verification/assurance status
Scope 3	<i>Select from:</i> <input checked="" type="checkbox"/> Third-party verification or assurance process in place

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.1.2) Status in the current reporting year

Select from:

☒ Complete

(7.9.1.3) Type of verification or assurance

Select from:

☒ Reasonable assurance

(7.9.1.4) Attach the statement

EY assurance_2023.pdf

(7.9.1.5) Page/section reference

Please refer to page 5 of the pdf document attached (which is the assurance letter from the third-party auditor). The Scope 1 emissions are included in the Reasonable Assurance list (GRI305-1 Direct Scope 1 GHG Emissions).

(7.9.1.6) Relevant standard

Select from:

☒ ISAE3000

(7.9.1.7) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:

☒ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☒ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☒ Reasonable assurance

(7.9.2.5) Attach the statement

EY assurance_2023.pdf

(7.9.2.6) Page/ section reference

Please refer to page 5 of the pdf document attached (which is the assurance letter from the third-party auditor included in the Annual Report). The Scope 2 emissions are included in the Reasonable Assurance list (GRI305-2 Energy Indirect Scope 2 GHG Emissions).

(7.9.2.7) Relevant standard

Select from:

☒ ISAE3000

(7.9.2.8) Proportion of reported emissions verified (%)

100

Row 2

(7.9.2.1) Scope 2 approach

Select from:

☒ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☒ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☒ Reasonable assurance

(7.9.2.5) Attach the statement

EY assurance_2023.pdf

(7.9.2.6) Page/ section reference

lease refer to page 5 of the pdf document attached (which is the assurance letter from the third-party auditor ncluded in the Annual Report). The Scope 2 emissions are included in the Reasonable Assurance list (GRI305-2 Energy Indirect Scope 2 GHG Emissions).

(7.9.2.7) Relevant standard

Select from:

☒ ISAE3000

(7.9.2.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

- | | |
|---|---|
| <input checked="" type="checkbox"/> Scope 3: Capital goods | <input checked="" type="checkbox"/> Scope 3: Purchased goods and services |
| <input checked="" type="checkbox"/> Scope 3: Business travel | <input checked="" type="checkbox"/> Scope 3: Waste generated in operations |
| <input checked="" type="checkbox"/> Scope 3: Employee commuting | <input checked="" type="checkbox"/> Scope 3: Upstream transportation and distribution |
| <input checked="" type="checkbox"/> Scope 3: Use of sold products | <input checked="" type="checkbox"/> Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) |
| <input checked="" type="checkbox"/> Scope 3: Upstream leased assets | |

(7.9.3.2) Verification or assurance cycle in place

Select from:

- ☒ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

- ☒ Complete

(7.9.3.4) Type of verification or assurance

Select from:

- ☒ Limited assurance

(7.9.3.5) Attach the statement

LDO_IntegratedAnnualReport2023_ENG.pdf

(7.9.3.6) Page/section reference

Please refer to p.432-433 of the Annual Report "In compliance with Leg. Decree 254/2016, the 2023 Consolidated Non-Financial Statement, except the disclosures related to the indicators summarised in the paragraph SASB content index and TCFD was subject to limited review". This means that the Scope 3 emissions reported on page 440 are covered by limited assurance from EY. In addition, please refer to p. 208-212 of the Annual Report (216 of the pdf) for the assurance letter.

(7.9.3.7) Relevant standard

Select from:

☒ ISAE3000

(7.9.3.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:

☒ Decreased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Considering the market-based emissions there isn't any change in emissions related to renewable energy consumption.

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

3931

(7.10.1.2) Direction of change in emissions

Select from:

☒ Decreased

(7.10.1.3) Emissions value (percentage)

1.42

(7.10.1.4) Please explain calculation

*In 2023, Leonardo's efficiency initiatives have had a positive impact in the reduction of energy consumption, reducing scope 1 and scope 2 emissions. Indeed, energy efficiency initiatives such as the LED full potential program or activities like more efficient waste management in some sites led to a 9.5% reduction in Scope 1 and Scope 2 (market based) emissions compared to 2022. These initiatives add up to 3,931 tCO2e avoided. The value of the emissions in the figure was calculated as (reduced emissions thanks to the initiatives) / (scope 1 and scope 2 market based in 2022), which translates into $(3,931/277,031)*100$ -1.42 %.*

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change

Mergers

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

12124

(7.10.1.2) Direction of change in emissions

Select from:

☒ Increased

(7.10.1.3) Emissions value (percentage)

2.85

(7.10.1.4) Please explain calculation

In 2023, Leonardo's scope of reporting changed compared to 2022 by including 111 sites instead of 105, according to the following. Sites included in 2022 but excluded from the 2023 scope of reporting: Dulles (USA), Hauppauge (USA), Lemont Furnace (USA), Tampa (USA), Roma Via Flaminia (Italy), Uznach (Switzerland). These sites were excluded because they were closed, sold or had fewer than 20 employees. The exclusion of these sites resulted in a reduction of CO2 of 1,057.17 tCO2 (Scope 1 & 2 location based) and 1,003.89 tCO2 (Scope 1 & 2 market based). New sites included in the 2023 scope of reporting: Greensboro (USA), Subang (Malaysia), Itapevi (Brasil), Esseldon Fields (Australia), Fishermans Bend (Australia), Perth (Australia), Pretoria (South Africa), Germantown (USA), Bet Shean (Israel), Netanya (Israel), Roma Via Montello (Italy), Decimomannu (Italy). The inclusion of these sites resulted in an increase in CO2 of 13,181.30 (Scope 1 & 2 location based) and 12,275.42 (Scope 1 & 2 market based).

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change

[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:

☒ Market-based

(7.11.1) For each Scope 3 category calculated in 7.8, specify how your emissions compare to the previous year and identify the reason for any change.

Purchased goods and services

(7.11.1.1) Direction of change

Select from:

☒ Increased

Capital goods

(7.11.1.1) Direction of change

Select from:

☒ Decreased

Fuel and energy-related activities (not included in Scopes 1 or 2)

(7.11.1.1) Direction of change

Select from:

☒ Decreased

Upstream transportation and distribution

(7.11.1.1) Direction of change

Select from:

☒ Decreased

Waste generated in operations

(7.11.1.1) Direction of change

Select from:

☒ Increased

Business travel

(7.11.1.1) Direction of change

Select from:

☒ Decreased

Employee commuting

(7.11.1.1) Direction of change

Select from:

☒ Increased

Upstream leased assets

(7.11.1.1) Direction of change

Select from:

☒ Increased

Use of sold products

(7.11.1.1) Direction of change

Select from:

☒ Increased

[Fixed row]

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:

☒ No

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:

☒ Yes

(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Row 1

(7.15.1.1) Greenhouse gas

Select from:

☒ CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

165079

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:

☒ CH4

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

142

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:

☒ N2O

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

1284

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 4

(7.15.1.1) Greenhouse gas

Select from:

☒ SF6

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

20820

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 5

(7.15.1.1) Greenhouse gas

Select from:

☒ HFCs

(7.15.1.2) Scope 1 emissions (metric tons of CO₂e)

8357

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Sixth Assessment Report (AR6 - 100 year)

[Add row]

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

Australia

(7.16.1) Scope 1 emissions (metric tons CO₂e)

345

(7.16.2) Scope 2, location-based (metric tons CO₂e)

729

(7.16.3) Scope 2, market-based (metric tons CO₂e)

992

Belgium

(7.16.1) Scope 1 emissions (metric tons CO₂e)

95

(7.16.2) Scope 2, location-based (metric tons CO2e)

19

(7.16.3) Scope 2, market-based (metric tons CO2e)

15

Brazil

(7.16.1) Scope 1 emissions (metric tons CO2e)

71

(7.16.2) Scope 2, location-based (metric tons CO2e)

22

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Canada

(7.16.1) Scope 1 emissions (metric tons CO2e)

1677

(7.16.2) Scope 2, location-based (metric tons CO2e)

743

(7.16.3) Scope 2, market-based (metric tons CO2e)

1489

Germany

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Israel

(7.16.1) Scope 1 emissions (metric tons CO2e)

581

(7.16.2) Scope 2, location-based (metric tons CO2e)

679

(7.16.3) Scope 2, market-based (metric tons CO2e)

679

Italy

(7.16.1) Scope 1 emissions (metric tons CO2e)

171514

(7.16.2) Scope 2, location-based (metric tons CO2e)

141967

(7.16.3) Scope 2, market-based (metric tons CO2e)

1500

Malaysia

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

605

(7.16.3) Scope 2, market-based (metric tons CO2e)

605

Poland

(7.16.1) Scope 1 emissions (metric tons CO2e)

591

(7.16.2) Scope 2, location-based (metric tons CO2e)

27708

(7.16.3) Scope 2, market-based (metric tons CO2e)

13781

Romania

(7.16.1) Scope 1 emissions (metric tons CO2e)

65

(7.16.2) Scope 2, location-based (metric tons CO2e)

187

(7.16.3) Scope 2, market-based (metric tons CO2e)

185

South Africa

(7.16.1) Scope 1 emissions (metric tons CO2e)

43

(7.16.2) Scope 2, location-based (metric tons CO2e)

73

(7.16.3) Scope 2, market-based (metric tons CO2e)

73

Spain

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

4

(7.16.3) Scope 2, market-based (metric tons CO2e)

6

Switzerland

(7.16.1) Scope 1 emissions (metric tons CO2e)

100

(7.16.2) Scope 2, location-based (metric tons CO2e)

13

(7.16.3) Scope 2, market-based (metric tons CO2e)

2

Turkey

(7.16.1) Scope 1 emissions (metric tons CO2e)

194

(7.16.2) Scope 2, location-based (metric tons CO2e)

234

(7.16.3) Scope 2, market-based (metric tons CO2e)

234

United Kingdom of Great Britain and Northern Ireland

(7.16.1) Scope 1 emissions (metric tons CO2e)

10241

(7.16.2) Scope 2, location-based (metric tons CO2e)

17075

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

United States of America

(7.16.1) Scope 1 emissions (metric tons CO2e)

10165

(7.16.2) Scope 2, location-based (metric tons CO2e)

37846

(7.16.3) Scope 2, market-based (metric tons CO2e)

35526
[Fixed row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply
☒ By business division

(7.17.1) Break down your total gross global Scope 1 emissions by business division.

	Business division	Scope 1 emissions (metric ton CO2e)
Row 1	<i>Helicopters</i>	71828
Row 2	<i>Aircraft</i>	54330
Row 3	<i>Aerostructure</i>	36169
Row 4	<i>Defence, Electronics and Security</i>	32426
Row 6	<i>Other (Leonardo Corporate, Leonardo Global Solutions and Leonardo Partecipazioni)</i>	930

[Add row]

(7.19) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

Transport OEM activities

(7.19.1) Gross Scope 1 emissions, metric tons CO2e

162326

(7.19.3) Comment

Scope 1 emissions regarding Transport OEM activities are related to the Leonardo' Helicopters, Aircraft and Aerostructure divisions sites which realize parts and final products for the helicopters and aircrafts.

[Fixed row]

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply

☒ By business division

(7.20.1) Break down your total gross global Scope 2 emissions by business division.

	Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 1	<i>Helicopters</i>	<i>69110</i>	<i>16346</i>
Row 2	<i>Other (Leonardo Corporate, Leonardo Global Solutions and Leonardo Partecipazioni)</i>	<i>1444</i>	<i>0</i>
Row 3	<i>Aerostructure</i>	<i>54664</i>	<i>0</i>
Row 4	<i>Aircraft</i>	<i>19033</i>	<i>520</i>
Row 5	<i>Defence, Electronics and Security</i>	<i>83684</i>	<i>38222</i>

[Add row]

(7.21) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

Transport OEM activities

(7.21.1) Scope 2, location-based, metric tons CO2e

142778

(7.21.2) Scope 2, market-based (if applicable), metric tons CO2e

16886

(7.21.3) Comment

Scope 2 emissions regarding Transport OEM activities are related to the Leonardo's Helicopters, Aircraft and Aerostructure divisions sites which realize parts and final products for the helicopters and aircrafts.
[Fixed row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

195682

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

227905

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

55088

(7.22.4) Please explain

The 2023 environmental reporting scope covered 111 sites around the world. The scope has been based on the materiality of the environmental impact from operating sites, the number of employees of Leonardo SpA and its subsidiaries consolidated on a line-by-line basis. In order to ensure consistency with the consolidation criteria of the consolidated financial statements, the Group's environmental data do not include those of the joint ventures.

All other entities

(7.22.1) Scope 1 emissions (metric tons CO2e)

0

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

(7.22.4) Please explain

In order to ensure consistency with the consolidation criteria of the consolidated financial statements, the Group’s environmental data do not include those of the joint ventures.
[Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:
☒ No

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:
☒ More than 10% but less than or equal to 15%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: <input checked="" type="checkbox"/> Yes

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of purchased or acquired electricity	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired heat	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired steam	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired cooling	Select from: <input checked="" type="checkbox"/> No
Generation of electricity, heat, steam, or cooling	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

☒ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

682772.44

(7.30.1.4) Total (renewable and non-renewable) MWh

682772.44

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

550645.92

(7.30.1.3) MWh from non-renewable sources

97039.07

(7.30.1.4) Total (renewable and non-renewable) MWh

647684.99

Consumption of purchased or acquired heat

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

53550.89

(7.30.1.4) Total (renewable and non-renewable) MWh

53550.89

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

2155.53

(7.30.1.4) Total (renewable and non-renewable) MWh

2155.53

Total energy consumption

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

552801.45

(7.30.1.3) MWh from non-renewable sources

(7.30.1.4) Total (renewable and non-renewable) MWh

1386163.85

*[Fixed row]***(7.30.6) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	<i>Select from:</i> <input checked="" type="checkbox"/> Yes
Consumption of fuel for the generation of heat	<i>Select from:</i> <input checked="" type="checkbox"/> Yes
Consumption of fuel for the generation of steam	<i>Select from:</i> <input checked="" type="checkbox"/> No
Consumption of fuel for the generation of cooling	<i>Select from:</i> <input checked="" type="checkbox"/> No
Consumption of fuel for co-generation or tri-generation	<i>Select from:</i> <input checked="" type="checkbox"/> Yes

*[Fixed row]***(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.****Sustainable biomass**

(7.30.7.1) Heating value

Select from:

☒ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

0

(7.30.7.8) Comment

N/A

Other biomass

(7.30.7.1) Heating value

Select from:

☒ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

0

(7.30.7.8) Comment

N/A

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:

☒ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

0

(7.30.7.8) Comment

N/A

Coal

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

0

(7.30.7.8) Comment

N/A

Oil

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

0

(7.30.7.8) Comment

N/A

Gas

(7.30.7.1) Heating value

Select from:

☒ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

681396.26

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

318644.35

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

362751.91

(7.30.7.8) Comment

In 2023 Leonardo has consumed around 681,396.26 MWh of methane, of which around 53 % for self-generation of heat and around 47% for self-cogeneration or heat.

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:

☒ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

1376.17

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

1376.17

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

0

Total fuel

(7.30.7.1) Heating value

Select from:

☒ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

682772.44

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

320020.53

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

362751.91

[Fixed row]

(7.30.9) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

Electricity

(7.30.9.1) Total Gross generation (MWh)

28894.61

(7.30.9.2) Generation that is consumed by the organization (MWh)

28894.61

(7.30.9.3) Gross generation from renewable sources (MWh)

2155.53

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

2155.53

Heat

(7.30.9.1) Total Gross generation (MWh)

320020.53

(7.30.9.2) Generation that is consumed by the organization (MWh)

320020.53

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Steam

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Cooling

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

[Fixed row]

(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

Row 1

(7.30.14.1) Country/area

Select from:

☒ Italy

(7.30.14.2) Sourcing method

Select from:

☒ Unbundled procurement of energy attribute certificates (EACs)

(7.30.14.3) Energy carrier

Select from:

☒ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☒ Low-carbon energy mix, please specify :Energy mix depends on the energy mix of the supplier Leonardo has the contract with

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

449411.17

(7.30.14.6) Tracking instrument used

Select from:

☒ Contract

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☒ Italy

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☒ No

(7.30.14.10) Comment

N/A

Row 2

(7.30.14.1) Country/area

Select from:

☒ Germany

(7.30.14.2) Sourcing method

Select from:

☒ Unbundled procurement of energy attribute certificates (EACs)

(7.30.14.3) Energy carrier

Select from:

☒ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☒ Low-carbon energy mix, please specify :Energy mix depends on the energy mix of the supplier

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

605.01

(7.30.14.6) Tracking instrument used

Select from:

☒ Contract

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☒ Germany

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☒ No

(7.30.14.10) Comment

N/A

Row 3

(7.30.14.1) Country/area

Select from:

☒ United Kingdom of Great Britain and Northern Ireland

(7.30.14.2) Sourcing method

Select from:

☒ Unbundled procurement of energy attribute certificates (EACs)

(7.30.14.3) Energy carrier

Select from:

☒ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☒ Low-carbon energy mix, please specify :Energy mix depends on the energy mix of the supplier Leonardo has the contract with

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

(7.30.14.6) Tracking instrument used*Select from:*☒ Contract**(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute***Select from:*☒ United Kingdom of Great Britain and Northern Ireland**(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?***Select from:*☒ No**(7.30.14.10) Comment**

N/A

Row 4**(7.30.14.1) Country/area***Select from:*☒ United States of America**(7.30.14.2) Sourcing method***Select from:*☒ Retail supply contract with an electricity supplier (retail green electricity)**(7.30.14.3) Energy carrier**

Select from:

☒ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☒ Low-carbon energy mix, please specify :Energy mix depends on the energy mix of the supplier Leonardo has the contract with

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

6701.77

(7.30.14.6) Tracking instrument used

Select from:

☒ Contract

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☒ United States of America

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☒ No

(7.30.14.10) Comment

N/A

Row 5

(7.30.14.1) Country/area

Select from:

☒ Poland

(7.30.14.2) Sourcing method

Select from:

☒ Retail supply contract with an electricity supplier (retail green electricity)

(7.30.14.3) Energy carrier

Select from:

☒ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☒ Low-carbon energy mix, please specify :Energy mix depends on the energy mix of the supplier Leonardo has the contract with

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

27459.55

(7.30.14.6) Tracking instrument used

Select from:

☒ Contract

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☒ Poland

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☒ No

(7.30.14.10) Comment

N/A

Row 6

(7.30.14.1) Country/area

Select from:

☒ Switzerland

(7.30.14.2) Sourcing method

Select from:

☒ Unbundled procurement of energy attribute certificates (EACs)

(7.30.14.3) Energy carrier

Select from:

☒ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☒ Low-carbon energy mix, please specify :Energy mix depends on the energy mix of the supplier Leonardo has the contract with

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

364.24

(7.30.14.6) Tracking instrument used

Select from:

☒ Contract

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☒ Switzerland

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☒ No

(7.30.14.10) Comment

N/A

Row 7

(7.30.14.1) Country/area

Select from:

☒ Brazil

(7.30.14.2) Sourcing method

Select from:

☒ Retail supply contract with an electricity supplier (retail green electricity)

(7.30.14.3) Energy carrier

Select from:

☒ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☒ Low-carbon energy mix, please specify :Energy mix depends on the energy mix of the supplier Leonardo has the contract with

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

160.83

(7.30.14.6) Tracking instrument used

Select from:

☒ Contract

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☒ Brazil

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☒ No

(7.30.14.10) Comment

N/A

[Add row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Australia

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Belgium

(7.30.16.1) Consumption of purchased electricity (MWh)

107.26

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

107.26

Brazil

(7.30.16.1) Consumption of purchased electricity (MWh)

160.83

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

160.83

Canada

(7.30.16.1) Consumption of purchased electricity (MWh)

6135.04

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

6135.04

Germany

(7.30.16.1) Consumption of purchased electricity (MWh)

658.62

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

658.62

Israel

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Italy

(7.30.16.1) Consumption of purchased electricity (MWh)

449411.17

(7.30.16.2) Consumption of self-generated electricity (MWh)

28894.61

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

12263.05

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

490568.83

Malaysia

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Poland

(7.30.16.1) Consumption of purchased electricity (MWh)

27459.55

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

41287.84

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

68747.39

Romania

(7.30.16.1) Consumption of purchased electricity (MWh)

674.97

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

674.97

South Africa

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Spain

(7.30.16.1) Consumption of purchased electricity (MWh)

21.52

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

21.52

Switzerland

(7.30.16.1) Consumption of purchased electricity (MWh)

422.9

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

422.90

Turkey

(7.30.16.1) Consumption of purchased electricity (MWh)

567.79

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

567.79

United Kingdom of Great Britain and Northern Ireland

(7.30.16.1) Consumption of purchased electricity (MWh)

65943.34

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

65943.34

United States of America

(7.30.16.1) Consumption of purchased electricity (MWh)

92523.91

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

92523.91

[Fixed row]

(7.34) Does your organization measure the efficiency of any of its products or services?

(7.34.1) Measurement of product/service efficiency

Select from:

☒ Yes

(7.34.2) Comment

Leonardo measures its platforms' efficiency using the main drivers of its decarbonization roadmap, in line also with the targets approved by the SBTi. This means, tCO2e / hour of flight of the products to provide a metric of the results of the main activities to reduce the emissions in the use stage. And then, the emissions avoided per training hour thanks to the massive use of digitalization in the pilot training activities.

[Fixed row]

(7.34.1) Provide details of the metrics used to measure the efficiency of your organization's products or services.

Row 1

(7.34.1.1) Category of product or service

Select from:

☒ Other, please specify :Aviation

(7.34.1.2) Product or service (optional)

Aviation

(7.34.1.3) % of revenue from this product or service in the reporting year

21

(7.34.1.4) Efficiency figure in the reporting year

1.54

(7.34.1.5) Metric numerator

Select from:

☒ tCO2

(7.34.1.6) Metric denominator

Select from:

☒ Other, please specify :training hours through virtual training systems

(7.34.1.7) Comment

The % of revenues are related to the Customer Services, Support and Training of Aircraft and Helicopter Divisions, then compared to the Group total revenues. This metric, emissions avoided per training hour, provides a picture of the main results of using digitalization and virtualization in the pilot training activities.

[Add row]

(7.35) Provide any efficiency metrics that are appropriate for your organization's transport products and/or services.

Row 1

(7.35.1) Activity

Select from:

☒ Aviation

(7.35.2) Metric figure

1.54

(7.35.3) Metric numerator

Select from:

☒ tCO2e

(7.35.4) Metric denominator

Select from:

☒ Other, please specify :training hours through virtual training systems

(7.35.5) Metric numerator: Unit total

77000

(7.35.6) Metric denominator: Unit total

50000

(7.35.7) % change from previous year

-17

(7.35.8) Please explain

One of the main drivers of Leonardo's Sustainability Plan is the development of virtualization across the Group. Thus, new low carbon products are being developed, with a strong focus on virtual products, such as simulators, which generate significantly less GHG emissions in comparison to real flights.

[Add row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

0.0000164

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

250777

(7.45.3) Metric denominator

Select from:

☒ unit total revenue

(7.45.4) Metric denominator: Unit total

15291000000

(7.45.5) Scope 2 figure used

Select from:

☒ Market-based

(7.45.6) % change from previous year

13

(7.45.7) Direction of change

Select from:

☒ Decreased

(7.45.8) Reasons for change

Select all that apply

☒ Other emissions reduction activities

(7.45.9) Please explain

The intensity indicator has decreased by 13% compared to 2022. The decrease of the intensity figure in 2023 is due to a decrease of 9.5% in emissions and an increase of 4% in revenues compared to 2022. In 2023, the decrease in emissions was also due to the decrease of Scope 1 emissions by 8.2% compared to 2022. The reduction was achieved, despite the increase in business volumes, mainly thanks to the progressive replacement of SF6 gas with a gas with a lower environmental impact, energy efficiency initiatives and the increase in the share of energy from renewable sources purchased from the grid.

Row 2

(7.45.1) Intensity figure

4.7

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

250777

(7.45.3) Metric denominator

Select from:

☒ full time equivalent (FTE) employee

(7.45.4) Metric denominator: Unit total

53566

(7.45.5) Scope 2 figure used

Select from:

☒ Market-based

(7.45.6) % change from previous year

12.8

(7.45.7) Direction of change

Select from:

☒ Decreased

(7.45.8) Reasons for change

Select all that apply

☒ Other emissions reduction activities

(7.45.9) Please explain

The intensity indicator has decreased by 112.8% compared to 2022. This intensity figure is relevant for a manufacturing company which is a human capital-intensive sector. The decrease in emissions was mainly due to a mix of initiatives such as the progressive replacement of SF6 gas with a gas with a lower environmental impact, energy efficiency initiatives and the increase in the share of energy from renewable sources purchased from the grid.

[Add row]

(7.50) Provide primary intensity metrics that are appropriate to your indirect emissions in Scope 3 Category 11: Use of sold products from transport.

Row 1

(7.50.1) Activity

Select from:

☒ Aviation

(7.50.2) Emissions intensity figure

1.32

(7.50.3) Metric numerator (Scope 3 emissions: use of sold products) in Metric tons CO2e

2126741

(7.50.4) Metric denominator

Select from:

☒ t.km

(7.50.5) Metric denominator: Unit total

1605725

(7.50.6) % change from previous year

-16

(7.50.7) Vehicle unit sales in reporting year

177

(7.50.8) Vehicle lifetime in years

0

(7.50.9) Annual distance in km or miles (unit specified by column 4)

0

(7.50.10) Load factor

N/A

(7.50.11) Please explain the changes, and relevant standards/methodologies used

We use a different denominator compared to the selected one (t/km). We use "hours of flights" as denominator since it is the most representative for our platforms (helicopters and aircraft).

[Add row]

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

☒ Absolute target

☒ Intensity target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

☒ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

☒ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

Leonardo S.p.A. - Near-Term Approval Letter.pdf

(7.53.1.4) Target ambition

Select from:

☒ 1.5°C aligned

(7.53.1.5) Date target was set

10/30/2022

(7.53.1.6) Target coverage

Select from:

☒ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO₂)

☒ Methane (CH₄)

☒ Nitrous oxide (N₂O)

(7.53.1.8) Scopes

Select all that apply

☒ Scope 1

☒ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☒ Market-based

(7.53.1.11) End date of base year

12/30/2020

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

359711

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

63003

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

422714.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

53

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

198675.580

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

195682

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

55088

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

250770.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

76.75

(7.53.1.80) Target status in reporting year

Select from:

☒ Revised

(7.53.1.81) Explain the reasons for the revision, replacement, or retirement of the target

The revision of this target was made after the approval from SBTi.

(7.53.1.82) Explain target coverage and identify any exclusions

Leonardo S.p.A. has submitted 2 GHG inventories for review by SBTi's Target Validation Team. In the calendar year of 2020 the company has reported total of 4,569,793 GHG emissions (tCO₂e) in the full minimum boundary (scopes 1, 2 and 3). In the calendar year of 2022 the company has reported total of 5,210,579 GHG emissions (tCO₂e). Leonardo S.p.A. has reported no emissions outside of minimum boundary. Additionally, Leonardo S.p.A. has reported emissions from the combustion, processing and distribution phase of bioenergy and the land use emissions and removals, associated with bioenergy feedstocks.

(7.53.1.83) Target objective

53% reduction of absolute Scope 1 and 2 GHG emissions by 2030 from a 2020 base year. Leonardo set these emission reduction targets, reinforcing its decarbonization objectives, in line with the Industrial Plan 2024-2028. The new target reinforces Leonardo's ambition, which aims to implement actions and initiatives to make its operations more efficient and reduce energy consumption (e.g. substituting thermal plants in production sites, increasing energy self-production, etc.).

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

Leonardo has implemented several initiatives to achieve the target of 50% reduction in Scope 1 Scope 2 emissions (market based), such as: - Full Potential lighting programme; - Heating, Ventilation and Air Conditioning HVAC and Insulation of buildings; - Machine equipment replacement - SF6 replacement; - Energy self-production programme; - District heating; - Digital energy monitoring; - Electric and hybrid cars. Scope 1 and 2 (market-based) emissions amounted to 250,770 tCO₂e in 2023, resulting in a 41% reduction compared to the base year 2020. The decrease reflects the Company's commitment to achieving the previous decarbonization target of – 50% of Scope 1 and 2 (market-based) emissions by 2030.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

[Add row]

(7.53.2) Provide details of your emissions intensity targets and progress made against those targets.

Row 1

(7.53.2.1) Target reference number

Select from:

☒ Int 1

(7.53.2.2) Is this a science-based target?

Select from:

☒ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.2.3) Science Based Targets initiative official validation letter

Leonardo S.p.A. - Near-Term Target Validation Report.pdf

(7.53.2.4) Target ambition

Select from:

☒ Well-below 2°C aligned

(7.53.2.5) Date target was set

10/30/2022

(7.53.2.6) Target coverage

Select from:

☒ Organization-wide

(7.53.2.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO₂)

☒ Methane (CH₄)

☒ Nitrous oxide (N₂O)

(7.53.2.8) Scopes

Select all that apply

☒ Scope 3

(7.53.2.10) Scope 3 categories

Select all that apply

☒ Category 6: Business travel

☒ Category 7: Employee commuting

☒ Category 11: Use of sold products

☒ Category 8: Upstream leased assets

☒ Category 5: Waste generated in operations

☒ Category 4: Upstream transportation and distribution

☒ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

(7.53.2.11) Intensity metric

Select from:

☒ Other, please specify :Metric tons CO2e per hour of flight

(7.53.2.12) End date of base year

12/30/2020

(7.53.2.17) Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

0

(7.53.2.18) Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

0

(7.53.2.19) Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

0

(7.53.2.20) Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

0

(7.53.2.21) Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

0

(7.53.2.22) Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

0

(7.53.2.25) Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

2.1

(7.53.2.32) Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)

2.1000000000

(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

2.1000000000

(7.53.2.38) % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure

0.64

(7.53.2.39) % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure

0.62

(7.53.2.40) % of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure

0.54

(7.53.2.41) % of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure

0.3

(7.53.2.42) % of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure

1.31

(7.53.2.43) % of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure

0.25

(7.53.2.46) % of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure

35.1

(7.53.2.53) % of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

43.14

(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

39.15

(7.53.2.55) End date of target

12/30/2030

(7.53.2.56) Targeted reduction from base year (%)

52

(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)

1.0080000000

(7.53.2.59) % change anticipated in absolute Scope 3 emissions

-35

(7.53.2.64) Intensity figure in reporting year for Scope 3, Category 3: Fuel- and energy-related activities (metric tons CO2e per unit of activity)

0

(7.53.2.65) Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

0

(7.53.2.66) Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

0

(7.53.2.67) Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

0

(7.53.2.68) Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

0

(7.53.2.69) Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

0

(7.53.2.72) Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

1.32

(7.53.2.79) Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)

1.3200000000

(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

1.3200000000

(7.53.2.81) Land-related emissions covered by target

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.2.82) % of target achieved relative to base year

71.43

(7.53.2.83) Target status in reporting year

Select from:

☒ Underway

(7.53.2.85) Explain target coverage and identify any exclusions

The target on Scope 3 approved by SBTi is calculated considering as a nominator the sum of all the Scope 3 categories reported in the table, while as a denominator the hours of flights of sold products, so only category 11. This means that it makes sense the whole intensity target as approved by SBTi. In addition it make sense to calculate the intensity target only related to sold products. The use of sold products is the greatest single emissions contributor in the whole Group carbon footprint. This is why Leonardo chose to set an intensity target that addresses this relevant emission source.

(7.53.2.86) Target objective

With the validation of Leonardo's new targets by SBTi, the Group's decarbonization actions will be further strengthened and will affect the entire value chain, from supply chain to products. The new targets aim to reduce Scope 3 upstream and downstream emissions by collaborating with suppliers and abating Leonardo's customers' carbon footprint due to the use of products

(7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year

Leonardo plans to reach this target through the development and timely entrance to market of low carbon products (e.g. AW09), a strong push on the virtualization of the product offering, especially through simulators and virtualization, and setting up a decarbonization path for other indirect emissions, such as business travel and employee commuting.

(7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:

☒ Yes
[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

- ☒ Targets to increase or maintain low-carbon energy consumption or production
☒ Other climate-related targets

(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.

Row 1

(7.54.1.1) Target reference number

Select from:

- ☒ Low 1

(7.54.1.2) Date target was set

12/30/2018

(7.54.1.3) Target coverage

Select from:

- ☒ Country/area/region

(7.54.1.4) Target type: energy carrier

Select from:

- ☒ Electricity

(7.54.1.5) Target type: activity

Select from:

☒ Consumption

(7.54.1.6) Target type: energy source

Select from:

☒ Renewable energy source(s) only

(7.54.1.7) End date of base year

12/30/2017

(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

471712

(7.54.1.9) % share of low-carbon or renewable energy in base year

99

(7.54.1.10) End date of target

12/30/2023

(7.54.1.11) % share of low-carbon or renewable energy at end date of target

100

(7.54.1.12) % share of low-carbon or renewable energy in reporting year

100

(7.54.1.13) % of target achieved relative to base year

100.00

(7.54.1.14) Target status in reporting year

Select from:

☒ Achieved and maintained

(7.54.1.16) Is this target part of an emissions target?

The target was part of the absolute emissions reduction target (Abs2).

(7.54.1.17) Is this target part of an overarching initiative?

Select all that apply

☒ No, it's not part of an overarching initiative

(7.54.1.19) Explain target coverage and identify any exclusions

Leonardo was committed to purchase Guarantees of Origin for 100% of its electricity procurement needs for Italian operations. In 2017, 471,712 MWh of electricity from renewable sources were acquired in Italy, equal to 99.85% of total electricity acquired. In 2022 all Italian purchased electricity (425,339 MWh) were covered by Guarantees of Origin, therefore the target has been achieved.

(7.54.1.20) Target objective

Leonardo is aware that the activities of its production sites and its entire value chain are in close connection with surrounding ecosystems and societies. Responsible use of natural resources, monitoring and management of waste produced, containment of emissions and energy consumption, as well as protection of biodiversity are the drivers of Leonardo's sustainable business strategy aimed at mitigating risks and seizing opportunities in the short, medium and long term by leveraging the efficiency of its processes, products and services, digitalisation and new technologies. A key element of this strategy is combating climate change, which engages Leonardo in rethinking its production processes with the aim of promoting the transition to a low-carbon economy, mitigating the effects of climate change-related risks, and seizing the opportunities of its solutions by employing them as drivers of climate action.

(7.54.1.22) List the actions which contributed most to achieving this target

During 2022 Leonardo has achieved the target by covering with Guarantees of Origin the 100% of its electricity procurement needs for Italian operations
[Add row]

(7.54.2) Provide details of any other climate-related targets, including methane reduction targets.

Row 1

(7.54.2.1) Target reference number

Select from:

☒ Oth 3

(7.54.2.2) Date target was set

12/30/2020

(7.54.2.3) Target coverage

Select from:

☒ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:

☒ Intensity

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency

☒ kWh

(7.54.2.6) Target denominator (intensity targets only)

Select from:

☒ unit revenue

(7.54.2.7) End date of base year

12/30/2019

(7.54.2.8) Figure or percentage in base year

0.05

(7.54.2.9) End date of target

12/30/2025

(7.54.2.10) Figure or percentage at end of date of target

0.045

(7.54.2.11) Figure or percentage in reporting year

0.042

(7.54.2.12) % of target achieved relative to base year

160.0000000000

(7.54.2.13) Target status in reporting year

Select from:

☒ Achieved

(7.54.2.15) Is this target part of an emissions target?

Yes, the target is part of the absolute emissions target.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☒ No, it's not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

The target covers Leonardo environmental management perimeter that includes all the sites monitored by the Company (financial control)

(7.54.2.19) Target objective

Leonardo is committed in managing natural resources, consistently with the objectives set out in its Sustainability Plan

(7.54.2.21) List the actions which contributed most to achieving this target

During 2023 Leonardo has been working on its target in order to achieve 10% of reduction of its energy electric consumption in relation to revenues by 2025 (baseline 2019). Leonardo has implemented the following initiatives in order to achieve this target set for energy consumption efficiency: - Energy Infrastructure Programme; - Demand Response Programme; - Energy self-production programme; - Full Potential lighting programme

Row 3

(7.54.2.1) Target reference number

Select from:

☒ Oth 2

(7.54.2.2) Date target was set

12/30/2022

(7.54.2.3) Target coverage

Select from:

☒ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:

☒ Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Waste management

☒ metric tons of waste generated

(7.54.2.7) End date of base year

12/30/2019

(7.54.2.8) Figure or percentage in base year

38499

(7.54.2.9) End date of target

12/30/2030

(7.54.2.10) Figure or percentage at end of date of target

32724

(7.54.2.11) Figure or percentage in reporting year

33065

(7.54.2.12) % of target achieved relative to base year

94.0952380952

(7.54.2.13) Target status in reporting year

Select from:

☒ Underway

(7.54.2.15) Is this target part of an emissions target?

No

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☒ No, it's not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

The target covers the environmental management perimeter that includes all the sites monitored by the Company (financial control)

(7.54.2.19) Target objective

In 2022, Leonardo has set in its Sustainability Plan a new target to reduce the absolute amount of waste generated of -15% by 2030 (vs. base year 2019). This target replaces the previous intensity target calculated in relation to the revenues (10% reduction in the amount of waste produced by 2025). In 2023, the total amount of waste produced was equal to 33,065 t (10% compared to 2022), of which 8,437 hazardous with a reduction of 11.5% compared to 2022: non-hazardous waste represents the 74% of total amount, while recovered and/or recycled waste represents the 49% of total (of which 22% recycled). The intensity of waste produced on revenues was equal to 2.16 in 2023, increased by 6% compared to 2022. Leonardo is increasingly committed to the responsible management of natural resources, with specific regard to water resources and waste. To this end, Leonardo has commenced work on projects to reduce the amount of waste produced and increase the amount of waste to be sent to recovery operations, with a view to circular economy.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

Leonardo has launched the Waste Prevention Programme (WPP) project, which has enabled the implementation of desktop studies related to a precise analysis of the types of waste produced at Leonardo sites in order to identify any possible action aimed at reducing the quantities of waste and identifying alternative forms of management, with a view to circular economy. In 2023, specific in-depth studies were carried out at 9 production sites in Italy, prioritised because of the volumes and types of waste produced. To achieve the new target Leonardo has implemented the following initiatives: - Using recyclable metal materials; - Regeneration of used components; - Recycling and reuse of auxiliary materials, packaging, assembly platforms and metal equipment; - Recycling of composite materials (e.g. carbon fiber resins); - Carrying out of on-site waste assessment to analyse all the kind of waste produced, the processes that originate waste and to identify any potential initiative aimed to reduce the produced waste.

[Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:

☒ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	`Numeric input
To be implemented	25	2622
Implementation commenced	71	21816
Implemented	64	4233
Not to be implemented	0	`Numeric input

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☒ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

3931

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☒ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

2495800

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

15035923

(7.55.2.7) Payback period

Select from:

☒ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 6-10 years

(7.55.2.9) Comment

N/A

Row 2

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☒ Wastewater treatment

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

9

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☒ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

3617

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

35000

(7.55.2.7) Payback period

Select from:

☒ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 6-10 years

(7.55.2.9) Comment

N/A

Row 3

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☒ Machine/equipment replacement

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

35

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☒ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

86500

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

90000

(7.55.2.7) Payback period

Select from:

☒ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 1-2 years

(7.55.2.9) Comment

N/A

Row 4

(7.55.2.1) Initiative category & Initiative type

Waste reduction and material circularity

☒ Waste reduction

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

258

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☒ Scope 3 category 5: Waste generated in operations

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

41500

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

52400

(7.55.2.7) Payback period

Select from:

☒ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 1-2 years

(7.55.2.9) Comment

N/A

[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

☒ Internal price on carbon

(7.55.3.2) Comment

Leonardo has 9 sites in Italy included in the scope of application of the ETS Directive (located in Pomigliano D'Arco and Nola (Campania region), Grottaglie and Foggia (Puglia region), Cameri and Caselle Nord (Piemonte region), Venegono Superiore, Cascina Costa and Vergiate (Lombardia region). These sites use the combustion method (by natural gas) to generate energy. Leonardo expects carbon regulation (i.e. GHG emissions constraints) to become effective also in countries

where it operates but where at the moment regulations of this nature do not exist (e.g. USA). In order to minimize or avoid purchasing emission rights beyond the amount assigned by the authority, Leonardo continuously evaluates and implements investments to achieve emissions reductions in-house. To perform this evaluation, Leonardo uses an internal carbon price. Moreover, Leonardo uses an internal carbon price also to evaluate and drive investments related to the development of new low-carbon products for the aeronautical sector to satisfy customers' request considering, for example, the related costs that may be generated for flights under the scope of application of the Aviation EU's ETS on intra-EU flights which extends the European CO2 emissions trading system to flight activities.

Row 3

(7.55.3.1) Method

Select from:

☒ Dedicated budget for energy efficiency

(7.55.3.2) Comment

To drive investments in energy efficiency activities Leonardo defines long-term investment plans, based on performance measurement, aimed at improving site management. In this context, Leonardo is implementing several initiatives in the frame of a multi-year program in which it is performing investments in energy efficiency initiatives mainly associated to industrial LED lighting, air compressors and electric engines.

Row 4

(7.55.3.1) Method

Select from:

☒ Compliance with regulatory requirements/standards

(7.55.3.2) Comment

To drive investments in emissions reduction activities Leonardo refers to the Legislative Decree 102/2014 that transposes into Italian law the European Directive 2012/27/EU, amended by the Directive on energy Efficiency 2018/2002. This Directive defines a number of measures for stimulating the promotion and the improvement of efficiency gains aimed at reducing the energy final consumption on national territory (primary energy consumption in the Union should be reduced by 26%, and final energy consumption should be reduced by 20% compared to the 2005 levels). In this context, Leonardo uses a multi-year program composed of various energy efficiency/saving initiatives and projects aiming at reducing energy consumption. Among these, for example, the Smart facilities project (in which the previous "Optimization of energy intensity sites" project came together) focused on plants' energy measurements and performance improvement, through advanced data analytics and on-site surveys, connecting facility management operations and energy efficiency. Leonardo refers to the Directive 2003/87/EC, as amended by Directive 2009/29/EC (EU ETS) and implemented into Italian legislation with Legislative decree no. 30/2013. Indeed, Leonardo has 9 sites in Italy, included in the scope of application of this Directive, which requires emission checks and certification by a third party accredited by the Government authorities. To comply with ETS

Leonardo evaluates continuously the convenience of any investments to be made to achieve emissions reductions in house for minimizing or avoiding purchases of quota in excess of those 'assigned' by the authority. To perform this evaluation Leonardo uses an internal carbon price which is the result of internal analysis, forecast and portfolio management of sites' consumption to reduce transition risk and increase efficiency. Furthermore, since Leonardo expects carbon regulation (i.e. GHG emissions constraints) to become effective also in countries where it operates and at the moment it does not exist (e.g. U.S.), it drives investments for implementing GHG reduction activities even in these countries to limit the risk of an increase of operational costs to comply with potential new regulations requiring to buy permits. Leonardo drives investment in emissions reduction activities also to increase coverage of ISO 14001 certification of its sites.

Row 5

(7.55.3.1) Method

Select from:

☒ Dedicated budget for low-carbon product R&D

(7.55.3.2) Comment

Leonardo drives investments in new low carbon products development periodically defining investment plans for R&D area based on specific market analysis related to the increasing climate-related demand of low emissions solutions due to the increasing regulation on behalf of authorities of environmental impacts. With these objectives, Leonardo participates to dialogue with the European industrial sector working on innovation in collaboration with various international bodies in the frame of national and international research initiatives, as the European Horizon 2020 framework that has the objective to reach the goals set in EU tech roadmap for a smart, sustainable, eco-friendly growth. In this context, for example, the Clean Sky 2 programme, of which Leonardo is founder member and partner of excellence, is funded on 35/65 basis, while SESAR programme on 40/60 basis, respectively by European Commission in cash and aeronautical and helicopters industry in-kind contribution. In the frame of these initiatives environmental targets are: i) Clean Sky 2 (2014- 2024 - total Leonardo's eligible cost: 192 M): reduction, by a new generation of green regional aircraft, of CO2 emissions by 35-40% and NOX by 50% for a 90 seats turboprop in comparison with the same aircraft that uses state-of-the-art technologies in the 2000s, and reduction, by a new generation of tiltrotor - an aircraft that operates as airplane and helicopter - of CO2 emissions by up to 50% in comparison with medium value of helicopters currently on the market ii) SESAR (2016-2022 - total Leonardo's eligible cost: 47 M): 10% reduction of environmental impact for each flight by the implementation of the new European Air Traffic Management (ATM) system. The Helicopters Division is carried out R&D activities for the replacement of SF6, an inert gas used during the fabrication of the box of the helicopters' main transmission and tail rotor, as a protective gas in the metal preparation / melting phase and during the casting phase for all magnesium alloys. The use of SF6, in fact, contributes significantly to Scope 1 emissions. The replacement of SF6 with R134a, which contains fluorinated compounds performing the same protective function but with 15 times lower global warming potential, is currently in progress.

Row 6

(7.55.3.1) Method

Select from:

☒ Internal incentives/recognition programs

(7.55.3.2) Comment

Leonardo incentivizes its managers (CEO and general Manager, Co-General Manager and executives with strategic responsibilities) providing short- and long- term monetary rewards linked to the achievement of climate-related targets. Indeed, Leonardo's Remuneration Policy is designed to meet the challenges posed by the Sustainability Plan, which includes climate-related targets and which forms an integral part of the Industrial Plan. The Remuneration Policy establishes that:- part of the short-term variable remunerations (MBO) is linked to the objective of being admitted to the DJSI which assesses climate-related issues, efforts to protect the environment, mitigate climate-related impacts and promote energy efficiency and emissions reductions. The target has a 5% weight in the overall incentive scheme.- part of the long-term variable remunerations (LTI) is linked to the objective of reducing Scopes 1 and 2 emissions intensity (tCO2/Revenues) with a 5% weight in the overall incentive scheme. Furthermore, to constantly encourage and share innovation, Leonardo launches periodic innovation initiatives to stimulate and reward "applied creativity". For example, Leonardo annually pursues the initiative Call for Entrepreneurship, open to all Leonardo employees who submitted innovative proposals in several categories in order to achieve the targets of the Industrial Plan, including the Sustainability category. In assessing the proposals, the attention for environmental issues (e.g. emissions reduction, energy reduction, efficiency) was considered and monetary rewards were assigned to winners.

Row 7

(7.55.3.1) Method

Select from:

☒ Partnering with governments on technology development

(7.55.3.2) Comment

Leonardo, through its U.S. subsidiary Leonardo DRS, drove its investments to help U.S. governmental customers in achieving missions in a more sustainable way. For instance, Leonardo DRS is helping the U.S. Navy to sail a green fleet. In fact, its Hybrid and Electric Drive (HED) system is designed to provide propulsion power at lower speeds by integrating the permanent magnet motor with the ship's main reduction gear, permitting to significantly reduce CO2e emissions over the life cycle of the vessels.

Row 8

(7.55.3.1) Method

Select from:

☒ Employee engagement

(7.55.3.2) Comment

Believing that more virtuous individual behaviours can contribute significantly to reduce the environmental impact of activities, Leonardo drives investments in employee engagement to promote greater awareness and provide training on environmental issues.
[Add row]

(7.71) Does your organization assess the life cycle emissions of any of its products or services?

(7.71.1) Assessment of life cycle emissions

Select from:

☒ Yes

(7.71.2) Comment

Leonardo applies a Product Life Cycle Management (PLCM) methodology in each business taking into account environmental aspects in the first phases of all the projects (raw material acquisition and development, concept, product design and manufacturing) for better informing design choices among alternatives and long-term supportability requirements. The PLCM goes, then, through different phases, from the development stage to the production, storage, use, after-sales service and disposal phases, running across the main operational processes (R&D, Engineering, Procurement, Manufacturing, Sales & Commercial, etc.) referring to several impacts, including emissions where relevant. Leonardo also studies applications of the Life Cycle Assessment (LCA) methodology to both manufacturing processes and products for resource optimisation (emissions, and water and material flows) and decarbonisation monitoring. As part of the Clean Aviation project, Leonardo adopts the LCA methodology developed in collaboration with project partners in order to quantify the decarbonisation and material resource reduction of future sustainable aircraft, on some wing parts of the aircraft. In the context of the Next Generation Civil Tiltrotor LCA models have been developed to quantify the environmental benefits obtained from the design of additive manufacturing transmission components and composite wing structures. Supported by detailed LCA models, eco-design approaches will be gradually extended to more complex macro-systems of products in the Helicopters sector.

[Fixed row]

(7.71.1) Provide details of how your organization assesses the life cycle emissions of its products or services.

(7.71.1.1) Products/services assessed

Select from:

☒ All existing and new products/services

(7.71.1.2) Life cycle stage(s) most commonly covered

Select from:

☒ Cradle-to-grave

(7.71.1.3) Methodologies/standards/tools applied

Select all that apply

☒ ISO 14040 & 14044

(7.71.1.4) Comment

Leonardo applies a Product Life Cycle Management (PLCM) methodology in each business taking into account environmental aspects in the first phases of all the projects (raw material acquisition and development, concept, product design and manufacturing) for better informing design choices among alternatives and long-term supportability requirements. The PLCM goes, then, through different phases, from the development stage to the production, storage, use, after-sales service and disposal phases, running across the main operational processes (R&D, Engineering, Procurement, Manufacturing, Sales & Commercial, etc.) referring to several impacts, including emissions where relevant. Leonardo also studies applications of the Life Cycle Assessment (LCA) methodology to both manufacturing processes and products for resource optimisation (emissions, and water and material flows) and decarbonisation monitoring. As part of the Clean Aviation project, Leonardo adopts the LCA methodology developed in collaboration with project partners in order to quantify the decarbonisation and material resource reduction of future sustainable aircraft, on some wing parts of the aircraft. In the context of the Next Generation Civil Tiltrotor LCA models have been developed to quantify the environmental benefits obtained from the design of additive manufacturing transmission components and composite wing structures. Supported by detailed LCA models, eco-design approaches will be gradually extended to more complex macro-systems of products in the Helicopters sector.

[Fixed row]

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

☒ Yes

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Select from:

☒ Group of products or services

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☒ Other, please specify :Internal methodologies

(7.74.1.3) Type of product(s) or service(s)

Aviation

☒ Other, please specify :Helicopters with SAF and Virtual training system

(7.74.1.4) Description of product(s) or service(s)

Each of the six business areas contributes to the development of specific low-carbon products. Some examples are: (1) Helicopters: Leonardo currently has 12 helicopter models that can operate on up to 50% Sustainable Aviation Fuel blended fuels; the Company has also developed a technology flight demonstrator of a new ecoefficient commercial tiltrotor with the goal of reducing CO2 emissions by up to 50%. (2) Aeroplanes: The virtual training system technologies developed reduce the need for flights on real platforms, resulting in reduced fuel consumption and greenhouse gas emissions (1/10th of the greenhouse gas emissions of real flights). (3) Electronics: Morpheus XR is an innovative tool that provides training using an extended reality environment, where users can interact with a virtual mock-up of the unit of a complex system. Replacing the real system with a virtual equivalent for training purposes has the advantage of reducing resource consumption.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☒ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☒ Other, please specify :Internal methodologies

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☒ Use stage

(7.74.1.8) Functional unit used

Use of Sustainable Aviation Fuels: Up to -80% of CO2e emissions over the entire life cycle thanks to the use of SAFs with respect to traditional fuels. Training and Simulation: 1/10 CO2e emissions produced with one hour of simulator compared to one hour of real flight

(7.74.1.9) Reference product/service or baseline scenario used

Sector average

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☒ Use stage

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

8314

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

The estimated total avoided emissions per year equals to 8314 tons of CO2e as it is related to four helicopter models (AW109, AW169, AW189, AW139) sold in the civil market during 2023 amounting to 92 machines. The calculation considers the use of 30% of SAF (Sustainable Aviation Fuel) blend. Please note that Leonardo also produces helicopters 50% SAF compatible, which allow to avoid emission for more than 13'000 tons of CO2. However at the moment there is no such SAF availability. The percentage of total revenues from these products equal to 6% of total Group revenues. Considering just Helicopters Division the % equals to 18%. About 77,000 tons of CO2 avoided through the use of virtual training systems in 2023 (more than 50,000 training hours delivered in the year).

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

6

[Add row]

(7.75) Provide tracking metrics for the implementation of low-carbon transport technology over the reporting year.

Row 1

(7.75.1) Activity

Select from:

☒ Aviation

(7.75.2) Metric

Select from:

☒ Other, please specify :Virtual training provided

(7.75.3) Technology

Select from:

☒ Other, please specify :Flight simulator

(7.75.4) Metric figure

77000

(7.75.5) Metric unit

Select from:

☒ Other, please specify :Ca. 77,000 tons of CO2 avoided through the use of virtual training systems in 2023 (more than 50,000 training hours delivered).From 2018 to 2022 , more than 220,000 tons of CO2e have been avoided through the use of virtual training systems

(7.75.6) Explanation

Leonardo contributes to fighting climate change also through the use of cutting-edge materials and innovative processes in developing its products and solutions, thus enabling the reduction of energy consumption and greenhouse gas emissions. For example, to reduce scope 3 emissions from the aeronautics and helicopter sector, Leonardo also relies on the Embedded Training Systems, which allow online training with real and/or virtual actors in a tactical scenario shared between aircraft, ground simulators and monitoring and control stations. These technologies allow to significantly reduce the need for flights on real platforms, involving a reduction of the use of fuels and climate altering emissions. The virtualisation of product testing (Certification-by-Simulation) will also drastically reduce the flight activities required to obtain certifications for platforms and/or their subsystems. The CO2 emissions of the virtual simulators for pilot training, due to its electric energy consumption, are

less than 1/10 of the real machine. In 2023, about 50,000 training hours delivered through Leonardo's flight simulators and over 13,000 pilots and operators of helicopters and aircrafts have been trained. From 2018 to 2022, more than 220,000 tons of CO2e have been avoided through the use of virtual training systems.
[Add row]

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:

☒ No

C9. Environmental performance - Water security

(9.1) Are there any exclusions from your disclosure of water-related data?

Select from:

☒ No

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Quarterly

(9.2.3) Method of measurement

The volume of water withdrawals is measured by each site based on meter data and invoices sent by the water service company (only for public network).

(9.2.4) Please explain

The volume of water withdrawals is measured by each site. The frequency reported is an average considering the best-case scenario (sites already using smart meters technology with continuous monitoring and sites using other tools based on a semi-annual frequency). Then, the figure at Group level is collected and reported twice a year, to monitor the achievement of the target set by Leonardo. Monitoring water consumption is fundamental to know the company's impact on this natural resource and to implement appropriate measures to reduce it, with a view to conscious water consumption. In 2020, the Leonardo Group set a target to reduce water withdrawals by 25% by 2030, calculated to revenues, 2019 baseline. The total volume of Water withdrawals in 2023 is equal to 4,929 megalitres.

Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Quarterly

(9.2.3) Method of measurement

The volume of water withdrawals by source is measured by each site based on meter data and invoices sent by the water service company (only for public network).

(9.2.4) Please explain

The volume of water withdrawals by source is measured by each site. The frequency reported is an average considering the best-case scenario (sites already using smart meters technology with continuous monitoring and sites using other tools based on a semi-annual frequency). Then, the total volume of water withdrawal is collected and reported twice a year to monitor the achievement of the target set by Leonardo. Data are available per sources: aqueduct, well, rainwater, etc..

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Quarterly

(9.2.3) Method of measurement

The water quality is assessed by direct monitoring: sampling and analysis are carried out on regular basis by independent laboratories appointed by Leonardo.

(9.2.4) Please explain

Most of Leonardo's facilities, which withdraw water from freshwater sources (public network) and groundwater sources (wells), monitor incoming water quality periodically. The frequency and the monitored parameters depend on the local context, the applicable regulations and the water source/use. The sampling and analysis activities are carried out by independent laboratories. As part of the environmental reporting campaign, Leonardo tracks the quantity of Total Dissolved Solids (TSD) in water supplied from the public main. Water is classified as "FRESHWATER if the quantity of TSD in water supplied from public main is less than or equal to 1,000 mg/L (1,000 mg/L TSD)", or "OTHER WATER if the quantity of Total Dissolved Solids in water supplied from public main is higher than 1,000 mg/L (1,000 mg/L TSD).

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Quarterly

(9.2.3) Method of measurement

The volume of water discharges by source is measured by meters by each site.

(9.2.4) Please explain

The volume of water discharges by source is measured by each site. The frequency reported is an average considering the best-case scenario (sites already using smart meters technology with continuous monitoring and sites using other tools based on a semi-annual frequency). Then, the total volume of water discharges at Group level is collected and reported twice a year, to monitor performance and trends. The total volume of water discharges in 2023 is equal to 3,215 megaliters.

Water discharges – volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Quarterly

(9.2.3) Method of measurement

The total volume of domestic/industrial wastewater discharged into the soil, surface water and public sewer is measured by meters. Water discharge data are available and classified per destination: Sewer, Surface water, Sea water, etc..

(9.2.4) Please explain

The frequency reported is an average considering the best-case scenario (sites already using smart meters technology with continuous monitoring and sites using other tools based on a semi-annual frequency). At Group level, Leonardo collects and reports the following volume of water discharges (at each semester, for every site included in the reporting boundary): • hazardous and non-hazardous domestic wastewater or sanitary wastewater; • hazardous and non-hazardous industrial wastewater. By destination: • Soil; • Surface water (marine-coastal waters; lakes/ponds; lagoon waters; rivers); • Public sewer; • Disposed as waste (treated in external plants), measuring the total volume of liquid waste managed by waste contractors (treated in external plants). The final destination of water discharges is different for each production site.

Water discharges – volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Quarterly

(9.2.3) Method of measurement

The total volume of treated wastewater is measured by meters. Data on water discharges are available and categorized by source, type, and receiving body. For example, domestic wastewater is classified based on whether it is discharged into surface water, sewage systems, the ground, etc. Similarly, industrial wastewater is distinguished by whether it is discharged into lakes, onto land, and so on

(9.2.4) Please explain

The frequency reported is an average considering the best-case scenario (sites already using smart meters technology with continuous monitoring and sites using other tools based on a semi-annual frequency). At Group level, Leonardo collects and reports the following volume of water discharges (at each semester) for all the sites included in the reporting boundary: • Total treated volume of domestic wastewater: o N. 16 sites use biological treatment plants, for a total volume of 252,920.120 m³; • Total treated volume of industrial wastewater, for a total volume of 547,148.672: o N. 15 sites use chemical-physical treatment plants; o N. 3 sites use biological treatment plants; o N. 2 sites use chemical-physical and biological treatment plants; o N. 2 sites use evapoconcentrator.

Water discharge quality – by standard effluent parameters

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Quarterly

(9.2.3) Method of measurement

The sampling and analysis activities are carried out by independent laboratories appointed by Leonardo

(9.2.4) Please explain

Where required by national or local regulation, Leonardo facilities are equipped with treatment systems to comply with legal requirements on water use. Frequency of this monitoring (continuously, monthly, quarterly, half-yearly) both for domestic or assimilable to domestic water wastewater and industrial wastewater discharged, pollutants and methods are included is each site's environmental license/authorization. In general, effluent parameters controlled include metals, COD, BOD₅, TDS, etc.

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Quarterly

(9.2.3) Method of measurement

The sampling and analysis activities are carried out by independent laboratories appointed by Leonardo

(9.2.4) Please explain

Where required by national or local regulation, Leonardo facilities are equipped with treatment systems to comply with legal requirements on water use. Frequency of this monitoring (continuously, monthly, quarterly, half-yearly) both for domestic or assimilable to domestic water wastewater and industrial wastewater discharged, pollutants and methods are included in each site's environmental license/authorization. In general, effluent parameters controlled include: cadmium, chromium, chromium VI, aromatic hydrocarbons, nitrate, nitrogen, phosphate, other pollutants etc.

Water discharge quality – temperature

(9.2.1) % of sites/facilities/operations

Select from:

☒ Not monitored

(9.2.4) Please explain

Leonardo does not collect data on water discharge temperature at Group level. Generally, where required by national or local regulation, Leonardo facilities monitor the water discharge temperature to comply with legal requirements on water use. Frequency of this monitoring and methods are included in each site's environmental license/authorization.

Water consumption – total volume

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Quarterly

(9.2.3) Method of measurement

Water consumption is calculated as a difference between water withdrawal and water discharge, in every site the water balance is kept under control to avoid leakages.

(9.2.4) Please explain

The frequency reported is an average considering the best-case scenario (sites already using smart meters technology with continuous monitoring and sites using other tools based on a semi-annual frequency). Data on total water consumption at Group level are collected and reported each semester. The total volume of Water Consumption in 2023, equal to 1,714.04 megalitres as the difference between total water withdrawals and discharges, it is calculated as the difference between the total volume of water withdrawn and the total volume of water discharged.

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Quarterly

(9.2.3) Method of measurement

The volume of water recycled/reused is measured by each site based on meter data and invoices sent by the water service company (only for public network)

(9.2.4) Please explain

The frequency reported is an average considering the best-case scenario (sites already using smart meters technology with continuous monitoring and sites using other tools based on a semi-annual frequency). Then, the figure at Group level is collected and reported twice a year

The provision of fully-functioning, safely managed WASH services to all workers

(9.2.1) % of sites/facilities/operations

Select from:

☒ Not relevant

(9.2.4) Please explain

N/A

[Fixed row]

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Total withdrawals

(9.2.2.1) Volume (megaliters/year)

4929

(9.2.2.2) Comparison with previous reporting year

Select from:

☒ Much lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☒ Investment in water-smart technology/process

(9.2.2.4) Five-year forecast

Select from:

☒ Much lower

(9.2.2.5) Primary reason for forecast

Select from:

☒ Investment in water-smart technology/process

(9.2.2.6) Please explain

Leonardo is increasingly committed to the responsible management of natural resources, with specific regard to water resources and waste. To this end, Leonardo has operated a revamping of the water adduction network and has started projects to reduce water withdrawals and increase the volumes of water to be recovered and reused and to reduce liquid waste (Smart Water project) with a view to circular economy. Leonardo has launched the Water Audit Cycle (WAC) project, which has allowed desktop studies to be conducted in relation to the analysis of factory water balance, primary water and wastewater treatment systems (both domestic and industrial), and technological systems (e.g., cooling towers) that use water, with the aim of identifying actions for the recovery and reuse of water resources on site (Water Circularity).

Total discharges

(9.2.2.1) Volume (megaliters/year)

3215

(9.2.2.2) Comparison with previous reporting year

Select from:

☒ Lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in efficiency

(9.2.2.4) Five-year forecast

Select from:

☒ Lower

(9.2.2.5) Primary reason for forecast

Select from:

☒ Investment in water-smart technology/process

(9.2.2.6) Please explain

Leonardo is increasingly committed to the responsible management of natural resources, with specific regard to water resources and waste. To this end, Leonardo has operated a revamping of the water adduction network and has started projects to reduce water withdrawals and increase the volumes of water to be recovered and reused and to reduce liquid waste (Smart Water project) with a view to circular economy. Leonardo has launched the Water Audit Cycle (WAC) project, which has allowed desktop studies to be conducted in relation to the analysis of factory water balance, primary water and wastewater treatment systems (both domestic and industrial), and technological systems (e.g., cooling towers) that use water, with the aim of identifying actions for the recovery and reuse of water resources on site (Water Circularity).

Total consumption

(9.2.2.1) Volume (megaliters/year)

1714

(9.2.2.2) Comparison with previous reporting year

Select from:

☒ Lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in efficiency

(9.2.2.4) Five-year forecast

Select from:

☒ Lower

(9.2.2.5) Primary reason for forecast

Select from:

☒ Investment in water-smart technology/process

(9.2.2.6) Please explain

*We estimate that the consumption could be lower due to water network efficiency actions and the installation of new flow meters.
[Fixed row]*

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

(9.2.4.1) Withdrawals are from areas with water stress

Select from:

☒ Yes

(9.2.4.2) Volume withdrawn from areas with water stress (megaliters)

594.02

(9.2.4.3) Comparison with previous reporting year

Select from:

☒ Higher

(9.2.4.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

(9.2.4.5) Five-year forecast

Select from:

☒ Higher

(9.2.4.6) Primary reason for forecast

Select from:

☒ Facility expansion

(9.2.4.7) % of total withdrawals that are withdrawn from areas with water stress

12.05

(9.2.4.8) Identification tool

Select all that apply

☒ WRI Aqueduct

(9.2.4.9) Please explain

Withdrawals from water stressed areas are equal to 594 megalitri (7% compared to 2022).

[Fixed row]

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

(9.2.7.1) Relevance

Select from:

☒ Relevant

(9.2.7.2) Volume (megaliters/year)

292

(9.2.7.3) Comparison with previous reporting year

Select from:

☒ Higher

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☒ Investment in water-smart technology/process

(9.2.7.5) Please explain

The total volume of rainwater collected in 2023 (292 Megaliters) is approximately 3 % more than the volume of rainwater collected in 2022 (285 Megaliters). Although the volume of water is approximately 6% of the total water withdrawn in 2023, this volume is considered significant as the water is stored at site and used mainly for irrigation purposes. This allows Leonardo to reduce the volume of water supplied from well or public main. The volume of the rainwater is: - obtained from direct measurements, as the rainwater is stored in rainwater collection basins, where the basin is equipped with level gauges; and - estimated with reference to 2023 rainfall data, where the basin is NOT equipped with level gauges. The increase in the indicator compared to the previous year is due to the widespreading of rainwater collection plants.

Brackish surface water/Seawater

(9.2.7.1) Relevance

Select from:

☒ Not relevant

(9.2.7.5) Please explain

Leonardo does not use water supplied by the sea, therefore this water source is considered as not relevant.

Groundwater – renewable

(9.2.7.1) Relevance

Select from:

☒ Relevant

(9.2.7.2) Volume (megaliters/year)

2485

(9.2.7.3) Comparison with previous reporting year

Select from:

☒ Lower

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in efficiency

(9.2.7.5) Please explain

The volume of the water supplied from groundwater is considered relevant for Leonardo, as it is about 51% of the total water withdrawn. The water supplied from groundwater is mainly used for industrial purposes. The volume of the water supplied from groundwater is: - obtained from direct measurements. - estimated where meters are not present. Based on the available information, the decrease was mainly due to the higher efficiency and to diversification of water sources. Withdrawals from these sources are expected to decrease in the following years due to improvements in water efficiency measures, also the aim is to ensure that Leonardo is on track with the Group's goal of a 25% reduction of water withdrawals by 2030 vs 2019 base year.

Groundwater – non-renewable

(9.2.7.1) Relevance

Select from:

☒ Not relevant

(9.2.7.5) Please explain

Leonardo does not abstract water from non-renewable groundwater sources. We do not expect to withdrawals from these sources in the future.

Produced/Entrained water

(9.2.7.1) Relevance

Select from:

☒ Not relevant

(9.2.7.5) Please explain

Leonardo does not produce water at the sites including in the reporting perimeter.

Third party sources

(9.2.7.1) Relevance

Select from:

☒ Relevant

(9.2.7.2) Volume (megaliters/year)

2038

(9.2.7.3) Comparison with previous reporting year

Select from:

☒ About the same

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in business activity

(9.2.7.5) Please explain

Third party sources are relevant as they are used for civil purposes (drinkable water) and they account for about 41% of total water withdrawn. During 2023 the total volumes of water withdrawn from third party sources decreased by about 5%. The decrease was mainly due to the following causes: - fewer individuals on site due to smart working; - repair of leaks; - closure of operational construction activities

[Fixed row]

(9.2.8) Provide total water discharge data by destination.

Fresh surface water

(9.2.8.1) Relevance

Select from:

☒ Relevant

(9.2.8.2) Volume (megaliters/year)

257

(9.2.8.3) Comparison with previous reporting year

Select from:

☒ Much lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in efficiency

(9.2.8.5) Please explain

The decrease is due to diversification of the destination of water and deviation in sewers.

Brackish surface water/seawater

(9.2.8.1) Relevance

Select from:

☒ Relevant

(9.2.8.2) Volume (megaliters/year)

17

(9.2.8.3) Comparison with previous reporting year

Select from:

☒ Lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☒ Investment in water-smart technology/process

(9.2.8.5) Please explain

The decrease is due to diversification of the destination of water and deviation in sewers.

Groundwater

(9.2.8.1) Relevance

Select from:

☒ Not relevant

(9.2.8.5) Please explain

N/A

Third-party destinations

(9.2.8.1) Relevance

Select from:

☒ Relevant

(9.2.8.2) Volume (megaliters/year)

2928

(9.2.8.3) Comparison with previous reporting year

Select from:

☒ Lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☒ Other, please specify :The reduction in withdrawals in 2023 resulted to a consequent reduction in discharges into sewers and other destinations

(9.2.8.5) Please explain

The reduction in withdrawals in 2023 resulted to a consequent reduction in discharges into sewers and other destinations
[Fixed row]

(9.2.9) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

Tertiary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Relevant

(9.2.9.2) Volume (megaliters/year)

487

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☒ Lower

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☒ Other, please specify :The reduction in withdrawals in 2023 resulted to a consequent reduction in discharges into sewers and other destinations

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☒ 100%

(9.2.9.6) Please explain

The reduction in withdrawals in 2023 resulted to a consequent reduction in discharges into sewers and other destinations

Secondary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Relevant

(9.2.9.2) Volume (megaliters/year)

68

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☒ Unknown

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☒ 100%

(9.2.9.6) Please explain

Discharge containing organic compounds is generated at our facilities that clean and process natural rubber. We monitor water discharge quality (e.g., pH, BOD, COD, TSS, harmful substances, etc.) based on applicable regulations by continuous real-time monitoring or third-party sampling analysis at all of our facilities (mostly on a monthly basis). Our facilities have implemented water effluent standards that meet or tighten applicable government standards

Primary treatment only

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Not relevant

(9.2.9.6) Please explain

Primary treatment was not applied to our discharges last reporting year.

Discharge to the natural environment without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Relevant

(9.2.9.2) Volume (megaliters/year)

700

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☒ Higher

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☒ Change in accounting methodology

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☒ 100%

(9.2.9.6) Please explain

The increase is mainly due to an increase in the production rate, process changes and innovations and a different calculation at Group consolidation level. The figure reported is the sum of the volume of industrial wastewater without treatment and volume of water treated as waste.

Discharge to a third party without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Relevant

(9.2.9.2) Volume (megaliters/year)

(9.2.9.3) Comparison of treated volume with previous reporting year*Select from:*☒ Lower**(9.2.9.4) Primary reason for comparison with previous reporting year***Select from:*☒ Unknown**(9.2.9.5) % of your sites/facilities/operations this volume applies to***Select from:*☒ 100%**(9.2.9.6) Please explain***The reduction in withdrawals in 2023 resulted to a consequent reduction in discharges into sewers and other destinations***Other****(9.2.9.1) Relevance of treatment level to discharge***Select from:*☒ Not relevant**(9.2.9.6) Please explain***[Fixed row]*

(9.2.10) Provide details of your organization's emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

	Categories of substances included	List the specific substances included
	<i>Select all that apply</i> <input checked="" type="checkbox"/> Nitrates <input checked="" type="checkbox"/> Phosphates <input checked="" type="checkbox"/> Priority substances listed under the EU Water Framework Directive	<i>Data collected on nitrates, Phosphated, Nitrogen, chromium, Cadmium, hydrocarbons, solids, COD, BOD5</i>

[Fixed row]

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

(9.3.1) Identification of facilities in the value chain stage

Select from:

☒ Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

10

(9.3.3) % of facilities in direct operations that this represents

Select from:

☒ 1-25

(9.3.4) Please explain

Based on the Water Site Risk assessment project, risks for the direct operation and interdependencies about water have been evaluated, prioritizing the management actions required. On the back of this assessments, 10 sites resulted as High Level exposure to water-related risks.

Upstream value chain

(9.3.1) Identification of facilities in the value chain stage

Select from:

☒ No, we have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, but we are planning to do so in the next 2 years

(9.3.4) Please explain

So far, only direct operations have been covered by the Water Risk Assessment.

[Fixed row]

(9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

The assurance has been performed in accordance with the principle of International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements

Water withdrawals – volume by source

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

The assurance has been performed in accordance with the principle of International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements

Water withdrawals – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

Methods are managed by independent laboratories. On a sample basis with frequency depending on the source (aqueduct\ wells) and sufficient for the compliance of water potability and for industrial process required quality.

Water discharges – total volumes

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

The assurance has been performed in accordance with the principle of International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements

Water discharges – volume by destination

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

The assurance has been performed in accordance with the principle of International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements

Water discharges – volume by final treatment level

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

The assurance has been performed in accordance with the principle of International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements

Water discharges – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

Methods are managed by independent laboratories. On a sample basis with frequency depending on the destination (sewage\ fresh surface water) and sufficient for the compliance law

Water consumption – total volume

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

The assurance has been performed in accordance with the principle of International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements

[Fixed row]

(9.5) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue (currency)	Total water withdrawal efficiency	Anticipated forward trend
	15300000000	3104077.91	Over the 5-year Industrial Plan horizon revenues are expected to increase and the production levels as well.

[Fixed row]

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(9.13.1) What percentage of your company's revenue is associated with products containing substances classified as hazardous by a regulatory authority?

Row 1

(9.13.1.1) Regulatory classification of hazardous substances

Select from:

☒ Annex XIV of UK REACH Regulation

Row 2

(9.13.1.1) Regulatory classification of hazardous substances

Select from:

☒ Annex XVII of EU REACH Regulation

[Add row]

(9.14) Do you classify any of your current products and/or services as low water impact?

(9.14.1) Products and/or services classified as low water impact

Select from:

☒ No, but we plan to address this within the next two years

(9.14.3) Primary reason for not classifying any of your current products and/or services as low water impact

Select from:

☒ Other, please specify :Leonardo operates in several business sectors

(9.14.4) Please explain

Leonardo operates in several business sectors, from aerostructures to helicopters and aircraft and electronics with different industrial processes. This means that, generally speaking, we know that some businesses have more impacts in terms of water compared to others. Nevertheless, to date, there is no product classification of water impact due to the complexity and peculiarities of each business.

[Fixed row]

(9.15) Do you have any water-related targets?

Select from:

☒ Yes

(9.15.1) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

Water pollution

(9.15.1.1) Target set in this category

Select from:

☒ No, and we do not plan to within the next two years

(9.15.1.2) Please explain

The category is not so relevant for our operations

Water withdrawals

(9.15.1.1) Target set in this category

Select from:

☒ Yes

Water, Sanitation, and Hygiene (WASH) services

(9.15.1.1) Target set in this category

Select from:

☒ No, and we do not plan to within the next two years

(9.15.1.2) Please explain

This is not relevant for our sector and mainly for Leonardo operating in OECD countries where this kind of standards are regularly monitored.

Other

(9.15.1.1) Target set in this category

Select from:

☒ No, but we plan to within the next two years

(9.15.1.2) Please explain

We are evaluating other water-related KPIs to be monitored in the next few years. So, we can evaluate the possibility to define other targets if they are relevant for Leonardo's business

[Fixed row]

(9.15.2) Provide details of your water-related targets and the progress made.

Row 1

(9.15.2.1) Target reference number

Select from:

☒ Target 1

(9.15.2.2) Target coverage

Select from:

☒ Organization-wide (direct operations only)

(9.15.2.3) Category of target & Quantitative metric

Water withdrawals

☒ Reduction in total water withdrawals

(9.15.2.4) Date target was set

12/30/2019

(9.15.2.5) End date of base year

12/30/2019

(9.15.2.6) Base year figure

5887

(9.15.2.7) End date of target year

12/30/2030

(9.15.2.8) Target year figure

(9.15.2.9) Reporting year figure

4929

(9.15.2.10) Target status in reporting year*Select from:*☒ Underway**(9.15.2.11) % of target achieved relative to base year**

65

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target*Select all that apply*☒ Kunming-Montreal Global Biodiversity Framework☒ Sustainable Development Goal 6**(9.15.2.13) Explain target coverage and identify any exclusions***Whole organization direct operations***(9.15.2.14) Plan for achieving target, and progress made to the end of the reporting year***The actions to be implementing for achieving the target include Smart water project, WAC project, Water site risk assessment projects mentioned above, optimisation of the operations through World Class manufacturing system, continuous improvement project named "Leonardo production System"***(9.15.2.16) Further details of target***To achieve this target, Leonardo has been putting in place several initiatives aimed at reducing water withdrawals and increasing the volumes of water to be recovered and reused (e.g. Smart water).**[Add row]*

C11. Environmental performance - Biodiversity

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?
	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☒ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

- ☒ Waste data
- ☒ Emissions reduction initiatives/activities
- ☒ Year on year change in absolute emissions (Scope 3)
- ☒ Year on year change in emissions intensity (Scope 1 and 2)

- ☒ Renewable Electricity/Steam/Heat/Cooling consumption
- ☒ Year on year change in absolute emissions (Scope 1 and 2)

(13.1.1.3) Verification/assurance standard

General standards

- ☒ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

The assurance has been performed by EY SpA in accordance with the principle of International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. In addition, with reference to FY 2023 and for the third consecutive year, a selection of indicators has been subjected to comprehensive examination (reasonable assurance) in accordance with the provisions of the "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB).

(13.1.1.5) Attach verification/assurance evidence/report (optional)

LDO_IntegratedAnnualReport2023_ENG_30.05.2024.pdf

Row 6

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

- ☒ Water

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Water security

- ☒ Volume withdrawn from areas with water stress (megaliters)
- ☒ Water withdrawals– total volumes

(13.1.1.3) Verification/assurance standard

General standards

☒ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

The assurance has been performed by EY SpA in accordance with the principle of International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. In addition, with reference to FY 2023 and for the third consecutive year, a selection of indicators has been subjected to comprehensive examination (reasonable assurance) in accordance with the provisions of the "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB).

(13.1.1.5) Attach verification/assurance evidence/report (optional)

LDO_IntegratedAnnualReport2023_ENG_30.05.2024.pdf
[Add row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Chief Sustainability Officer

(13.3.2) Corresponding job category

Select from:

☒ Chief Sustainability Officer (CSO)

[Fixed row]

