
PRESS RELEASE

ESG driving Industrial Plan execution, growth and long-term returns

Key messages from Leonardo's first ESG Investor Day

- Supporting our key **Commercial and Industrial goals**
- Enabling sustainable growth by **Technology and Innovation**
- Meeting and anticipating **Customer priorities**
- Partnering with **Suppliers**
- Enhancing **Human Capital** and **Skills** for the future
- Putting **Transparency** and **Integrity** at our core
- Driving **Capital Allocation** and long-term **returns**

Roma, 15/06/2022 – Leonardo presented its first Investor Day dedicated to ESG (Environmental, Social and Governance) topics. The event showcased how the deep commitments on ESG are driving the execution of the Industrial Plan and long-term growth, as the company contributes to the world's progress and safety in a responsible and innovative way.

Luciano Carta, Leonardo Chairman, stated *“Governance and rules are key factors in determining our future as a company in the medium to long-term. Leonardo's governance model is geared towards achieving our key ESG targets. We are very conscious of the critical importance of these areas, and we have embedded sustainability throughout our organisation from top to bottom. We are firmly convinced that we are doing the right things to pursue a sustainable future.”*

Alessandro Profumo, Leonardo CEO, stated *“Today we are showing you Leonardo through an ESG lens. We have a clear and very important purpose: and we are executing our Industrial Plan having in mind that ESG is core to growth, competitiveness, profitability and long-term returns. We have already achieved significant results and are focussed on continuing to achieve far more. ESG is critical to capture business opportunities in the future, while being properly compliant with rules across all our activities and geographies.”*

Leonardo is an industrial and technological leader with a clear and important purpose: keeping people and planet safe, guaranteeing defence, security, and protection, while providing long-term benefits to the society through technological development, innovation and progress. This is all driven by ESG, which is at the core of Leonardo's business model.

Significant progress has been achieved so far on decarbonisation, sustainable innovation, diversity and inclusion, people attraction and retention, and highest standards of integrity and responsible business conduct.

Leonardo is accelerating progress and has clear targets planned, some of them already achieved, such as

- **Environment and climate change**

- 40% reduction of annual Scope 1 & Scope 2 (market based) emissions by 2030
- Reduction of intensity of electricity consumption sourced from external grid by 10% by 2025
- Reduction of intensity of waste production by 10% by 2025

- **Diversity and inclusion**
 - o 20% of women in total employees by 2025
 - o 20% of women in management positions out of managers by 2025
 - o 27% of women in succession plans by 2025
- **Attracting, retaining and upskilling for the future**
 - o Hiring at least 40% of under 30 by 2022 and 32% of women by 2025 out of total hires
 - o Hiring 30% of women with STEM degrees by 2025 on total hires with STEM degrees
 - o More than 100 training hours per employee in the 2018-2022 period
- **Responsible business conduct**
 - o Release of Trade Compliance Guidelines including Human Rights Impact Assessment
 - o Renewal/maintenance of ISO 37001:2016 "Anti-Bribery Management System" certification
- **Sustainable finance**
 - o 50% of investment aligned with Sustainable Development Goals (SDGs) over the 2021-2023 period
 - o 50% of financial sources ESG-linked

The future of the Aerospace, Defence and Security sector is driven by innovation, and this in turn is driven by digitalization, security and sustainability.

Leonardo has been accelerating the R&D tech-focus and working to integrate fully ESG into all its industrial processes and solutions, focusing on a deep and wide-ranging digitalization and leading-edge capabilities, including the world class da vinci-1 HPC.

The ongoing transformation is increasingly improving Leonardo's competitiveness and its ability to meet and anticipate future customers' needs, and strongly supporting the decarbonisation path of both the company and its value chain. To this purpose, Leonardo is proactively partnering with its suppliers and customers to develop solutions, ranging from the virtualization of training to the study of new propulsion systems.

Leonardo is working to attract and pro-actively manage its people and skill base needed for the future and to be a company that is resilient, sustainable and inclusive.

Across the entire organization, all business practices are executed in a responsible way putting transparency and integrity at the core. For this reason, Leonardo rigorously operates a robust Trade and Business compliance program to support all the commercial campaigns to manage and mitigate the company's risk exposure.

From a financial perspective, Leonardo has a full integration of financial and ESG strategy, reflected in the integrated reporting and the rigorous financial approach used in the measurement of ESG performance, with a first set of non-financial KPIs subjected to reasonable assurance in 2021.

ESG is a key driving factor in optimal capital allocation and long-term returns. As a result, 50% of annual investments are linked to supporting the SDGs, including SDG 8, 9 and 11, and also 50% of financial sources is ESG-linked, also enabling the reduction of cost of capital.

All this puts Leonardo in an excellent position to successfully deliver on its commercial and industrial goals.

The ESG Investor Day presentations and recording replay are available on the Leonardo website at the following link at <https://www.leonardo.com/en/investors>

Leonardo, a global high-technology company, is among the top world players in Aerospace, Defense and Security and Italy's main industrial company. Organized into five business divisions, Leonardo has a significant industrial presence in Italy, the United Kingdom, Poland and the USA, where it also operates through subsidiaries that include Leonardo DRS (defense electronics), and joint ventures and partnerships: ATR, MBDA, Telespazio, Thales Alenia Space and Avio. Leonardo competes in the most important international markets by leveraging its areas of technological and product leadership (Helicopters, Aircraft, Aerostructures, Electronics, Cyber & Security Solutions and Space). Listed on the Milan Stock Exchange (LDO), in 2021 Leonardo recorded consolidated revenues of €14.1 billion and invested €1.8 billion in Research and Development. The company has been part of the Dow Jones Sustainability Indices (DJSI) since 2010 and has been confirmed among the global sustainability leaders in 2021. Leonardo is also included in the MIB ESG index.

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