

DIVERSITY, EQUITY AND INCLUSION



**Approved by Chief Executive Officer
on November 2nd 2023**

INTRODUCTION

This Policy represents the commitment of Leonardo S.p.a. (hereinafter referred to as Leonardo) in Italy and abroad to promote a corporate culture that respects diversity and promotes a collaborative, inclusive and plural work environment in compliance with the requirements of market best practices on diversity, equity and inclusion and with the pro tempore principles of the Code of Ethics and the Group Charter of Values.

With this in mind, Leonardo is actively committed to promoting the principles of inclusion, equity and valuing diversity as well as preventing and removing all forms of direct or indirect discrimination, as well as harassment and sexual harassment, at all stages of the employment relationship within the corporate community. These values are a priority in the change management processes¹ and are fundamental in a work environment where the rights and dignity of every person who works for the Company are respected.

In this context, Leonardo is committed to promoting an ongoing dialogue on Diversity, Equity and Inclusion (DE&I) issues with all its stakeholders², in order to better understand their legitimate expectations on these issues.

The contents of this Policy apply with immediate effect to all employees and collaborators of Leonardo S.p.a., both in Italy and abroad.

Leonardo is also committed to sharing the principles of this policy to its stakeholders, in particular suppliers and customers.

NATIONAL AND INTERNATIONAL REFERENCE STANDARDS

Leonardo promotes and inspires its commitment to standards issued by national and international organisations, current regulations and behavioural guidelines, such as:

- the 2030 Agenda for Sustainable Development and the related UN Sustainable Development Goals (SDGs), in particular:
 - SDG No. 5, “Achieve gender equality and empower all women and girls”;
 - SDG No. 8, “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”;
 - SDG No. 10, “Reduce inequalities within and among countries”;
- the United Nations Universal Declaration of Human Rights;
- the 10 principles of the UN Global Compact, and in particular principles 1 to 6 that promote respect for human and labour rights;
- the core Conventions of the International Labour Organization (ILO), in particular Convention No. 111 on Discrimination (Employment and Occupation) and Convention No. 190 on Gender-based Violence and Harassment in the Workplace;
- the ISO 26000 guidelines “A Guide to Social Responsibility”;

¹This means the set of structured activities for change management in the company.

² Stakeholders are defined as: employees, suppliers, business partners, customers, investors, rating agencies, universities and research centres, communities, trade associations.

- the guidelines of the OECD, the Organisation for Economic Co-operation and Development;
- the Women Empowerment Principles promoted by UN Women and the UN Global Compact;
- the principles enshrined in the Italian Constitution, in particular Article 3, which promotes equal dignity and equality before the law (formal and substantive equality) and all binding anti-discrimination regulations;
- Italian Legislative Decree No. 198 of 11 April 2006, Code of equal opportunities between men and women, pursuant to Article 6 of Law No. 246 of 28 November 2005. (Gazzetta Ufficiale No. 125 of 31-5-2006 - Ordinary Supplement No. 133);
- law 162/2021 Amendments to the code referred to in Italian Legislative Decree No. 198 of 11 April 2006 and other provisions on equality between men and women in the workplace (Gazzetta Ufficiale No. 275 of 18-11-2021);
- EN ISO 9000 Quality Management Systems - Fundamentals and Vocabulary;
- UNI EN ISO 9001 Quality Management Systems;
- UNI EN ISO 19011 Guidelines for audits of quality and/or environmental management systems;
- UNI CEI EN ISO/IEC 17021-1 Conformity assessment - Requirements for bodies providing audit and certification of management systems - Part 1: Requirement;
- UNI ISO 30415, Human resource management - Diversity and inclusion;
- the Wage Transparency Directive 970/2023 approved by the European Parliament;
- the UNI/PdR 125:2022 Reference Practice, regulating the guidelines on the management system for gender equality, which provides for the adoption of specific KPIs concerning gender equality policies in organisations.

LEONARDO'S COMMITMENT TO DIVERSITY, EQUITY AND INCLUSION

For Leonardo, diversity is a strategic factor of competitiveness, talent attraction, human capital enhancement and innovation.

Leonardo actively promotes the principles of inclusion, equity and valorisation of diversity, as well as the prevention, removal and remedy of all forms of direct or indirect discrimination, violence, harassment and sexual harassment, at all stages of the employment relationship, in daily operations and business relations and with particular attention to what happens within the corporate community.

This promotion is embodied in the adoption of specific tools, such as:

- the Group's Code of Ethics and Charter of Values;
- the Group's Human Rights Policy;
- the Supplier Code of Conduct;
- the set of Company rules governing the professional life of employees, from the first moment they come into contact with Leonardo;
- the Sustainability and Innovation Committee, which is responsible for analysing and monitoring the main Sustainability/ESG indices, promoting the Group's positioning with respect to international benchmarks and, with reference to the issues within its remit, analysing issues relevant to Leonardo for long-term value generation;

- the newly established Steering Committee, whose main responsibility is the protection of diversity and equal opportunities in the workplace, also with a view to identifying and proposing guidance and monitoring actions related to obtaining and maintaining the UNI/PdR 125:2022 Gender Equality Certification.

Lastly, Leonardo also achieves its commitment by adhering to various initiatives aimed at promoting gender balance, inclusive culture and adequate gender representation in both the internal and public events it organises or in which it participates.

MAIN ELEMENTS OF DIVERSITY, EQUITY AND INCLUSION

Leonardo offers people a fair and inclusive work environment in which they can express their full potential, supporting their sense of belonging and their ability to contribute proactively to achieving results.

In relation to the international context in which it operates, Leonardo assesses the relevance of multiple aspects of diversity, equity and inclusion.

The main elements relating to diversity, equity and inclusion are listed and explored below:

- **Gender and sex**

Leonardo is committed to supporting gender balance and overcoming any stereotypes, discrimination or unconscious bias, to ensure the empowerment of women, i.e. actively promoting gender equality, strengthening and supporting women in key roles and creating the best working conditions so that each person can express their full potential.

- **Gender identity and sexual orientation**

Leonardo is committed to removing all obstacles related to a person's own identity and affective/sexual orientation.

The company is also committed to combating all forms of violence related to these with tools, channels and prevention plans for receiving, analysing and processing reports of alleged violations of the Code of Ethics and the rules referred to therein.

- **Parenting and caregiving**

Leonardo promotes the sharing of family responsibilities through initiatives aimed at supporting parenting including: *i)* specific programmes for parental leave and related phases of parenthood, *ii)* programmes to support employees with needs relating to the special care of elderly parents, partners or children.

- **Age (generations)**

Leonardo values integrated strategies for the development and management of the needs of different generations, which coexist within the organisation, as it believes that generational diversity represents a tool for growth, especially by virtue of the transfer of knowledge and the different social, cultural and professional experiences of workers.

- **Physical and intellectual disability and medical conditions**

Leonardo is active in the implementation of concrete measures to foster the inclusion and development of people with physical and intellectual disabilities (including conditions of neurodivergence) or sensitive medical conditions, as well as to create fully accessible work environments through the removal of any type of barrier to facilitate access to physical places, information and professional tools, training, upskilling and reskilling activities.

- **Nationalities, races and ethnicities, religions and beliefs, multiculturalism and interculturalism**

Leonardo promotes, both internally and externally, openness to cultural integration and multiculturalism in line with the principles set out in the Code of Ethics, pledging to recognise, celebrate and value the diversity of the cultural traditions, beliefs and experiences of its people. It also supports employee networks established to promote ethnic inclusion strategy and awareness.

- **Social background**

Leonardo guarantees its people access to opportunities that best enhance the personal aptitudes of each employee, regardless of their social background, choices and development opportunities linked to previous educational and academic experiences and political and trade union preferences.

PRINCIPLES UNDERPINNING LEONARDO'S WORK

In order to achieve and guarantee a plural, fair and inclusive environment in everyday operations, the following main areas of intervention have been identified:

- people and human resources management process;
- relations with suppliers;
- culture, communication and information;
- development of innovative business solutions and responsible use of technology, particularly with regard to the use of Artificial Intelligence.

People and human resources management process

In order to create a work environment that ensures equal opportunities, it is crucial to start with the processes that impact people, as they are crucial for fostering employee's well-being, engagement, personal and professional development and productivity. In particular, through these processes, Leonardo has the following objectives:

- **Selection and recruitment**

- ensure equal employment opportunities, guaranteeing fair treatment on the basis of individual skills, professionalism and abilities. Job announcements are oriented to the general nature of all candidates in accordance with the principles of equity, transparency and inclusion, without any discrimination, including through the use of inclusive language;
- ensure respect for equal opportunities with regard to the private sphere (personal and family) and opinions of candidates. Leonardo works to ensure that the resources acquired correspond to the profiles actually

required for the company's needs, avoiding favouritism and concessions of any kind , with its choice exclusively inspired by professionalism and competence criteria. Leonardo people are employed under regular employment contracts, in accordance with applicable laws and national and company collective bargaining agreements. In particular, Leonardo expects the establishment of employment relationships to take place in compliance with the relevant anti-discrimination regulations.

- **Career management**

- create and maintain - in the evolution of the employment relationship - the necessary conditions so that the skills and knowledge of each employee can be further expanded, following a policy based on the recognition of merit and equal opportunities, providing specific programmes aimed at professional reskilling and upskilling activities;
- involve employees by scheduling training activities in compliance with the principles of equity and impartiality and by fostering the development of managerial and leadership skills of individuals, also sensitising managers so that they pay the utmost attention to enhancing and increasing the professionalism of their people by creating the conditions for the development of their skills and the realisation of their potential;
- ensure the protection of the principles of equality with regard to the allocation of qualifications, tasks and career progression.

- **Wage equity**

- guarantee a remuneration policy inspired by principles of equal pay for equal duties and classification, with remuneration at least equal to that established by collective bargaining agreements and regulations applicable in the countries where Leonardo operates, with the aim of guaranteeing a fair income and a living wage;
- ensure constant monitoring of any pay gaps, with the aim of adopting strategies and actions to decrease the gender pay gap;
- ensure transparency in the way remuneration policies are applied, including with regard to benefits and bonuses;
- implement welfare programmes, including through services offered by third parties, targeting different categories of workers in a homogeneous manner, according to their needs.

- **Work-life balance**

- promote a 'work-life balance' approach for its employees at all stages of their personal and professional lives by having an agreement that allows access to flexible working measures (smart working) and by establishing simple and accessible rules and procedures for taking advantage of them, while taking into account operational needs;
- encourage the full reintegration of employees following long periods of absence from work, avoiding any form of discrimination upon their return to the company by promoting the necessary training and coaching initiatives.

- **Activities to prevent all forms of physical, verbal and digital abuse (harassment) in the workplace**
 - guarantee an inclusive and respectful work environment, where each person is treated with dignity and respect and where equal opportunities are ensured;
 - implement a 'zero tolerance' policy towards undesirable behaviour (harassment, discriminatory attitudes, etc.) related to any factor identified in this Policy that has the purpose or effect of violating a person's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for that person;
 - identify and monitor the risk of all forms of physical, verbal and non-verbal, psychological or digital abuse and harassment at work and set up plans for its prevention and management;
 - assess from a disciplinary point of view the hypotheses of harassment/violence in the workplace and in work relations, which may be subject to sanctions in accordance with the forms and modalities provided for by the rules and collective agreements applicable on a case-by-case basis, without prejudice to further civil and criminal liabilities.

Relations with suppliers

In line also with the principles contained in the Supplier Code of Conduct, Leonardo requires its suppliers to guarantee:

- equal employment opportunities (including recruitment, payment, benefits, advancement, termination and retirement) to its employees and applicants without discrimination, complying with all non-discrimination laws and regulations, on the basis of ability criteria and not personal characteristics;
- a work environment free of harassment of any kind, intimidation or other abusive behaviour.

Culture, communication and information

Leonardo commits to:

- using inclusive language and developing communication initiatives, both internal and external, aimed at informing and raising awareness among its employees and external stakeholders on DE&I policies;
- promoting a culture of inclusion, including through information activities, with the aim of spreading both awareness on DE&I issues and the value generated by the Group;
- developing marketing actions that do not conflict with the principles of inclusion.

Development of innovative business solutions and responsible use of technology

In developing products for its customers, Leonardo, as a leading company providing high-tech solutions, is committed to considering the impact its business activities may have on the promotion of diversity, equity and inclusion, and to take into account the needs of different groups of people, seeking solutions that ensure accessibility, and are free from design and programming bias. With this in mind, in order to mitigate the risk of data bias, Leonardo intends to pursue a commitment to ensure as much heterogeneity as possible in the teams developing Artificial Intelligence solutions.

Leonardo also undertakes to evaluate tools, technologies and algorithms used or implemented in internal procedures with reference to its workforce in compliance with the DE&I principles.

IMPLEMENTATION AND MONITORING

Leonardo undertakes to:

- disseminate the contents of this Policy through awareness-raising and training actions, making it available to all stakeholders on the corporate intranet and the company website;
- implement appropriate mechanisms for periodic monitoring of the main areas of intervention identified above, optimising the effectiveness of actions to prevent and mitigate negative impacts, with a view to continuous improvement.

WHISTLEBLOWING MANAGEMENT

Leonardo encourages anyone who becomes aware of violations (conduct, acts or omissions) of the law or of corporate protocols, even if potentially detrimental to the public interest or to the integrity of the Group, to report this, in good faith, through the Internal Reporting Channel identified in the Whistleblowing Management Platform³, in accordance with the procedures set out in the Guidelines on the Management of Reports by Leonardo available in the dedicated section of Leonardo's Hub, on the Intranet and on the Leonardo website.

Anyone who receives a whistleblowing report outside the Internal Reporting Channel shall forward it, in its original format with any attachments and in strict confidentiality, as soon as possible, and in any case within 7 days of its receipt, to the Management Audit & Whistleblowing OU operating in Leonardo's Group Internal Audit OU .

³ Also accessible at <https://www.leonardo.com/it/careers/diversity-equity-inclusion>.