



Model of Organization, Management and Control under the Legislative Decree 8 June 2001, n. 231

Approved by the Board of Directors of Leonardo S.p.a. in the session of
07/30/2024

Available on the Company intranet and on the website
(www.leonardo.com)

*The English text is a translation from Italian.
In case of any conflict or discrepancies between the two texts the Italian version
shall prevail.*

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SPECIAL PART (FOR INTERNAL USE ONLY)

GENERAL PART

1. THE LEGISLATIVE DECREE 8 JUNE 2001, N. 231

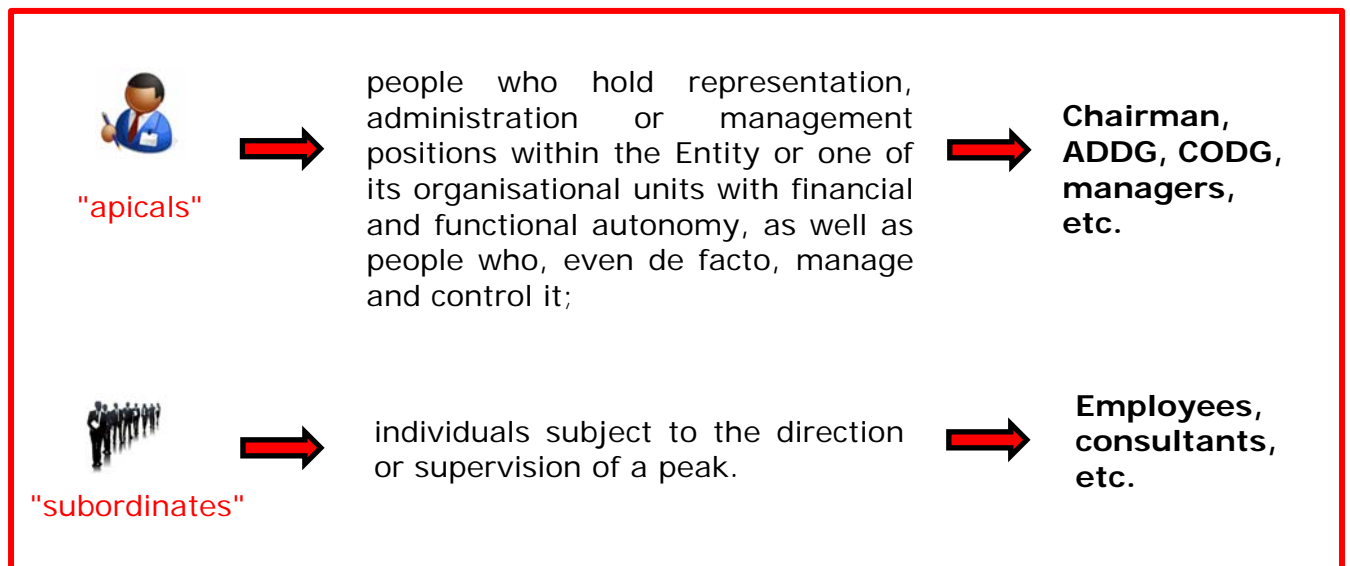
1.1 THE ADMINISTRATIVE RESPONSIBILITY OF ENTITIES

Legislative Decree n. 231/2001 (hereinafter also "Decree" or "D.Lgs. 231/01") introduced the *"Regulation of administrative responsibility of legal persons, Companies and associations, even without legal personality"*.

The legislative complex provides for the administrative responsibility of Companies and associations with or without legal personality (hereinafter, the "Entities") derived from certain types of crime (so-called "predicate crimes", see 1.2 *below*) committed, in the interest or to the benefit of the same, by:

- a. natural persons who hold positions of representation, administration or management of the Entities themselves or of one of their organisational units with financial and functional autonomy, as well as by natural persons who exercise, even de facto, the management and control of the same Entities (so-called "apicals");
- b. Individuals subject to the direction or supervision of one of the apicals mentioned above (known as "subordinates").

The organisation is not liable if the above-mentioned persons have acted solely in their own interest or in the interest of third parties (Art. 5).



To assert the Entity's responsibility, it is also necessary to establish its organisational fault, which is understood as the failure to adopt preventive measures suitable for preventing the commission of the crimes specifically indicated in the Decree by the subjects referred to in points *sub a)* and *b)* (see more in depth *below*, par. 1.4).

The Entity's administrative responsibility is therefore additional and different from that of the individual and is subject to separate verification during the same proceedings against the individual accused of the underlying crime, before the criminal judge. Furthermore, the Entity's responsibility persists even if the

individual who committed the crime is not identified or is not punishable, as well as if the crime is extinguished for a reason other than amnesty (art. 8).

The Entity's liability may also occur if the underlying crime is attempted (art. 26), meaning when the acting subject performs unequivocally directed acts to commit the crime and the action is not completed or the event does not occur.

1.2 THE CRIMES PROVIDED FOR BY D.LGS. 231/01 (ALSO KNOWN AS PREDICATE CRIMES)

The crimes, from whose commission the Entity's administrative liability can arise, are those expressly referred to by the Decree.

The crimes that currently constitute the basis for the Entities' liability are listed below:

- art. 24: undue receipt of funds, fraud against the State, a public body or the European Union or for the attainment of public funds, computer fraud against the State or a public body and fraud in public supplies¹;
- art. 24 bis: computer crimes and illegal data processing²;
- art. 24 ter: organized crime³;
- art. 25: embezzlement, extortion, undue inducement to give or promise benefits, corruption and abuse of office⁴;
- art. 25 bis: falsity in coins, in public credit cards, in stamp values and in instruments or recognition signs⁵;
- art. 25 bis.1: crimes against industry and commerce⁶;
- art. 25 ter: corporate crimes⁷;
- art. 25 quater: crimes for the purpose of terrorism or subversion of the democratic order⁸;
- art. 25 quater.1: practices of female genital mutilation⁹;
- art. 25 quinquies: crimes against individual personality¹⁰;
- art. 25 sexies: market abuse¹¹;

¹ Article amended by Legislative Decree no. 75/2020 and lastly by Law no. 137/2023.

² Article last amended by Legislative Decree no. 105/2019, converted, with amendments, by Law 133/2019.

³ Article added by Law no. 94/2009.

⁴ Article last amended by Legislative Decree no. 156/2022.

⁵ Article added by Legislative Decree no. 350/2001, converted with amendments by Law no. 409/2001 and amended by legislative decree No. 125/2016.

⁶ Article added by law No. 99/2009.

⁷ Article added by legislative decree No. 61/2002 and amended by the legislative decree No. 38/2017 and most recently by legislative decree No. 19/2023.

⁸ Article added by law No. 7/2003.

⁹ Article added by law No. 7/2006.

¹⁰ Article added by law No. 228/2003 and amended by law No. 199/2016.

¹¹ Article added by law No. 62/2005.

- art. 25 septies: manslaughter and serious or very serious personal injuries committed in violation of regulations on accident prevention and protection of health and safety at work¹²;
- art. 25 octies: receiving, laundering and using of money, goods or benefits from illegal origin, as well as self-laundering¹³;
- art. 25 octies.1: crimes involving non-cash payment instruments and fraudulent transfer of valuables¹⁴;
- art. 25 novies: crimes related to violation of copyright¹⁵;
- art. 25 decies: inducement not to give statements or to give false statements to the Judicial Authority¹⁶;
- art. 25 undecies: environmental crimes¹⁷;
- art. 25 duodecies: employment of third-country nationals whose stay is irregular¹⁸;
- art. 25 terdecies: racism and xenophobia¹⁹;
- art. 25 quaterdecies: fraud in sports competitions, unauthorized gambling or betting and gambling through prohibited devices²⁰;
- art. 25 quinquiesdecies: tax crimes²¹;
- art. 25 sexiesdecies: smuggling²²;
- transnational crimes²³;
- art. 25 septiesdecies: crimes against cultural heritage²⁴;
- art. 25 duodevicies: laundering of cultural goods and devastation and looting of cultural and landscape goods²⁵.

¹² Article added by law No. 123/2007 and subsequently replaced by law No. 81/2008.

¹³ Article added by legislative decree No. 231/2007 and amended by law No. 186/2014.

¹⁴ Article added by legislative decree No. 184/2021 and most recently amended by law No. 137/2023.

¹⁵ Article added by law No. 99/2009.

¹⁶ Article added by law No. 116/2009.

¹⁷ Article added by legislative decree No. 121/2011 and amended by law No. 68/2015 and by legislative decree 21/2018.

¹⁸ Article added by legislative decree No. 109/2012 and amended by law No. 161/2017.

¹⁹ Article added by law No. 167/2017 and amended by legislative decree 21/2018.

²⁰ Article added by law No. 39/2019.

²¹ Article added by legislative decree No. 124/2019 and most recently updated by legislative decree No. 156/2022.

²² Article added by the D.Lgs. n. 75/2020.

²³ Article 10, Law n. 146/2006.

²⁴ Article added by L. 22/2022.

²⁵ Article added by L. 22/2022.

1.3 THE PENALTIES PROVIDED FOR BY THE DECREE

The Decree provides specific sanctions against the Entity that is recognized responsible for the administrative offense resulting from a crime (art. 9 and ss.), as specified below.

a) The pecuniary sanction

In case of ascertainment of the commission of an administrative offense resulting from a crime, the pecuniary sanction for quotas is always applied. In determining the penalty, the judge determines the number of quotas taking into account the seriousness of the fact, the degree of responsibility of the Entity, as well as the activity carried out to eliminate or mitigate the consequences of the fact and to prevent the commission of further offenses. The amount of the individual quota is, instead, fixed based on the economic and financial conditions of the Entity in order to ensure the effectiveness of the sanction²⁶.

Art. 12 establishes that the amount of the pecuniary sanction is reduced if:

- the author of the crime committed the fact predominantly in his own interest or in the interest of third parties and the Entity did not derive any benefit or derived a minimal benefit;
- the property damage caused is of particular slightness.

Similarly, under Art. 12, paragraph 2, reductions in the penalty are provided for when, before the declaration of the opening of the first-degree trial:

- the Entity has fully compensated the damage and has eliminated the harmful or dangerous consequences of the crime or has otherwise effectively endeavoured to do so;
- or an Organization, Management and Control Model capable of preventing crimes of the kind that occurred (hereinafter also referred to as "Model") has been adopted and made operational.

b) Prohibitive penalties

The following prohibitive penalties are provided for, lasting not less than three months and not more than two years:

- prohibition from carrying out activities²⁷;

²⁶ According to art. 10, the monetary penalty is applied in shares in a number not less than one hundred nor more than a thousand; while the amount of a share ranges from a minimum of 258 euros to a maximum of 1,549 euros.

²⁷ Art. 16 provides that "a permanent disqualification from carrying out the activity can be ordered if the entity has gained a significant profit from the crime and has already been convicted, at least three times in the last seven years, to temporary disqualification from carrying out the activity". Further, "The judge may apply to the entity, permanently, the penalty of prohibition of contracting with the public administration or prohibition of advertising goods or services when it has already been convicted of the same penalty at least three times in the last seven years". Finally, "If the entity or one of its organizational units is permanently used for the sole or main purpose of enabling or facilitating the commission of crimes for which its responsibility is provided, the permanent disqualification from carrying out the activity is always ordered".

- suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense;
- prohibition of contracting with the Public Administration, except to obtain the services of a public service;
- exclusion from benefits, financing, subsidies or grants and the possible revocation of those already granted;
- prohibition of advertising goods or services.

A different penalty treatment is provided for in case of responsibility of the Entity resulting from the crimes of extortion, undue inducement to give or promise benefits and corruption, where the prohibitive penalty applies for a period not less than four years and not more than seven years, if the crime was committed by one of the so-called "apical" subjects, and for a period not less than two years and not more than four, if the crime was instead committed by one of the so-called "subordinate" subjects (art. 25, paragraph 5).

Pursuant to Article 13, prohibitive sanctions apply in relation to administrative offenses for which they are expressly provided, when at least one of the following conditions occurs:

- the Entity has gained significant profit from the crime and the crime was committed by subjects in an apical position or by subjects under the direction of others when, in this case, the commission of the crime was determined or facilitated by serious organizational shortcomings;
- in case of repetition of offenses.

However, they do not apply when:

- the perpetrator of the crime committed the act in the predominant interest of his own or of third parties and the Entity did not gain any advantage or gained a minimal advantage;
- the property damage caused is of particular slightness.

Without prejudice to the application of pecuniary sanctions, pursuant to Article 17, prohibitive sanctions also do not apply when, before the declaration of the opening of the first degree trial, the following conditions occur:

- the Entity has fully compensated the damage and has eliminated the harmful or dangerous consequences of the crime or has nevertheless made effective efforts in this regard;
- the Entity has eliminated the organizational shortcomings that led to the crime by adopting and implementing a Model suitable to prevent crimes of the kind that occurred;
- the Entity has made the profit obtained available for confiscation.

In general, the sanctions target the specific activity to which the Entity's offence refers. The judge determines the type and duration of these based on the same criteria indicated for the application of the pecuniary sanction, taking into account the suitability of the individual sanctions to prevent offences of the type committed.

In the event that the judge identifies the existence of the prerequisites for the application of an interdictive measure against an Entity that carries out activities of public interest or has a significant number of employees, the same may order that the Entity continues to operate under the guidance of a judicial commissioner. In this case, any profit potentially resulting from the continuation of the activity is subject to confiscation (art. 15).

Such measures can also be applied to the Entity on a precautionary basis, and therefore before the determination on the merits regarding the existence of the crime and the administrative offence that depends on it, in the event that there are serious clues to believe in the Entity's liability, as well as a founded danger that offences of the same nature as the one being prosecuted will be committed (art. 45).

Also in this case, instead of the precautionary interdictive measure, the judge can appoint a judicial commissioner for the continuation of the activity if the Entity provides a service of interest to the community, or if the interruption of its activity could cause significant repercussions on employment.

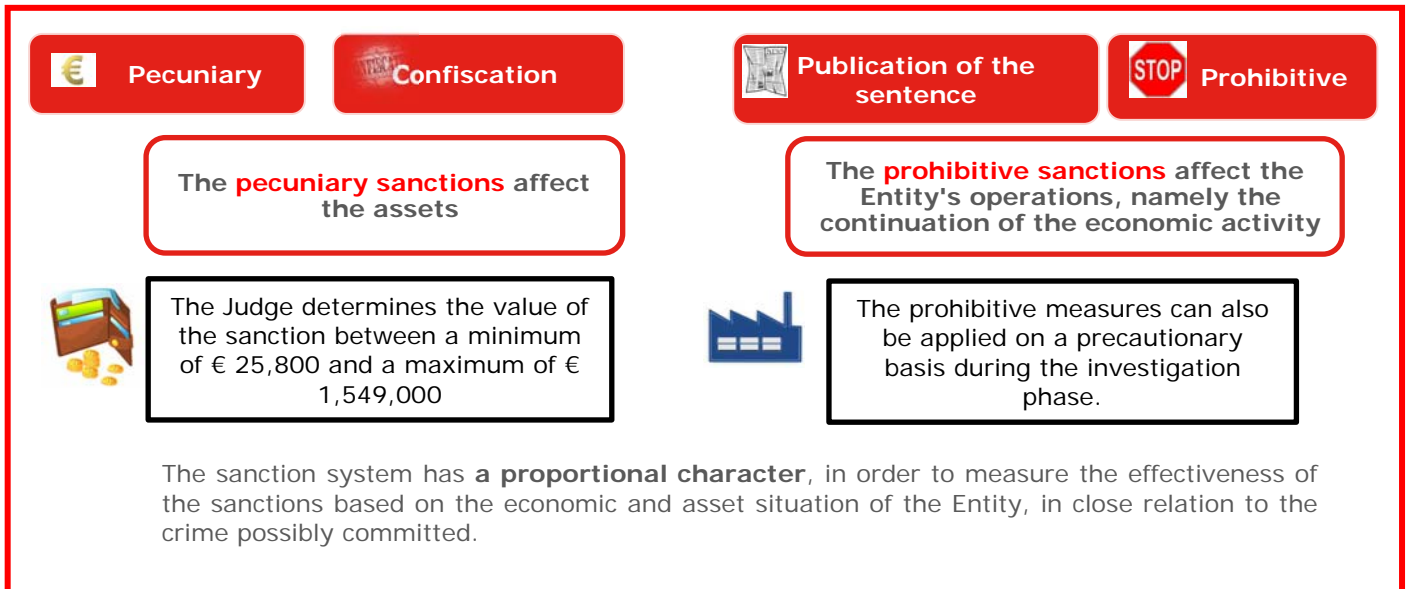
Failure to comply with prohibitive sanctions constitutes an autonomous offense provided for by the Decree as a possible source of administrative responsibility of the Entity (art. 23).

c) Confiscation

At the end of the conviction or in the case where the Entity is acquitted due to the recognition of the suitability of the Model adopted and the crime has been committed by a top subject, the judge orders the confiscation of the price or profit of the crime (except for the part that can be returned to the injured party) or, when this is not possible, the confiscation of sums of money, goods or other utilities of equivalent value to the price or profit of the crime (art. 19).

d) Publication of the sentence

The publication of the sentence of conviction may be ordered when a disqualification sanction is imposed on the Entity and is carried out at the Entity's expense (Art. 18).



The sanction system for Entities

1.4 THE EXEMPTING CONDITION OF ADMINISTRATIVE RESPONSIBILITY

Article 6 of the Decree states that the Entity, in the case of crimes committed by top-level subjects, is not responsible if it demonstrates that:

- the management body has adopted and effectively implemented, before the commission of the act, a Model capable of preventing crimes of the kind that occurred;
- the task of overseeing the functioning and compliance of the Model and proposing its update has been entrusted to an Organism of the Entity, endowed with autonomous powers of initiative and control (also known as "Supervisory Body", "Vigilance Body" or "Organism" or "OdV");
- people have committed the crime by fraudulently evading the Model;
- there has been no omission or insufficient surveillance by the Vigilance Body.

In the event that the crime was committed by subjects under the direction or supervision of top-level personnel, the Entity will be considered responsible for the administrative offense only in cases of culpable deficiency in the obligations of direction and supervision.

Therefore, the Entity that, before the commission of the crime, adopts and concretely implements a Model capable of preventing crimes of the kind that occurred, is exempt from responsibility if the conditions referred to in art. 6 are met.

In this regard, the Decree provides specific guidelines on the requirements the Models must meet:

- identify the activities in which there is the possibility that crimes may be committed;
- provide specific “protocols” aimed at planning the training and implementation of the Entity's decisions in relation to the crimes to be prevented;
- identify methods of managing financial resources suitable to prevent the commission of such crimes;
- provide for reporting obligations to the OdV;
- introduce an internal disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model.

However, the mere adoption of a Model abstractly suitable is not in itself sufficient to exclude this responsibility, it being necessary that it is actually and effectively implemented. In particular, for an effective implementation of the Model, the Decree requires:

- periodic checks on the actual implementation and observance of the Model;
- the eventual modification of the Model when significant variations emerge in the organizational structure of the Entity or in the way operational activities are carried out, if violations of the prescriptions emerge or when regulatory changes occur (e.g., the expansion of the catalogue of underlying crimes or related sanctions);

the factual application of a disciplinary system suitable for penalising non-compliance with the measures indicated in the Model.

If the crime was committed by subjects in a top position, the **Entity is not responsible if it proves that:**

Adoption of the Model

The governing body has **adopted** and **effectively implemented**, **prior** to the commissioning of the act, **Models** of organization and management **suitable for preventing crimes** of the kind that occurred

Identification of the Supervisory Body

The task of supervising the **operation** and the **compliance** of the **Models** and to take care of their **update** has been entrusted to a **body of the Entity** equipped with autonomous powers of initiative and control (Supervisory Body)

Fraudulent elusion of the Model

The individuals committed the offense **by fraudulently eluding** the **Models** of organization and management

Monitoring by the Supervisory Body

There was no **neglect** or **insufficient surveillance** on the part of the **Supervisory Body**

The exemption

1.5 CRIMES OCCURRED ABROAD

In accordance with Article 4 of the Decree, the Entity that has its main office in the territory of the State may be called to answer before the Italian criminal court also for the administrative offense resulting from crimes committed abroad, in the cases and conditions provided by Articles 7 to 10 of the Penal Code and provided that the State where the act was committed does not proceed against it.

Therefore, the Entity is liable when:

- it has its main headquarters in Italy, that is, the effective headquarters where administrative and management activities are carried out, possibly also different from where the Company or legal office is located (Entities with legal personality), or the place where the activity is carried out continuously (Entities without legal personality);

- the State of the place where the fact was committed is not proceeding against the Entity;
- the request of the Minister of Justice, to which the punishability may be subordinated, also refers to the Entity itself.

These rules concern crimes committed entirely abroad by apical subjects or subordinates. For criminal conduct that has occurred even only partially in Italy, the principle of territoriality applies *ex art. 6 c.p.*, by virtue of which *"the crime is considered committed in the territory of the State, when the action or omission, which constitutes it, has occurred there in whole or in part, or the event that is the consequence of the action or omission has occurred there"*.

2. THE COMPANY AND ITS INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

2.1 THE COMPANY

Leonardo S.p.a. (hereinafter also "Leonardo" or the "Company") is a global Company in high technology and among the major global operators in the sectors **Aerospace, Defense and Security**.

The model of *corporate governance* of the Company is in accordance with the provisions of the civil code and other legislative and regulatory provisions on Companies (in particular those contained in the T.U.F.) and reflects the voluntary adherence by the Company to the Corporate Governance Code developed by the *Committee for Corporate Governance* of Borsa Italiana (the "Corporate Governance Code").

The **administration and control system** adopted is the traditional one, with the presence of the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors. Within this system, the Board of Directors is the main body to which the powers of strategic direction of the *business* and the definition of organizational structures are assigned.

The organizational structure of the Company, is formalized within a Company organizational chart and related organizational tools, includes:

- a **Board of Directors**, which exercises supervisory and strategic direction functions of the *business*, to which the U.O. Group Internal Audit reports to ensure its independence;
- a **Chairman, a CEO and General Manager** ("CEO/GM"), to which different central structures of the "*Corporate Center*";
- a **General Co-Management**, directly reporting to the CEO and General Manager, with the responsibility of coordinating the activities of the Divisions, of the "*Global Combat Aircraft Programme*" as well as the organizational structures "*Commercial & Business Development*" and "*Procurement, Services & Operations*";

- **central structures**, which make up the "*Corporate Center*" of the Company and ensure the direction and coordination of the Group;
- **five Divisions** and **two Business Units**, equipped with technical functions, support functions (reporting hierarchically to the Head of Division/Business Unit Manager and functionally to the head of the corresponding structure of the *Corporate Center*) and centralized support functions (reporting functionally to the Head of Division/Business Unit Manager and hierarchically to the head of the corresponding structure of the *Corporate Center*), as well as managerial, financial, and organizational autonomy (see also art. 2 of Legislative Decree 81/2008). Below is the list of Divisions and Business Units: Helicopter Division; Aircraft Division; Aerostructures Division; Electronics Division; Division *Cyber & Security Solutions*; *Automation Business Unit*; *Space Business Unit* (which reports hierarchically to the CEO/General Manager).

Furthermore, the Company has adopted a procuratorial system on health and safety at work and the environment, in order to ensure a suitable and constant identification of risks and dangers in this area and, consequently, optimize the management of such issues in line with the Company's structure. In particular, given Leonardo's complex structure, five Divisions, two Business Units, and the *Corporate Center* are productive units with financial and technical-functional autonomy; therefore, the Company's Board of Directors has identified the Division Heads, the Managers of the aforementioned Business Units and the Manager of the People & Organization Organizational Unit, as "Employer" and "Environmental Manager".

For a more effective fulfilment of health and safety obligations at work and in the environment, the Employer/Environmental Manager delegates functions, with notarial power of attorney, to certain Managers within his/her own structure, the powers of organization and management following checks on the possession of requirements and necessary skills in line with current regulations.

The structure of the delegation takes into account all the necessary elements to ensure the effective exercise of the powers of the delegated subjects, the control of risks and the possibility of direct intervention should unforeseen and unpredictable circumstances, as well as emergency situations, may require the adoption of timely and targeted actions for the relative management and restoration of normal operating conditions.

With the aim of ensuring compliance with the reference regulatory compliance and maintaining the functionality and effectiveness of the Integrated Health, Safety and Environment Management System in accordance with UNI EN ISO 45001 and 14001, each Employer/Environmental Manager establishes a Company function that manages HSE issues. To this function are assigned, firstly, the tasks of verification and monitoring about the correct application of the rules on health and safety at work and for environmental aspects, as well as the task of contributing to the adoption of prevention, control and monitoring tools with respect to HSE risks and to ensure their continuous improvement through periodic review.

Furthermore, Leonardo Global Solutions S.p.a. (also "LGS") and Leonardo Logistics S.p.a. (also "LLS"), ensure *inter aliato* Leonardo, acting on behalf of the Company through specific service contracts:

- i) the management of procurement services (direct and indirect for the identified "core" and "no core" commodity categories) and facility management (LGS);
- ii) the management of "construction" services through which it carries out a series of activities in temporary and mobile construction sites;
- iii) industrial logistics services, Transportation Control Tower and Standard Materials Service Provider (LLS);

thus falling within the organizational perimeter of Leonardo S.p.a.

Leonardo, in order to ensure that the behavior of all those who operate on behalf or in the interest of the Company is always in compliance with the law and consistent with the principles of correctness and transparency in the conduct of business and corporate activities, has adopted the Organization, Management and Control Model in line with the prescriptions of D.Lgs. 231/01 and based on the Guidelines issued by Confindustria and the most recent case law on the matter.

The recipients of this Model (hereinafter the "Recipients") and, as such, are required to be aware of and observe it:

- members of the Board of Directors and, in any case, those who carry out representation, management, administration, direction or control functions of an organizational unit with financial and functional autonomy;
- members of the Board of Statutory Auditors;
- the President, the Chief Executive Officer and General Manager, the Deputy General Manager and the Managers of the Company;
- employees (including those working at *branches* and representative offices) and collaborators with whom contractual relationships are maintained, under any title, even occasional and/or only temporary;
- those who maintain paid or even free relationships of any nature with the Company (such as, for example and not exhaustively, consultants, suppliers and third parties in general).

The Recipients are required to punctually respect all provisions of the Model.

2.2 LEONARDO S.P.A. AND ITS INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The governance of Leonardo's risks, in line with the rules of the Corporate Governance Code, the Organisation, Management and Control Model *ex* Legislative Decree 231/01 and the Group's Anticorruption Code, as well as national and international *best practices*, provides that:

- the Board of Directors supervises the internal control and risk management system and defines its guidelines;

- the control bodies (Control and Risk Committee, Board of Statutory Auditors, Supervisory Body) have access to information and appropriate levels of visibility on risk management systems, consistently with their supervisory responsibilities;
- the second level control functions define the processes, procedures and methodologies so that the Company's operations are approached with a "*risk based*";
- " approach; the business units, technical functions and support functions identify, assess and deal with project and business risks, with reference to the set objectives and the processes managed, providing adequate information to the higher corporate levels;
- the Internal Audit, as an independent third level control function, systematically acquires the results of risk assessment and monitoring activities, providing subsequent evaluations in the planning of its relevant control activities.

In the organizational model of Leonardo, the *Risk Management* Unit, in close coordination with other corporate structures at the central and divisional level, ensures the dissemination of methodologies, metrics and tools for proper risk analysis and management, with the aim of ensuring the creation and protection of the value of projects and preserving over time the Company's value, the business's operability and the interests of the *stakeholders*.

The operational risk management in Leonardo:

- involves the entire organization continuously in the areas of Enterprise Risks and Project Risks;
- is supported by Enterprise Risk Management (ERM) and Project Risk Management (PRM) processes;
- is structured in the phases of Identification, Assessment, Treatment and Monitoring of risks and their respective response plans, whose evidence is properly represented in the appropriate periodic reporting.

2.2.1 Main compliance and risk management models

Leonardo has adopted specific compliance and risk management and monitoring models that are capable of preserving the effectiveness of the Company's internal control system.

Furthermore, the compliance models reported in this paragraph also constitute a preventive control measure for the purposes of mitigating the risk of committing the predicate offenses provided for by Legislative Decree 231/01.

The main compliance models and internal control and business risk management systems of Leonardo are listed below.

- *The Anti-Corruption Management System*

Leonardo S.p.a. is the first Company, among the major ones in the AD&S sector worldwide, to have obtained the ISO 37001:2016 certification "*Anti-bribery*

management system", the international standard for anti-corruption management systems.

The Company, since 2015, has adopted an Anti-corruption Code, which represents a systematic and coherent set of rules inspired by principles of integrity and transparency, aimed at combating the risks of illicit practices in the conduct of business and corporate activities, and obtained in July 2018 the ISO 37001:2016 certification, subsequently renewed in 2021.

The Anti-Corruption System of Leonardo S.p.a. is defined based on the corruption risk areas to which the Company is potentially exposed, with the aim of preventing and combating non-compliant behaviour in accordance with applicable regulations, according to the principle "**zero tolerance**".

The U.O. *Anti-Corruption, Ethics & Integrity* is responsible for overseeing the adequacy and effective implementation of the Anti-Corruption System, in order to ensure its compliance with the requirements of the Standard, also with the specialist and operational support of the U.O. *Anti-Corruption Management System*.

Furthermore, the Board of Directors of Leonardo S.p.a., for the purpose of reviewing the Anti-Corruption System, acknowledges all the information reported by the Senior Management and the U.O. *Anti-Corruption, Ethics & Integrity* related to the operation of the System, the evaluations conducted regarding its compliance with the standard requirements and its effective implementation.

- *The internal control system ex L. 262/05*

Law n. 262 of 2005 and subsequent amendments (so-called Savings Law) provided for the introduction, among other things, of a specific internal control system on the financial information of listed issuers aimed at ensuring the reliability, completeness, accuracy and transparency of the information directed to the financial market.

In particular, the aforementioned Law, among other things, introduced, with art. 154 bis of the TUF, the figure of the "manager responsible for preparing the Company's accounting documents" (also referred to as "Responsible Manager"), to whom specific powers and responsibilities are attributed and functions of control over the financial information of listed issuers are entrusted.

To this end, the Responsible Manager prepares appropriate administrative and accounting procedures for the preparation of the annual financial statement and, where provided, the consolidated financial statement and certifies to the market - with a specific report attached to the annual financial statement, the semi-annual report and, where provided, the consolidated financial statement - the adequacy and actual application of such procedures, as well as the correspondence of the financial statement to the results of the books and accounting records.

Leonardo, as a listed Company, has defined protocols and methodologies for the implementation of its Internal Control System on Financial Reporting, composed of a complex of procedures that define the Company's processes relevant for the preparation of financial reporting and that identify the tasks, roles and responsibilities of the various subjects involved, both with regard to the Company

and the Companies of the Leonardo Group included in the scope of application of Law 262/05 (so-called in-scope Companies).

The Company, therefore, has developed the "Manual for the management of compliance with Law 262/05" in which are indicated the necessary actions aimed at ensuring the correct implementation, verification and maintenance of its Internal Control System on Financial Reporting.

The obligation to implement, verify and maintain an internal control system on financial reporting, is also extended to the in-scope Companies, identified on the basis of qualitative-quantitative parameters related to financial reporting. In this context, moreover, the Company Executives of the in-scope Companies, on the basis of the directives issued by Leonardo, are required to sign a letter of attestation, through which they guarantee the truthful and correct representation of the financial data communicated to the Parent Company for the purpose of its consolidation, as well as the adoption of an adequate internal control system to safeguard the risk associated with financial reporting.

- *The Tax Control Framework*

Law n. 23/2014 entitled "*Delegation to the Government containing provisions for a fairer, more transparent and growth-oriented tax system*", at art. 6, among other things, has delegated the Government to:

- introduce forms of communication and strengthened cooperation also in preventive terms with respect to tax deadlines, between Companies and the Administration;
- the provision of structured corporate systems for the management and control of tax risks, as far as the larger taxpayers are concerned.

The Legislative Decree 128/2015 titled "*Provisions on the certainty of law in relations between the tax Authority and taxpayers*" (in Title III, in articles from 3 to 7), has introduced and regulated the new regime of collaborative compliance (or "*cooperative compliance*") between the financial administration and large taxpayers, with the aim of pursuing the common interest in the prevention and resolution of tax disputes. This regime has provided for voluntary access and admission to it is conditional, among other things, on the taxpayer possessing a system for detecting, measuring and managing tax risk (commonly known as the "*Tax Control Framework*") integrated into the internal control system.

- In this regard, Leonardo, having chosen to adhere to the aforementioned regime, carried out, in the period July 2015 - September 2016, the analysis of the tax risk management model and the formalization of the elements of its own *Tax Control Framework*. With a decision by the Revenue Agency of 4 September 2017 (applicable from the tax year 2016), Leonardo was admitted to the collaborative compliance regime. Admission to the regime involves obligations for the Revenue Agency and obligations and benefits for Leonardo

Below, in summary, the main elements of the *Tax Control Framework* established by Leonardo are reported:

- tax strategy: definition and dissemination of the Company's top management objectives in relation to the tax variable;
- governance: allocation and formalization of roles and responsibilities related to the management of the *Tax Control Framework*;
- tax risk assessment: identification, evaluation and management of "potential" risks, inherent in the activities of the process, which can have an impact on the calculation of taxes and tax obligations. This map is constantly updated in relation to internal changes (processes, organization, systems) and regulations;
- regulatory system: documentation of the control system to safeguard tax risks (guidelines, procedures, instructions, circulars, etc.);
- monitoring: carrying out checks that, through a self-learning cycle, allow the identification of any deficiencies or errors in the operation of the control system and the consequent activation of necessary corrective actions;
- training and culture: communication and training plan on fiscal issues, cross-cutting within the organization;
- report on governance: report, at least annually, to the Governing Bodies and the Revenue Agency, which illustrates the checks carried out and the results emerged, the measures adopted to remedy any deficiencies detected, as well as the activities planned for each year.

The process of managing tax risks, inspired by respect for the reference legislation and the principles of the Guidelines for tax management, falls within the broader process of enterprise risk management of Leonardo (*Enterprise Risk Management*) and is implemented in line with the relevant methodology.

In detail, the process of *Tax Risk Management* is articulated in the following stages:

- monitoring of legislative changes, in processes and information systems;
- analysis of tax risks;
- analysis of control procedures;
- updating of tax risk control matrices (*risk and control matrix*);
- tax monitoring;
- reporting.

The stages of the *Tax Risk Management* process are carried out on a periodic basis (at least annually) and are subject to continuous updates in case of changes in tax legislation and/or significant events that have an impact at the organizational level, tax-related processes, and their supporting IT systems. As foreseen by the process of entering the *cooperative compliance* regime, the Revenue Agency carried out specific checks on the *Tax Control Framework* established by Leonardo at the time of admission and subsequently over time.

- Market Abuse

Leonardo, in compliance with current legal and self-regulatory provisions, has adopted specific internal procedural provisions to ensure the highest level of correctness in the management of corporate information and transparency towards the market.

Following the entry into force, on 3 July 2016, of the European discipline on *Market Abuse* as per Regulation (EU) No. 596/2014, the reference regulatory framework underwent significant changes that the Company has appropriately transferred - also in light of the national regulatory context *pro tempore* in force - in its internal regulation concerning the treatment of Privileged Information, as well as provisions on *Internal Dealing* and the related market communications.

In particular, in light of the above, Leonardo has adopted a specific Procedure aimed at regulating the internal management and external communication of documents and information concerning the Company, with particular regard to privileged information.

The aforementioned Procedure defines principles, behavioral obligations, roles and responsibilities regarding the correct internal management, treatment and external communication of privileged and confidential information pertaining to Leonardo and its controlled Companies, as well as regarding the keeping and updating of the list of people who have access to Privileged Information (Insider Register).

Furthermore, Leonardo has adopted a specific Code of *Internal Dealing*, in compliance with current provisions on the matter, updated over time in order to incorporate changes in the regulatory framework, which governs the specific transparency regime - as well as the related information flows in favor of the market - provided for transactions involving shares issued by Leonardo or other financial instruments connected to them and implemented, even through an intermediary, by the "Relevant Individuals" of the Company and the people "closely connected" to them.

- *Transactions with Related Parties*

In compliance with the current Consob regulations (Regulation no. 17221/2010 and amendments), Leonardo has adopted a specific procedure regarding Transactions with Related Parties, which has been updated based on the regulatory provisions *pro tempore* in force, as well as to introduce adjustments suggested by the application practice and the experience gained, or to align its contents with the organizational structure.

The aforementioned Procedure, based on principles indicated by Consob, establishes rules aimed at ensuring transparency and substantial and procedural correctness of Related Party Transactions carried out by the Company, either directly or through subsidiaries.

Furthermore, it also determines - among other things - the criteria and methods for identifying parties related to the Company, as well as the quantitative criteria for identifying transactions of greater or lesser "significance" or "of negligible amount"; it defines the procedures for instruction and approval of transactions; it establishes the methods for fulfilling the disclosure obligations connected with the

discipline. The Procedure also identifies the types of transactions that benefit from the exemption, provided by the Consob Regulation, from the application of the procedural provisions, notwithstanding what is provided for on the regulatory level in terms of disclosure obligations.

In this context, the Board of Directors of Leonardo S.p.a. has assigned the Control and Risk Committee the task of also operating as a Committee for Transactions with Related Parties.

- Privacy

Leonardo is committed to implementing policies for the protection of the personal data of its employees, customers, suppliers, shareholders, stakeholders, partners as well as people it comes into contact with in various ways.

For this purpose, in line with the applicable regulatory framework (for example, Regulation (EU) 2016/679 - General Data Protection Regulation hereinafter "GDPR"), Leonardo has adopted a Privacy Organizational Model in which it defines the reference principles, general rules, roles and responsibilities of the subjects involved in Privacy management activities, as well as a specific *Privacy Policy* with the aim of defining the general principles, rules and operational methods in relation to the processing of personal data carried out in the activities carried out by Leonardo.

Leonardo's Privacy Model is inspired by the principles of "*accountability*", or "*responsibilization*", according to which Companies holding personal data must equip themselves with a set of internal rules aimed at ensuring that all business activities are carried out with respect for the privacy of the individuals concerned.

- The Integrated Environment, Health and Safety Management System

Leonardo promotes the adoption and implementation of an "Integrated Environment, Health and Safety Management System" at its sites/factories/offices, as a corporate tool to ensure the control of issues related to health and safety at work and environmental protection (hereinafter "HSE"), to achieve HSE objectives and to mitigate associated risks.

In particular, this Management System is developed according to a permanent cycle of succession of phases that follows the following scheme:

- adoption of the Integrated Policy that contains the general guidelines and principles on environment, health and safety, in compliance with applicable laws and other subscribed requirements;
- identification of hazards and assessment of HSE risks associated with work activities also through the elaboration of the Risk Assessment Document (DVR) pursuant to Legislative Decree 81/2008;
- planning and execution of activities related to the management of aspects in environmental and health and safety matters, identifying objectives, methods and responsibilities;
- implementation and operation of the Management System with adequate procedures;

- systematic monitoring of activities and scheduled inspection checks (audits);
- periodic review of the Management System by the Management, with possible revision of the System;
- restart of activities with the planning of the necessary actions to ensure the achievement of HSE objectives.

The Company, in its Operational Units, Business Units (*Automation, Space Business*) and relevant Divisions, establishes, documents, implements, certifies according to current international standards (see UNI EN ISO 14001 and UNI EN ISO 45001) and constantly updates, with the aim of continuous improvement, its own Integrated Environment, Health and Safety Management System.

To each Company function that manages HSE issues, the tasks of verification and monitoring for the correct application of health and safety regulations at work and for environmental aspects are assigned primarily, as well as the task of contributing to the adoption of prevention, control and monitoring tools with respect to HSE risks and to take care of their continuous improvement through periodic review.

In the framework of continuous improvement, a uniform methodological approach and to promote the circulation of experiences, while respecting the autonomy and legal prerogatives of each Employer/Environmental Manager, an alignment and comparison action is carried out between the HSE Functions of the different Operational Units, Business Units and Divisions involved, through the coordination of the HSE Function of *Corporate Center*.

Furthermore, the Company may consider entrusting to third parties, with a specific service contract, certain activities with the aim of maintaining the operation and pursuing the continuous improvement of the Integrated Health, Safety and Environment Management System.

It is also specified that, in relation to negligent crimes in the field of health and safety at work contemplated by art. 25-*septies* of the Decree, art. 30 of Legislative Decree 9 April 2008 no. 81 (Consolidated Law on health and safety at work) establishes that Model 231, in order to be suitable for having exonerating effectiveness, must consist of peculiar components, adopted and effectively implemented, ensuring that the Company system provides specific procedures and internal provisions capable of guaranteeing compliance with all legal obligations dictated by the same Consolidated Law on health and safety at work.

Furthermore, pursuant to paragraph 5 of article 30 of Legislative Decree 231/01, Model 231 is presumed to comply with the requirements of the aforementioned article for the corresponding parts, if the Company adopts a Management System in the field of health and safety at work in line with ISO 45001 (ex OHSAS 18001:2007) regulations.

2.3 LEONARDO'S MODEL 231 AND ITS STRUCTURE

The Model consists of a General Part and a Special Part.

The General Part includes a brief description: of the regulatory framework of the Decree; of the structure and *governance* of the Company and its Internal Control and Risk Management System; of the purposes, recipients and fundamental elements of this Model; of the rules regarding the constitution of the Supervisory Body; of the sanctions applicable in case of violation of the rules and prescriptions contained in the Model; of the personnel training and the dissemination of the Model; of the methods of adopting the Models by the Group Companies; of the rules governing the methods of updating the Model.

The Special Part, however, for each "crime risk area", represents:

- the sensitive activities identified;
- the families of crime and the relevant types of crime considered significant;
- the potential methods of committing the aforementioned crimes;
- the principles of preventive control to monitor the risks.

Furthermore, the aforementioned Special Part includes a paragraph dedicated to crimes identified as "widespread risk", as well as a specific paragraph in which the general and specific behavioral principles are illustrated (see paragraph 2.6 for more details).

Finally, the following documents are an integral part of Model 231:

- Annex 1 "The Legislative Decree 231/01 and the predicate crimes";
- Annex 2 "Table of recognition of risk areas and crime families";
- Annex 3 "Map of crime risk areas".

2.3.1 THE COMPONENTS OF THE MODEL

The Model is divided into:

- an **internal regulatory system**, aimed at preventing predicate crimes, which among other things includes:
 - the Charter of Values, which expresses the guiding principles of Leonardo's way of doing business, based on the commitment to operate, anywhere in the world and at any level, according to strong and shared ethical values;
 - the Anti-Corruption Code of the Leonardo Group, which expresses the rules for preventing and combating corruption;
 - the Ethical Code, which expresses the ethical commitments and responsibilities in conducting business and corporate activities assumed by all those who operate on behalf of or in the interest of Leonardo;
 - the Guidelines for Managing Reports;
 - internal procedural rules (known as "*protocols*")²⁸ aimed also at regulating the operational methods in the crime risk areas, which constitute the rules to be followed in carrying out business activities, providing for the controls

²⁸ The protocols are published and available to all employees of the Company in LEONARDO'S HUB (<https://hub.leonardo.com>).

to be carried out in order to ensure the correctness, effectiveness and efficiency of the same²⁹;

- a **management control system and a financial flow control system** in risk activities.

The management control system adopted by Leonardo is structured in the various stages of processing the *budget* annually, analysis of periodic final accounts and development of forecasts.

The system guarantees:

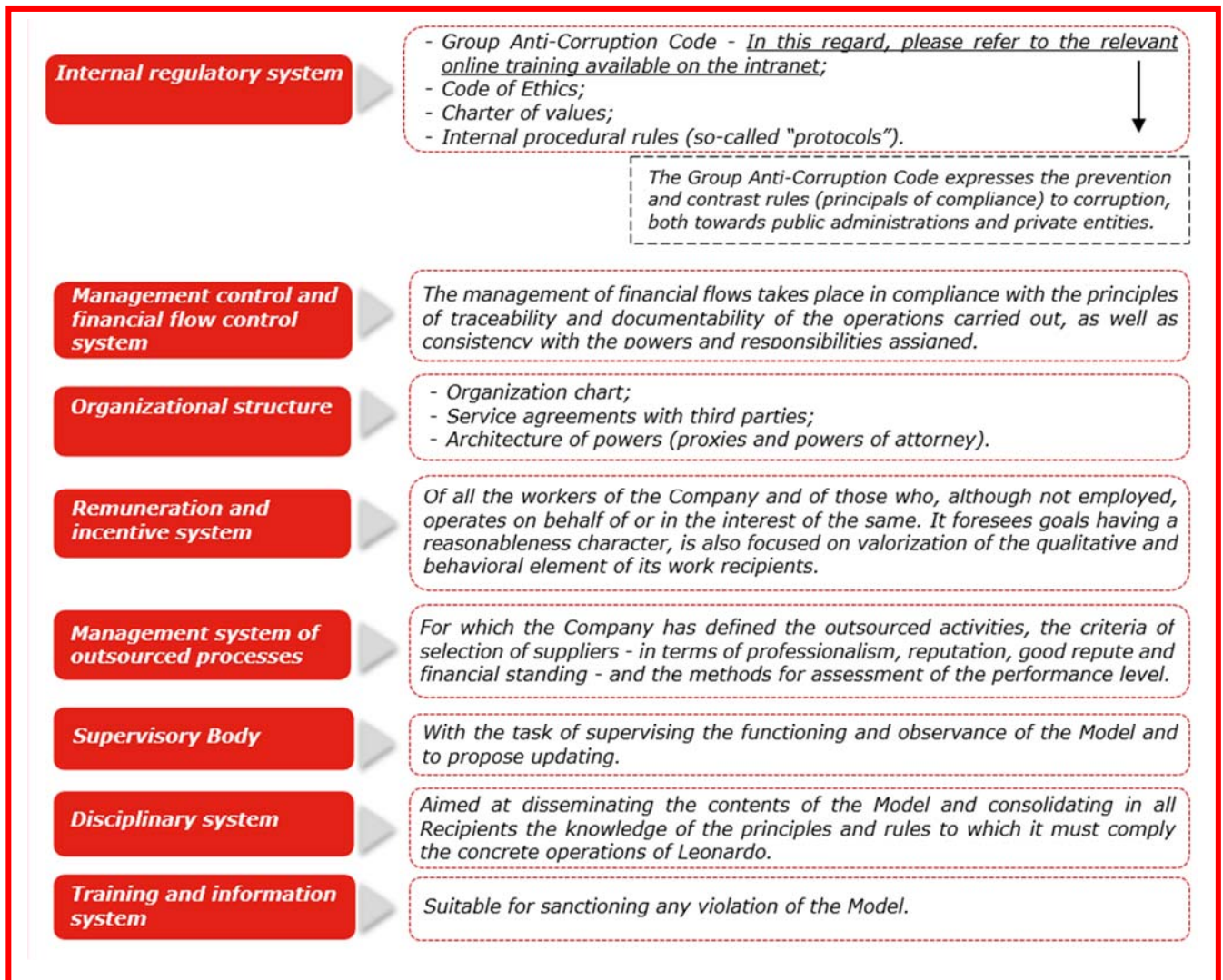
- the plurality of subjects involved, in terms of adequate segregation of functions for the processing and transmission of information, so as to ensure that all disbursements are requested, authorized, carried out and controlled by independent functions or as distinct as possible subjects, to whom, furthermore, no other responsibilities that could lead to conflicts of interest are assigned. A double signature is also required for the use of liquidity for amounts exceeding predetermined thresholds;
 - the preservation of assets, with the related prohibition of carrying out risky financial operations;
 - the ability to provide timely reports of the existence and emergence of critical situations through an adequate and timely system of information flows and *reporting*;
- an **organizational structure** consistent with the Company's activities, aimed at ensuring the correctness of behaviors, as well as ensuring a clear and organic assignment of tasks and an appropriate segregation of functions, through:
 - *organizational charts* defined through Service Orders and Organizational Communications, which indicate the responsibilities assigned, the areas of activity, the connection between the different organizational units, the lines of hierarchical and functional dependence, and which reflect the actual operation of the functions indicated;
 - a system of *powers*. In particular, the Company assigns:
 - *permanent representation powers*, through registered notarial proxies, in relation to the performance of activities related to the permanent responsibilities provided for in the corporate organization;
 - *powers relating to individual operations*, conferred with proxies, in accordance with the laws that define the forms of representation and with the types of individual acts to be stipulated, as well as considering the different needs of opposability to third parties.

The Company ensures constant updating and consistency between the system of powers and the defined organizational and managerial responsibilities, on occasions such as, for example, the revision of the Company's macro-organizational structure (for example, the establishment of first-level organizational units), significant changes in responsibilities and

²⁹ Leonardo, moreover, has defined responsibilities, methods and timing of the process of elaborating, updating, and approving internal procedural rules.

rotations in key positions within the structure, the departure from the organization of individuals endowed with Company powers or the entry of individuals who require company powers;

- a **remuneration and incentive system**, which applies to all the Company's workers and those who, despite not being employees, operate on behalf or in the interest of the same. This system sets goals that are reasonably characterised and is also focused on enhancing the qualitative and behavioural element of its recipients' actions;
- an **outsourced processes management system**: the Company has defined the outsourced activities, the criteria for selecting suppliers - based on professionalism, reputation, honourability, and financial capacity - and the methods for evaluating their performance;
- a **Supervisory Body** - equipped with the requirements of autonomy, independence, continuity of action and professionalism - with the task of overseeing the operation and compliance with the Model and proposing its update, by granting, for this purpose, powers, means and access to the necessary information for the performance of the activity;
- a **training and information system** aimed at disseminating the contents and principles of the Model to all Recipients;
- a specific **disciplinary system** to sanction violations of the Model.



Components of the Leonardo Model

2.4 AIMS OF THE MODEL

The Model aims to:

- integrate and strengthen the corporate governance system, which oversees the management and control of the Company;
- define a comprehensive system for the prevention of the risk of committing predicate offenses;
- inform the Recipients of the existence of the Model and the need to comply with it;
- train all Recipients of the Model, reiterating that Leonardo does not tolerate illegal behaviours, regardless of the pursued purpose or the mistaken belief of acting in the interest or benefit of the Company, as such behaviours are nonetheless contrary to the ethical principles and values that inspire Leonardo and thus in conflict with its interest;
- raise awareness and make all those who operate in the name, on behalf of or in the interest of Leonardo, aware that the commission of a predicate offense -

even merely in terms of an attempt - in the mistaken interest or benefit of the Company, leads to the application of not only criminal penalties against the agent, but also administrative penalties against the Company, exposing it to financial, operational, image and reputational repercussions;

- inform all those who operate in the name, on behalf of or in the interest of the Company, that the violation of the provisions contained in the Model will result, regardless of the possible commission of criminal acts, in the application of penalties.

2.5 THE PROCESS OF PREPARATION AND UPDATE OF THE MODEL

Leonardo guarantees the constant implementation and updating of the Model, according to the methodology indicated by the Confindustria Guidelines and the *best practice* references.

On November 12, 2003, the Board of Directors of the Company (formerly Finmeccanica S.p.a.) approved the Model of Organization, Management and Control under the Decree, updating it constantly with subsequent resolutions³⁰, in order to take into account the regulatory integrations that have occurred, the *case history*, as well as organizational changes and processes of the Company.

Risk areas related to the management of intra-group relationships between Leonardo and its subsidiaries were also considered.

In particular, with the support of the Supervisory Body, Leonardo periodically identifies and verifies the areas exposed to the risk of committing the crimes provided for by the Decree (so-called "*risk assessment*"), through the analysis of the business context as well as the enhancement of past business experiences (so-called "*historical analysis*" or "*case history*"). In this regard, in accordance with the Confindustria Guidelines, in the *risk assessment* activity, the critical issues that have emerged in the past in the operations of Leonardo and of the Group's Companies were taken into account.

In the activity of *risk assessment* an analysis of risk is also integrated, carried out according to the logic of the ERM (Enterprise Risk Management) process, which involves an evaluation of the exposure to the risk of crime and the effectiveness of the expected control measures for each risk area, in order to identify the appropriate response strategy to the risk of crime and the related monitoring activity. The activity of *risk assessment* is also carried out through interviews with the key functions of the Company (representatives of the Company's top management, Business Units, administrative, technical and support functions), within which a self-assessment of risks and the internal control system is formalized. The involvement of the Company's top figures in updating the Model denotes the attention and importance that it recognizes to the themes of legality, correctness, ethics and integrity, as well as the value of their increasingly ingrained sharing within Leonardo. The result of this activity is represented within the Special

³⁰ Resolutions of 26 July 2007, 25 June 2009, 16 December 2010, 31 July 2012, 15 April 2013, 30 July 2015, 17 December 2015, 8 November 2018, 18 December 2019, 17 December 2020 and 13 December 2022.

Part of the Model, in which the risk areas are reported with an indication of the potentially relevant type of crimes , as well as the related methods of commission reported, for illustrative and non-exhaustive purposes. Furthermore, in relation to each crime risk area, has been indicated the "instrumental" or "direct" nature of the crime categories of specific interest for the crime risk area.

With reference to all risk areas, indirect relationships have also been considered, that is, those that Leonardo maintains, or could maintain, through third parties. It is necessary to specify that the risk profiles related to Leonardo's activities are also evaluated considering the cases in which Company representatives cooperate with subjects external to the Company (so-called complicity of people), and when they establish with these subjects a potentially stable organization aimed at committing an indeterminate series of illicit activities (associative crimes). Furthermore, the analysis also considered the possibility that the offenses considered could be committed abroad, or in a transnational manner.

In summary, based on possible crime risks, the Company:

- analyzes the existing preventive control system in risk processes/activities (organizational system, authorization system, management control system, document monitoring and control system, procedures, etc.) in order to assess its effectiveness in mitigating crime risk (so-called "*as-is analysis*");
- identifies areas of integration and/or strengthening in the control system (so-called "*gap analysis*");
- defines the related corrective actions to be undertaken (so-called implementation plan);
- ensures the constant implementation of behavioral principles and procedural rules set by the Model and checks the concrete suitability and operability of control instruments, continuously monitoring the actual observance of the Model.

2.6 THE CONTROL MEASURES FOR THE PURPOSES OF D.LGS. 231/01

The Company aims to implement an effective system of preventive controls that cannot be bypassed unless fraudulently, also for the purpose of excluding the administrative responsibility of the Entity.

These control measures are divided into three levels:

- **general principles of control**, which the internal control system and risk prevention must comply with:
 - **segregation of duties** between those who authorize, execute and check operations, so that no one has unlimited powers and is not subject to the verification of other parties;
 - **formalized internal procedures** ("*protocols*") for the regulation of activities, responsibilities and controls;
 - **formalized delegations and powers of attorney**;

- **traceability**, since the parties, the organizational units involved and/or the information systems used must ensure the identification and reconstruction of the sources, the information elements and the controls carried out that support the formation and implementation of the Company's decisions and the methods of managing financial resources;
- **behavioral principles** aimed at standardizing the methods of formation and implementation of decisions, as well as reducing the risk of committing the crimes provided for by Decree 231/01 (refer to the Special Part for details). In particular, these principles - related to the risk areas identified - are divided into:
 - **general behavioral principles**, expressed in the form of "**prohibitions**", aimed at avoiding the possibility of engaging in behaviors that can constitute the types of crime considered relevant under Legislative Decree 231/01;
 - **specific behavioral principles**, expressed in the form of "**obligations**", aimed at guiding the behavior of the Recipients of the Model;
- **preventive control principles** aimed at preventing the commission of crimes in each of the risk areas mapped and reported in the Special Part of the Model.

2.7 THE MOST RELEVANT CRIMES

In light of the specific operations of Leonardo, there have been identified as **most relevant** – and therefore subject of specific study in the Special Part of the Model – the crimes indicated in arts. 24 and 25³¹ (crimes against property and against Public Administration), 24-*bis* (computer crimes), 24-*ter* (crimes of organized crime, also considering international crime under L. 146/06), 25-*bis.1* (crimes against industry and trade), 25-*ter* (corporate crimes), 25-*quater* (crimes with the purpose of terrorism or subversion of the democratic order), 25-*quinquies* (crimes against individual personality, limited to the case referred to in art. 603-*bis* of the Penal Code "*Illegal intermediation and exploitation of labor*"), 25-*sexies* (market abuses), 25-*septies* (manslaughter or serious or very serious injuries, committed with violation of the norms on the protection of health and safety at work), 25-*octies* (crimes of receiving, money laundering and use of money, goods or benefits of illegal origin and self-laundering), 25-*octies.1* (crimes related to non-cash payment instruments and fraudulent transfer of valuables), 25-*novies* (crimes in violation of copyright law), 25-*decies* (inducing not to make declarations or to make

³¹ In relation to the so-called "proprietary" crimes, that is, those that can be committed by a Public Official or a Public Service Agent and not punishable under art. 321 of the Italian Penal Code, at the outcome of the *risk assessment* activity, the Company has deemed that there is no risk of committing such crimes given that the Board of Directors and the Leonardo's staff do not hold a public qualification. In any case, the risk analysis has confirmed that the general principles of behavior and control contained in the Special Part are suitable to supervise the correct management of all relations with the Public Administration, also with reference to the abstract hypothesis of the so-called competition of the *extraneous* in the specific crime of the Public Official or the Public Service Officer.

false declarations to the Judicial Authority), 25-*undecies* (environmental crimes), 25-*quingiesdecies* (tax crimes), 25-*sexiesdecies* (smuggling), 25-*septiesdecies* (crimes against cultural heritage) and 25-*duodecies* (laundering of cultural goods and devastation and pillage of cultural and landscape goods) of the Decree. For such crime categories, the general control principles described in the General Part, as well as the behavioral principles (general and specific) and of preventive control described in the Group's Anticorruption Code Leonardo, in the Ethical Code and in the Special Part.

Regarding the crimes of corruption against the Public Administration and towards private individuals, in order to strengthen the general principles of behavior and the control measures adopted in risk areas, as already mentioned above, the Company has also obtained certification according to the ISO 37001:2016 standard "*Anti-bribery management system*".

As for the crimes referred to in articles 25-*bis* (counterfeiting money, public credit cards, stamp values and recognition instruments or signs) and 25-*duodecies* (employment of citizens from third countries whose stay is irregular), the outcome of the *risk assessment* activities led to considering **of lesser relevance** the concrete possibility of committing such crimes, by virtue of the activities carried out by the Company and the checks that the competent Company structures put in place. In any case, in relation to these types of crimes, the general control principles described in the General Part, as well as the behavioral principles (general and specific) described in the Special Part, in relation to the areas at risk of crime deemed of interest, and in the Code of Ethics apply.

As for the association between the crime risk areas and the crimes categories identified above, refer to Annex 2.

2.7.1 NON-SIGNIFICANT CRIMES

Concerning the crimes referred to in articles 25-*quater.1* (practices of female genital mutilation), 25-*terdecies* (racism and xenophobia), 25-*quaterdecies* (fraud in sports competitions, unauthorized exercise of betting or gambling and gambling games played using prohibited devices) the outcome of the *risk assessment* activities carried out has led to the belief that their commission can be estimated as **non-significant** in relation to the scope of the Company's activities. In any case, the risk associated with them is adequately overseen in light of the general control principles described in the General Part, as well as the behavioral principles described in the Code of Ethics.

With specific reference to Art. 25-*terdecies* (racism and xenophobia), the risk associated with it appears adequately guarded in light of what is outlined in Art. 3 of the Code of Ethics and also of the general control principles described in the General Section of the Model.

2.8 ADOPTION AND MANAGEMENT OF THE MODEL IN THE GROUP

Leonardo considers compliance with laws, sector regulations and the principles expressed in the Anti-Corruption Code of the Leonardo Group and in the Code of

Ethics, an essential condition for maintaining and improving the corporate value over time.

Leonardo, in exercising the management and coordination activities assigned to it by art. 2497 c.c. and respecting the organizational, managerial, and operational autonomy of the Group Companies, requires the adoption and implementation of Models by the directly or indirectly controlled Companies, subject to Italian law, taking into account the specific risk profiles associated with the actual operation of each of them, in pursuing the following objectives:

- to ensure the correctness of behaviors, in compliance with laws, sector regulations, and principles expressed in the Anti-Corruption Code of the Leonardo Group and in the Ethical Code adopted by the Company;
- to make everyone who operates in the context of the Group aware that any illegal behaviors can result in the application of criminal and administrative penalties, with serious damage to the assets, operations and image not only of the potentially affected Company, but also of Leonardo and the other Group Companies.

For Group Companies not under Italian law, however, Leonardo requires the adoption, implementation, and updating of *compliance programs* consistent with the regulations applicable to them and with the ethical principles expressed in the Anti-Corruption Code of the Leonardo Group and in the Ethical Code adopted by the Company.

All Group Companies are required to respect the rules and principles contained in the Group's Charter of Values, in their respective Ethical Codes, in the Group's Anti-Corruption Code, in the Whistleblowing Management Guidelines, in the Directives, in their own procedures and in other Company documents, as well as in applicable national, international and local regulations.

3. THE SUPERVISORY BODY

3.1 THE COMPOSITION AND REQUIREMENTS OF THE SUPERVISORY BODY

Art. 6, paragraph 1, of the Decree provides that the function of supervising and updating the Model is entrusted to a Supervisory Body internal to the Entity, which, endowed with autonomous powers of initiative and control, continuously carries out the tasks assigned to it.

The Supervisory Body of Leonardo is a joint collegiate body, composed of a minimum of three to a maximum of seven members, all external to the Company, except for the Head *pro tempore* of the Organizational Unit *Group Internal Audit*, who is a de facto member of the Body.

The external members of the Body are identified among academics and professionals with proven competence and experience in the relevant subjects; in particular, they must have acquired adequate and proven experience in the application of the Decree.

The Body is appointed by the Board of Directors of Leonardo, which also identifies the President of the Supervisory Body, choosing him among one of the external members, and determines the remuneration of its components.

The appointment, tasks, activities and operation of the Supervisory Body, as well as the duration in office, revocation, replacement and requirements of its members, are governed by a specific Statute, approved by the Board of Directors of the Company.

Furthermore, the Body has its own powers of initiative and control and has adopted a specific Regulation, a reflection of its operational and organisational autonomy, aimed at regulating, in particular, the functioning of its activities.

In accordance with the Decree and the Confindustria Guidelines, Leonardo's OdV possesses the requirements of:

- a) autonomy and independence;
- b) professionalism;
- c) honourability;
- d) continuity of action.

a) Autonomy and independence

The OdV enjoys autonomy and independence from the corporate bodies towards which it exercises its control activity.

It is not involved in any way in management activities, nor is it in a position of hierarchical dependence.

In order to preserve the independence of the OdV, the Statute provides that the Body remains in office for a duration of three years. Each external member of the OdV can be re-elected only once, however, where the external member has been appointed during the triennium, his mandate less than three years will not be counted for the purpose of his re-election for only once. In any case, at the end of the mandate each member of the Body remains in office until his replacement.

As a further guarantee of its independence, the Supervisory Body informs the Board of Directors and the Board of Auditors about the activities carried out, on a semi-annual basis. In any case, the Body promptly reports any event of particular importance.

The activities undertaken by the Supervisory Body cannot be audited by any function, organism, or Company structure, except for the power-duty of the directing body to supervise the adequacy of the intervention carried out by the Body in order to ensure the updating and implementation of the Model.

The Supervisory Body, in carrying out its functions, has adequate financial means to ensure its full autonomy and independent operation.

b) Professionalism

The members of the Supervisory Body possess specific technical-professional skills adequate for the functions that the Body is called to perform, being also able to rely on the technical support of subjects internal or external to the Company.

c) Honorability

The members of the Supervisory Body must not be in conditions of interdiction, incapacitation or bankruptcy, and there must not exist convictions for certain crimes.

This requirement must be understood in the terms of the following paragraph 3.2.

d) Continuity of action

The Supervisory Body operates within the Company, continuously exercising control powers and meeting, typically at least once a month, for the performance of the assignment given to it.

In order to ensure the monitoring of sensitive business processes in accordance with the Decree, the OdV also relies on the information flows towards it and the hearings with the Heads of potentially crime-risk areas. In carrying out its verification activities, the OdV is constantly supported by the Organizational Unit *Group Internal Audit*, to which the related Technical Secretariat is also entrusted.

3.2 THE CAUSES OF INELIGIBILITY, FORFEITURE AND REVOCATION OF THE MANDATE TO THE MEMBERS OF THE SUPERVISORY BODY

Each member of the OdV must possess the following requirements of honorability:

1. not being a subject declared interdicted, incapacitated, bankrupt, or sentenced to a penalty that involves the disqualification, even temporary, from public offices or the inability to exercise directorial offices;
2. not being subject to preventive measures ordered by the Judicial Authority;
3. not having been convicted, even with a non-final sentence, and not having negotiated the penalty under articles 444 ss. c.p.p., in relation to crimes provided for by Legislative Decree 231/01 or crimes of the same nature (tax crimes, bankruptcy crimes, crimes against property, crimes against public faith, etc.);
4. not having been convicted, with a sentence also not final, in administrative proceedings for one of the offenses provided for by articles 187 bis and 187 ter of Legislative Decree 58/2008 (T.U.F.);
5. not being investigated for crimes of association for the purpose of terrorism, even international, or subversion of the democratic order, mafia-type association or other criminal associations, however locally named, that pursue

purposes or act with methods corresponding to those of mafia-type associations;

6. not having been convicted, even with a non-final sentence to imprisonment for a period of not less than two years for any non-culpable crime, except for the effects of rehabilitation.

The external members of the Supervisory Body must also possess the following independence requirements:

1. they must not have marital, kinship or affinity relationships up to the fourth degree with Directors, Statutory Auditors or Managers of Leonardo (or Companies of the Group);
2. they must not be in situations that could lead to conflicts of interest, even potential, with Leonardo (or with other Companies of the same Group). For example, they must not have economic relationships or professional assignments with Leonardo (or with another Company of the Group) that could compromise their independence;
3. they must not hold the position of Board Member of Leonardo or another Company of the Group;
4. they must not hold, directly or indirectly, shareholdings in Leonardo (or in another Company of the Group) that could compromise their independence.

In order to guarantee the requirements of integrity and independence, the external members of the Body, at the time of appointment, and in any case no later than 10 days after the same, must issue a specific declaration, under penalty of forfeiture. In the context of the same declaration, the members of the Supervisory Body undertake to promptly communicate any possible loss of the expected requirements of independence and integrity, as well as, more generally, any subsequent circumstance that makes them incompatible with the performance of the assignment.

It constitutes a possible just cause for suspension and subsequent revocation from office:

1. the loss of even one of the requirements of honorability, autonomy and independence specified above (whose occurrence must be promptly communicated to the Board of Directors and to the Supervisory Body by the members themselves);
2. the unjustified violation of the obligation to participate in at least 80% (eighty percent) of the meetings of the Supervisory Body;
3. for the sole internal member *pro tempore*, the loss of the role;
4. the failure or negligent performance of the tasks assigned to the Supervisory Body, as well as the violation of the provisions of the Anti-Corruption Code of the Group, the Ethical Code (with particular reference to chapter 13) and the Leonardo Model.

It is understood that the revocation of the mandate granted to one or more members of the Body can only occur for "just cause", i.e. when one of the above-

mentioned conditions occurs, by resolution of the Board of Directors, having heard the Board of Auditors and the other members of the Body.

Should the revocation from office be ordered against all the members of the Supervisory Body, the Board of Directors of Leonardo, having heard the Board of Auditors, will promptly appoint a new Body. Pending the appointment of the new Supervisory Body, the functions and tasks assigned to it are temporarily exercised by the Board of Auditors, pursuant to art. 6, paragraph 4 *bis*, of the Decree.

3.3 THE FUNCTIONS AND POWERS OF THE SUPERVISORY BODY

The Supervisory Body of Leonardo verifies and monitors the adequacy and effective compliance with the Model and its updating.

More specifically, it is the task of the Supervisory Body:

- to verify, based on the annually approved Activity Plan, the adequacy and effectiveness of the Model in relation to the Company structure and the actual ability to prevent the commission of the crimes referred to in the Decree, proposing - where deemed necessary - any updates of the Model, with particular reference to the evolution and changes of the organisational structure, Company operations and/or current legislation, as well as in case of violations of the Model's prescriptions;
- to monitor, based on the approved Activity Plan, the validity over time of the Model and procedures ("protocols"), promoting, also after consultation with the interested Company structures, all necessary actions to ensure its effectiveness;
- to carry out, based on the approved Activity Plan, or also through unprogrammed and surprise checks, controls at the Company structures considered at risk of potential predicate crime, to ascertain whether the activity is carried out in accordance with the adopted Model;
- to verify the implementation and the actual functionality of the proposed solutions, through an activity of *follow-up*;
- to carry out, through a specific programming of interventions, a verification of the acts carried out by the subjects equipped with signing powers;
- to periodically verify - with the support of the other competent functions - the system of powers in force, recommending changes in the event that the management power and/or the qualification does not correspond to the powers of representation conferred on the internal manager or the sub-managers;
- to define and take care of, in implementation of the Model, the information flow that allows the Supervisory Body to be constantly updated, by the interested Company structures, on the activities evaluated at risk of crime, as well as to establish - where deemed necessary - additional communication / reporting methods, in order to acquire knowledge of any violations of the Model;

- to monitor the actual application of the Model and detect behavioural deviations that may eventually emerge from the analysis of information flows and the reports received;
- to implement, in accordance with the Model, a suitable information flow towards the competent corporate bodies regarding the effectiveness and compliance with the Model;
- to promptly communicate to the Board of Directors any infringements of the provisions - regulatory and procedural - that may lead to crimes referred to in the Decree;
- to promote, through the Organizational Unit *People & Organization* , the information and training activities of the staff through suitable initiatives for the dissemination of knowledge and understanding of the Model, monitoring its implementation;
- Monitor that the internal managers of the risk areas are instructed on the tasks and duties related to the control of the area for the purposes of preventing the commission of the crimes referred to in the Decree;
- communicate any violations of the Model to the competent bodies, for the adoption of any punitive measures, monitoring the outcome of the disciplinary procedures initiated.

For the performance of the above duties, the following powers are attributed to the Body:

- access to every document and/or Company information relevant to the performance of its functions;
- use external consultants of proven professionalism in cases where this becomes necessary for carrying out its activity;
- demand that the Heads of the Company structures promptly provide the information, data and/or news requested by them;
- proceed, if necessary, to the direct hearing of employees, Administrators and members of the Company's Board of Statutory Auditors;
- request information from external consultants, agents, *partners* financial and commercial, service providers, as well as auditors, within the activities carried out on behalf of the Company.

In order to better and more effectively carry out the tasks and functions assigned, the Organization may rely on the Operational Unit *Group Internal Audit* for the performance of its operational activities, as well as various Company structures that, from time to time, may prove useful in carrying out the indicated activities.

The Organization also has the ability to delegate one or more specific tasks to individual members of the same, based on their respective skills, with the obligation to report on this to the Organization. In any case, even with respect to functions delegated by the Organization to individual members, the collective responsibility of the Organization itself remains.

3.4 THE SUPERVISORY BODY'S INFORMATION TO THE COMPANY BODIES

The Supervisory Body of Leonardo, within the tasks assigned to it, informs the competent corporate bodies so that they can adopt the consequent resolutions and actions necessary to ensure the effective and constant adequacy and concrete implementation of the Model.

In particular, the Supervisory Body ensures to provide a semi-annual report to the Board of Directors and the Board of Auditors, which includes:

- the activities carried out, with particular reference to the verification on sensitive processes under the Decree;
- the critical issues that have emerged both in terms of behaviors or events within the Company, and in terms of the effectiveness of the Model;
- an analysis of any reports received through the Operational Unit GIA - *Management Audit & Whistleblowing* (Office Manager) and the relative actions undertaken by the Organization and other interested parties, in accordance with the Whistleblowing Management Guidelines approved by the Company's Board of Directors on March 18, 2015 and subsequent amendments;
- the proposals for revision and updating of the Model;
- information on its annual activity plan.

Furthermore, the Body promptly reports (i.e. informative flows *ad hoc*) to the Chief Executive Officer and General Manager (and through him informs the Board of Directors) and to the Board of Statutory Auditors on:

- any violation of the Model that has been ascertained within the Whistleblowing Management System (see § 3.6);
- identified organisational or procedural deficiencies suitable to determine the concrete danger of committing crimes relevant for the purposes of the Decree;
- lack of cooperation on the part of the Company structures;
- existence of criminal proceedings against subjects operating on behalf of the Company, or proceedings against Leonardo in relation to crimes relevant under the Decree;
- any other information considered useful for the adoption of urgent determinations.

The Body, furthermore, must report without delay to the:

- Board of Directors, any violations of the Model carried out by the Chief Executive Officer, Company executives or members of the Board of Statutory Auditors;
- Board of Statutory Auditors, any violations of the Model carried out by the auditing Company or members of the Board of Directors, so that they can take the measures provided for by law in this regard.

3.5 THE INFORMATION FLOWS TO THE SUPERVISORY BODY

Art. 6, paragraph 2, letter d), of the Decree imposes the provision in the Model of information obligations towards the Supervisory Body responsible for supervising the functioning and observance of the Model itself.

The forecasting of information flows is necessary to ensure the effective and efficient monitoring activity of the Supervisory Body.

All Recipients of the Model must inform the Body of all acts, behaviors or events they become aware of and that could lead to a violation of the 231 Model or that, more generally, could potentially be relevant for the purposes of the Decree.

As provided by the Confindustria Guidelines and the best application practices, the information flows towards the Supervisory Body are divided into:

- **information flows *ad hoc***;
- **periodic reporting**.

3.5.1 THE AD HOC REPORTS

The ad hoc information flows addressed to the Supervisory Body by the Company representatives or third parties relate to current or potential critical issues and may consist, by way of example, in:

- measures notified by the Judicial Authority to the Company or its Administrators, managers or employees, from which it is evident the conduct of investigations carried out by the same Authority for administrative offenses referred to in D.Lgs. 231/01 or for the related predicate offenses;
- evidence of disciplinary proceedings carried out for violations of the Model, the related outcomes and reasons and any penalties imposed;
- reports from which elements with critical profiles may emerge with respect to compliance with the Decree;
- the possible existence of conflict of interest situations between one of the Recipients and the Company;
- measures taken by the Judicial Authority or the supervisory bodies regarding the matter of safety and health at work, from which violations of such rules emerge;
- measures taken by the Judicial Authority or the supervisory bodies on environmental matters, from which violations of such rules emerge;
- commission of crimes or the carrying out of acts suitable for the realization of the same;
- commission of administrative offenses dependent on crime ex D.Lgs. 231/01;
- behaviors not in line with the rules of conduct provided by the Model and the related protocols (procedures and/or other internal regulations);
- changes, or identified deficiencies, in the Company or organizational structure;

- changes, or identified deficiencies, in procedures;
- operations that present risk profiles for the commission of crimes.

The Body may also ask the audit firm for information relating to the activities it carries out, useful for the implementation of the Model and provide for an exchange of information and periodic meetings with the Board of Auditors and the audit firm.

Within the scope of reports relating to the perimeter attributable to the Company, the Supervisory Body evaluates the reports received, *including* those anonymously and, based on the results of the preliminary investigation carried out by the Report Management Office (see. § 3.6), deliberates on: i) the filing of the report (if it is unfounded, too generic and/or lacking minimum elements to be able to start any in-depth analysis) or ii) the continuation of the checks in the presence of a *hint* of credibility. Furthermore, it is the recipient i) of the outcomes of the completed checks on reports concerning the Company and ii) of the periodic Report on the Management of Reports drawn up on a semi-annual basis in accordance with the Guidelines for Report Management.

3.5.2 PERIODIC INFORMATION FLOWS

Relevant information (with the obligation to make available to the Supervisory Body the related documentation, where available) should be communicated to the Body, the following are reported by way of example concerning recurring activities:

- significant organizational and procedural changes for the purposes of the Model;
- the articulation of powers and the system of delegations adopted by the Company and any changes that occur on the same;
- the request, granting and management of public or facilitated financing;
- operations with related parties and intra-Group concluded at values different from market ones, with express indication of the relative motivations;
- any transactions made in non-cooperative countries for tax purposes (privileged taxation) indicated in the periodic Community provisions of the European Council;
- the information and training activity carried out in implementation of the Model and the participation in the same by the staff;
- any disputes resulting from inspection in safety and environmental matters by Public Bodies and/or Control Authorities (e.g. ARPA, ASL, etc.).

3.5.3 Communications to the Supervisory Body by the Heads of risk areas

The Heads of potentially crime-risk areas - whether they are Division Heads or Heads of organizational units - are internal responsible for each crime-risk operation they carry out directly or through their collaborators.

The activities carried out within each risk area are subject to specific communication to the Body, by the aforementioned Managers also through the

transmission of specific Evidence Sheets (hereinafter, the "Sheets") on a periodic (semi-annual) basis.

Furthermore, with particular reference to relations with the Public Administration and the Supervisory Authorities, periodic transmission to the OdV is envisaged, by the parties concerned, of the Traceability Sheets whose management is regulated by a specific Company Procedure, aimed at tracing relations with the P.A .

The Body verifies the Evidence Sheets, analyzes the communications received, checks the contents also on the occasion of the hearings that it periodically plans with the various managers, takes care of the archiving, without prejudice to the power of the Body itself to carry out further checks of which written evidence will be given. In addition, it acquires for information, the Traceability Sheets.

The Body takes care of the issuance and updating of standardized instructions relatively to the homogeneous and consistent compilation of the Evidence Sheets by the Managers of the risk areas. These instructions must be written and stored on paper or computer support.

3.6 THE WHISTLEBLOWING MANAGEMENT SYSTEM

Leonardo S.p.a. encourages anyone (*including* the Recipients of the Model) who becomes aware of violations (behaviors, acts or omissions) of the law, as well as violations of the Code of Ethics, the Organizational Model 231 and the Corporate Governance System, potentially harmful to the public interest or the integrity of the Company and/or the Leonardo Group to make a report via the Whistleblowing Platform.

As provided for by the Reporting Management Guidelines ("whistleblowing") updated in the light of Legislative Decree no. 24 of March 10, 2023, in addition to violations of Model 231, the subject of the report are information on violations (including founded suspicions) of national and European Union regulations that harm the public interest or the integrity of the private entity, committed within the organization of the entity with which the reporting person has one of the qualified legal relationships.

Information about violations can also include not yet committed violations that the *Whistleblower* reasonably believes could be committed based on concrete evidence. Such evidence can also include irregularities and anomalies (symptomatic indicators) that the reporter believes may lead to one of the violations provided for by the Decree.

Specifically, the reported violations can concern ³²:

³² As provided for by the Whistleblowing Management Guidelines, the reported violations may also concern: (i) administrative, accounting, civil and/or criminal offenses; (ii) offenses falling within the scope of European Union or national acts relating to the following sectors: public procurement; services, products and financial markets and prevention of money laundering and terrorist financing; product safety and compliance; transport safety; environmental protection; radioprotection and nuclear safety; food and feed safety and animal health and welfare; public health; consumer protection; privacy and personal data protection and security of networks and information systems; (iii) acts or omissions that harm the financial interests of the European Union; (iv) acts or omissions concerning the internal market.

- illegal conduct relevant under Legislative Decree 231/01;
- violations of Model 231 and other Corporate Protocols

In compliance with legal provisions on *Whistleblowing* as per Legislative Decree no. 24 of March 10, 2023, Leonardo has identified its own Internal Reporting Channel in the *Whistleblowing Platform*³³ and the managing office appointed to carry out the activities referred to in art. 5 of Legislative Decree no. 24/2023, in the U.O. *Management Audit & Whistleblowing*, operating within the U.O. *Group Internal Audit* of Leonardo S.p.a. (U.O. GIA - *Management Audit & Whistleblowing*).

The Internal Channel for the transmission of reports adopted by the Company guarantees, also through encryption tools, the confidentiality of the identity of the whistleblower, of the person/s involved and/or however mentioned in the report, as well as the content of the report and its documentation; allowing the Managing Office to communicate with the whistleblower by providing him with a receipt notice and a feedback on the follow-up that is given or intended to be given to the report.

Anyone who receives a report outside the established channel (*Whistleblowing Platform*), must transmit it (in original and with any attachments) as soon as possible, and in any case within 7 days from its receipt, to the Managing Office in accordance with the Guidelines for Managing Reports³⁴, preferably through the *Whistleblowing Platform*, respecting the criteria of maximum confidentiality, in compliance with the regulations on data protection and in ways suitable to protect the Whistleblower and the identity and honorability of the persons involved.

Reports can also be made orally by attaching an audio file or requesting a direct meeting with the Managing Office in charge of managing reports, as provided for by the Guidelines for Managing Reports.

The Leonardo Group ensures protection from any act of retaliation or discrimination, direct or indirect, towards the reporting person for reasons related, directly or indirectly, to the report. The same measure of protection also applies to the subjects referred to in art. 3 co. 5 of Legislative Decree no. 24/2023 and in par. 2.3. of the *Whistleblowing Management Guidelines*.

The reporting person, under certain conditions identified in the *Whistleblowing Management Guidelines* issued by Leonardo S.p.a., can use the external reporting channel managed by the National Anti-corruption Authority (A.N.AC.) or public disclosure.

The Company ensures:

- the utmost protection and confidentiality for the identity of the reporting person and any other information from which this identity may be inferred, directly or indirectly, ensuring discretion and confidentiality throughout the entire whistleblowing management process, from the receiving phase to the investigative and final phase. The same forms of protection are also guaranteed

³³ The [Whistleblowing Platform](https://whistleblowing.leonardo.com/) can be accessed via the following link: <https://whistleblowing.leonardo.com/>

³⁴ The office referred to in Article 4, paragraph 2, of Legislative Decree 24/23, responsible for managing the reports provided for in Art. 5, is identified in the U.O. *Management Audit & Whistleblowing*, operational within the U.O. Group Internal Audit.

in favour of the people involved and/or mentioned in the report, as well as facilitators. The provisions of the law that impose the obligation to communicate such names (e.g. requests from the Judicial Authority, etc.) are excepted,

- protection from any form of retaliation, discrimination or penalty (direct or indirect), for reasons related, directly or indirectly, to the report; the correct fulfillment of the information obligation by the Recipients, moreover, cannot lead to the application of disciplinary and/or contractual sanctions;
- protection from defamatory or slanderous reports.

Furthermore, penalties are provided for those who violate the whistleblower protection measures, for those who maliciously or grossly negligently make unfounded reports, those who violate the provisions that rule the whistleblowing management process of the Whistleblowing Management Guidelines, as well as for those who adopt measures of retaliation, discrimination or penalization against the whistleblower due to the report itself, in line with the disciplinary system described in paragraph 5.

For more information - among other things - on the methods of management, investigation and verification of reports, as well as on the protection of any involved parties, please refer to the Reporting Management Guidelines.

4. STAFF TRAINING AND DISSEMINATION OF THE MODEL WITHIN THE COMPANY AND EXTERNALLY

4.1 STAFF TRAINING

Leonardo promotes the knowledge of the Model and its updates among all employees, who are therefore required to know and implement it.

The Organizational Unit *People & Organization* manages the staff training on the contents of the Decree and on the implementation of the Model, providing evidence to the OdV.

In this context, the communication actions include:

- the inclusion of the Model, the Anti-Corruption Code of the Leonardo Group and the Ethical Code in LEONARDO'S HUB (hub.leonardo.com), in the specific section "Ethics and *Compliance*" and in the section "Who we are / Ethics and *Compliance*" of the Company's website, also in the English version;
- the provision of the Anti-Corruption Code of the Leonardo Group and the Ethical Code for all the staff in force, as well as the distribution of such documents to new hires at the time of joining the Company, with a signature certifying receipt and commitment to knowledge and compliance with the relevant prescriptions;
- an *online* course, permanently available, on the contents of the Decree, the Model, the Anti-Corruption Code of the Leonardo Group and the Ethical Code;
- updates on changes made to the Model, the Anti-Corruption Code of the Leonardo Group or the Ethical Code.

The training path is organized on the levels indicated below:

- management staff and representatives: meetings with first-level managers and "*workshops*" in class with executives;
- other staff: information at the time of hiring; training course carried out using "*e-learning*" through computer support.

Participation in training sessions, as well as the online course *online*, is mandatory; The Organizational Unit *People & Organization* monitors that the training path is enjoyed by all staff, including new hires.

The traceability of participation in training activities is implemented through the request for a signature of presence in the appropriate form and, as for activities in "*e-learning*" mode, through the certificate of use of the names of the people involved, available on the dedicated computer platform.

Any additional training sessions will be conducted in case of significant changes made to the Model, the Anti-Corruption Code of the Leonardo Group, or the Code of Ethics, where the Supervisory Body does not consider the simple dissemination of the change with the methods described above to be sufficient, given the complexity of the topic.

4.2 INFORMATION TO EXTERNAL COLLABORATORS, CONSULTANTS AND *PARTNERS*

Leonardo promotes knowledge and observance of the Model, the Anti-Corruption Code of the Leonardo Group, and the Code of Ethics also among the *partners* commercial and financial, consultants, various collaborators, and suppliers of the Company.

5. THE DISCIPLINARY SYSTEM AND MEASURES IN CASE OF NON-COMPLIANCE WITH THE MODEL PRESCRIPTIONS

5.1 GENERAL PRINCIPLES

The establishment of a disciplinary system for the violation of the prescriptions contained in the Model is an essential condition to ensure the effectiveness of the Model itself.

In this regard, indeed, articles 6, paragraph 2 letter e), and 7, paragraph 4 letter b), of the Decree, provide that the organizational and management models must introduce a disciplinary system suitable for sanctioning non-compliance with the measures indicated in them.

Moreover, penalties are foreseen against those responsible for violations, in case the ANAC (National Anti-Corruption Authority) applies administrative-monetary sanctions pursuant to art. 21, paragraph 1, of Legislative Decree no. 24 of March 10, 2023.

For the purposes of this disciplinary system and in accordance with the provisions of collective bargaining, behaviors in violation of the Model are punishable. As the latter also consists of the internal regulatory system, which is an integral part of

it, it follows that by "violation of the Model" is also meant the violation of one or more principles or rules defined by the various Company documents that make up this regulatory system (see paragraph 2.2.1).

The application of disciplinary sanctions is independent from the initiation and/or outcome of a possible criminal procedure, as the code of conduct imposed by the Model is adopted by Leonardo fully autonomously and regardless of the type of offense that violations of the Model itself may determine.

In particular, it is possible to identify, for illustrative and not exhaustive purposes, the following main types of violations:

- a) failure to comply with the Model, if it concerns violations aimed at committing one of the crimes provided for by the Decree or in any case there is the danger that the Company's responsibility is contested under the Decree;
- b) failure to comply with the Model, when it concerns violations connected, in any way, to the crime risk areas or sensitive activities indicated in the Special Part of the Model;
- c) failure to comply with the Model, when it concerns violations connected, in any way, to the crime risk areas indicated as "instrumental" in the Special Part of the Model;
- d) failure to document, preserve and control the acts provided by the protocols (procedures) in order to prevent their transparency and verifiability;
- e) omission of supervision by higher management over the behavior of their subordinates in order to verify the correct and effective application of the provisions of the Model;
- f) failure to participate in the training activity related to the content of the Model and, more generally, the Decree by the Recipients;
- g) violations and/or evasions of the control system, carried out by subtracting, destroying or altering the documentation provided by the protocols (procedures), or by preventing the control or access to information and documentation by the persons in charge, including the OdV;
- h) any form of retaliation, discrimination or in any case penalization, even indirect, against the whistleblower, the facilitators and other subjects assimilated to the whistleblower;
- i) any report that proves to be unfounded, and made maliciously or with serious negligence;
- j) violation of the protections recognized to the whistleblower and other similar subjects;
- k) violation of the information obligations towards the OdV (described in paragraph 3.5).

The identification and application of sanctions must take into account the principles of proportionality and adequacy with respect to the disputed violation. In this regard, the following circumstances are significant:

- type of the contested offense;
- specific circumstances in which the offense occurred (times and specific methods of committing the violation);
- overall behavior of the worker;
- duties of the worker;
- severity of the violation, also taking into account the subjective attitude of the agent (intentionality of the behavior or degree of negligence, recklessness or incompetence, with regard to the predictability of the event);
- extent of the damage or danger as a consequence of the violation for the Company;
- possible commission of multiple violations within the same conduct;
- possible involvement of multiple parties in the commission of the violation;
- possible recidivism of the author.

Below are the penalties divided by the type of relationship between the subject and the Company and the related disciplinary procedure.

5.2 MEASURES AGAINST DIRECTORS AND AUDITORS

In case of violation of the Model by one or more Administrators and/or Auditors of Leonardo, the Supervisory Body informs the Board of Directors and the Board of Statutory Auditors, who, according to their respective competencies, will proceed to take one of the following initiatives, taking into account the severity of the violation and in accordance with the powers provided by law and/or the Bylaws:

- statements in the minutes of meetings;
- formal warning;
- revocation of assignment/delegation;
- request for convening or convening the Meeting with, on the agenda, the adoption of appropriate measures against the subjects responsible for the violation, including the exercise of legal actions aimed at recognizing the responsibility of the Administrator and/or Auditor towards the Company and to compensate for any damages suffered and future ones.

Given that the Administrators of Leonardo are partly appointed by the Shareholders' Meeting of the Company and partly by the Minister of Economy and Finance in agreement with the Minister of Economic Development, in the event that violations of the Model are identified that could compromise the relationship of trust with the corporate representative, or there are serious reasons related to the protection of the interest and/or image of the Company, the Shareholders' Meeting will be convened to decide on the possible revocation of the mandate, or to inform the Ministries that have made the appointment for the adoption of any measures. It is finally noted that, in the event that the Company is identified as the accused entity within the framework of a procedure *ex Decree 231* and in this procedure the legal representative of the Company (or other administrator or special

attorney) is directly involved as a suspect for the crime underlying the administrative offense attributed to the entity, the appointment of the entity's defense lawyer must not be made by said legal representative. In this case, the appointment of the Company's defense lawyer must, indeed, be decided by the Board of Directors, which - with the abstention of the legal representative (or other administrator or special attorney) involved in the procedure as a suspect - delegates a specifically identified individual (inside or outside the Board) for the completion of the formalities related to the conferment of the defense mandate and the related relations with the lawyer, but rather by other subject/s, equipped with the appropriate powers.

5.3 SANCTIONS FOR EMPLOYEES

The behaviours displayed by employees (managers, pilots, executives, clerks and workers) in violation of the behavioural rules prescribed in the Model are defined as "disciplinary offenses", also relevant under the Company Disciplinary Code.

The punishable sanctions are among those provided for by the Company Disciplinary Code - in compliance with what is indicated by Article 7 of the Workers' Statute and the applicable collective source legislation.

With reference to the workers of the *branch* and representative offices, the procedure for applying the sanction takes place in compliance with applicable local regulations.

The abstract categories of non-compliance describe the punishable behaviours, for which sanctions are provided according to the principles of proportionality and adequacy, taking into account the circumstances reported in the previous paragraph 5.1.

5.3.1 SANCTIONS FOR MANAGERS AND PILOTS

In case of violation, by managers and pilots, of the provisions set out in the Model or of adopting, in carrying out their own activities, a behaviour not in accordance with the prescriptions of the Model itself, measures will be applied against the responsible parties in accordance with the provisions of the law and applicable collective bargaining.

In particular:

- where the violation of one or more prescriptions of the Model is of such gravity to damage the relationship of trust, not allowing the continuation, even temporary, of the employment relationship, the manager/pilot incurs in the provision of the dismissal without notice;
- if the violation is of lesser magnitude but still of such gravity as to irreparably damage the bond of trust, the manager/pilot incurs in the justified dismissal with notice.

5.3.2 SANCTIONS FOR WORKERS, EMPLOYEES AND EXECUTIVES

In accordance with the provisions contained in the National Collective Agreement for Workers engaged in the private metalworking industry and installation of plants, and in the Company Disciplinary Code:

- a) incurs in the provisions of verbal warning, written reprimand, fine or suspension from work and pay, according to the severity of the violation, the worker who violates the internal procedures provided by the Model or adopts, in carrying out activities in the related risk areas, a behaviour not in accordance with the prescriptions of the Model itself, having to recognize in such behaviours violations of the employee's duties identified by the CCNL prejudicial to the discipline and morale of the Company;
- b) incurs in the provision of dismissal with notice the worker who carries out, in carrying out activities in the risk areas, a significant non-compliance in violation of the prescriptions of the Model, having to recognize in such behaviours more serious violations than those identified in the previous point a);
- c) incurs in the provision of dismissal without notice the worker who adopts, in carrying out activities in risk areas, a behavior unequivocally directed towards the commission of a crime sanctioned by the Decree or implemented in violation of the Model's prescriptions, such as to determine the concrete application to the Company of measures provided by the Decree, having to identify in such conduct a very serious violation that causes the Company serious moral and/or material harm.

This document fully integrates the Company's Disciplinary Code adopted by the Company and is subject to the posting obligations under art. 7 of the Workers' Statute.

5.4 MEASURES AGAINST COLLABORATORS, AUDITORS, CONSULTANTS, *PARTNERS*, COUNTERPARTS AND OTHER EXTERNAL SUBJECTS, INCLUDING THE MEMBERS OF THE SUPERVISORY BODY

Any behaviour implemented within a contractual relationship by collaborators, auditors, consultants, *partners*, counterparts and other external subjects to the Company, including the members of the Supervisory Body, in contrast with the conduct lines indicated by the Model, can determine the suspension or automatic termination of the contractual relationship, as well as the possible proposition of the action for compensation for damages suffered, by virtue of the clauses that Leonardo envisages in every contract, elaborated with the support of the Compliance Organizational Unit.

In the event that violations are committed by outsourced workers or within the scope of contracts for works or services, sanctions will be applied to the worker, following the positive finding of violations by the same, by their own employer (supplier or contractor) and proceedings may also lead to actions against the same supplier or contractor.

The Company, in any case, may limit itself to asking, in accordance with the contractual agreements between the contractors and suppliers, for the replacement of workers who have committed the above-mentioned violations.

5.5 THE SANCTION APPLICATION PROCEDURE

The procedure for the application of sanctions resulting from the violation of the Model differs with respect to each category of Recipients as to the stages of:

- contesting the violation to the interested party;
- contradictory, or the possibility in favor of the subject to whom the violation has been contested to propose arguments in their defense;
- determination and subsequent imposition of the sanction.

The procedure always begins following the receipt, by the competent Company bodies from time to time and indicated below, of the communication in which the OdV reports the occurred violation of the Model.

5.5.1 THE SANCTIONING PROCEDURE AGAINST THE ADMINISTRATORS AND THE AUDITORS

If it finds a violation of the Model by a subject who holds the position of Administrator, who is not bound to the Company by an employment relationship, the OdV sends to the Managing Director, for subsequent forwarding to the Board of Directors and the Board of Statutory Auditors, a report containing:

- the description of the contested conduct;
- the indication of the provisions of the Model that are found to have been violated;
- the generalities of the subject responsible for the violation;
- any documents proving the violation and/or other supporting elements;
- its own proposal regarding the appropriate sanction for the specific case.

Within ten days of receiving the OdV report, the Board of Directors calls a meeting with the member indicated by the OdV, to be held within thirty days of receiving the report itself.

The invitation must:

- be made in writing;
- contain a precise indication of the contested conduct and of the Model provisions subject to violation;
- include any documents proving the violation and/or other elements in support of the contestation;
- contain the date of the meeting, with notice of the right to make any observations and/or deductions, both written and verbal. The invitation must be signed by the President or by at least two members of the Board of Directors.

During the Board of Directors meeting, to which the members of the OdV are also invited, the hearing of the interested party is arranged, any deductions made by the latter are acquired, and any further checks deemed appropriate are carried out.

The Board of Directors, based on the information gathered, determines the applicable sanction, justifying any disagreement with the proposal made by the OdV.

The Board of Directors will promptly convene the Shareholders' Meeting to deliberate on the possible dismissal of the Administrator from his post.

The power of the Board of Directors to take any more appropriate initiative towards the same Administrator remains firm (even in the absence of a revocation of the Administrator from office).

The resolution of the Board of Directors and/or the Assembly, as the case may be, is communicated in writing, by the Board of Directors, to the interested party as well as to the OdV, for the appropriate checks.

The above described procedure is also applicable in the event of violation of the Model by a member of the Board of Auditors. In this case, the OdV will promote the start of the procedure provided for by the Statute of the same Body.

If, instead, the measure refers to the Administrator appointed by the Ministry of Economy and Finance in agreement with the Ministry of Economic Development, the Board of Directors will proceed to inform the Ministries so that they take the consequent measures.

5.5.2. THE DISCIPLINARY PROCEDURE AGAINST EMPLOYEES

A) Managers and pilots

The procedure for ascertaining the offence with regard to managers and pilots is carried out in compliance with the current regulations as well as the applicable collective agreements.

If the subject for whom the dispute procedure has been activated holds a top role with delegation from the Board of Directors and if the investigation activity proves its involvement under the Decree, it is foreseen that:

- the Board of Directors decides on the merits of the revocation of the delegations granted according to the nature of the office;
- the Managing Director takes action for the definition of the subject's position in relation to the relevant disciplinary procedure.

The imposition of the sanction is communicated in writing to the interested party, within six days of receiving the justifications from the manager/pilot. This period will start from the date on which the written justifications were made or, if later, the oral justifications.

Without prejudice to the right to appeal to the Judiciary, the manager / pilot, within thirty days of receiving the written communication of the disciplinary measure,

may appeal to the Arbitration and Conciliation Board according to the procedures provided for by the collective bargaining applicable to the specific case.

In case of appointment of the Board, the disciplinary sanction remains suspended until the pronouncement of that body.

B) Workers, employees and executives

The procedure for applying the sanction by the Company towards workers, employees and executives takes place in compliance with the provisions of art. 7 of the Workers' Statute, of the current National Collective Agreement for Workers employed in the private metalworking industry and the installation of systems as well as of the Company Disciplinary Code.

The sanctions must be applied within six days of receiving the justifications.

The employee, without prejudice to the possibility of appealing to the Judiciary, can, within twenty days following the receipt of the measure, promote the establishment of an Arbitration and Conciliation Board, with the sanction being suspended until the relative pronouncement in this case.

5.5.3. THE PROCEDURE AGAINST THE THIRD ADDRESSEES OF THE MODEL

In order to allow the adoption of the initiatives provided for by the contractual clauses indicated in paragraph 5.4, the Company sends a written communication to the interested party containing the indication of the contested conduct, the provisions of the Model subject to violation, any documents and elements supporting the dispute, as well as the indication of the specific contractual clauses for which application is requested.

5.5.4. THE PROCEDURE AGAINST THE MEMBERS OF THE SUPERVISORY BODY

The sanctioning process applicable to the Administrators and Auditors referred to in paragraph 5.5.1 is applicable, *mutatis mutandis*, also in case the violation of the Model by one or more members of the OdV is detected.

In such case, the violation report will be transmitted to the Chairman of the Board of Statutory Auditors, who will prepare the report and transmit it to the Board of Directors.

6. UPDATE AND ADAPTATION OF THE MODEL

According to Art. 6 of the Decree, the Board of Directors of Leonardo oversees the update and adaptation of the Model.

The Board of Directors entrusts the Organizational Unit *Compliance*, with the responsibility to supervise, in connection with the other competent structures (*UO Group Internal Audit, UO Legal Affairs, UO Risk Management, UO People&Organization*), the update of the Model, as well as the drafting and updating of its components.

Events that, with the spirit of maintaining over time an effective and actual Model, may be taken into consideration for the update or adaptation of the Model, include, but are not limited to:

- new legislative developments regarding the discipline of corporate responsibility for administrative offenses resulting from crime;
- guidelines of prevailing jurisprudence and doctrine;
- identified deficiencies and/or gaps and/or significant violations of the Model's provisions following checks on its effectiveness;
- significant changes in the organizational structure or business sectors of the Company;
- considerations derived from the application of the Model, including the results of updates to the "historical analysis" (such as, for example, experiences from criminal proceedings, the results of the supervisory activity of the OdV or internal audit activity).

SPECIAL PART (INTERNAL USE ONLY)