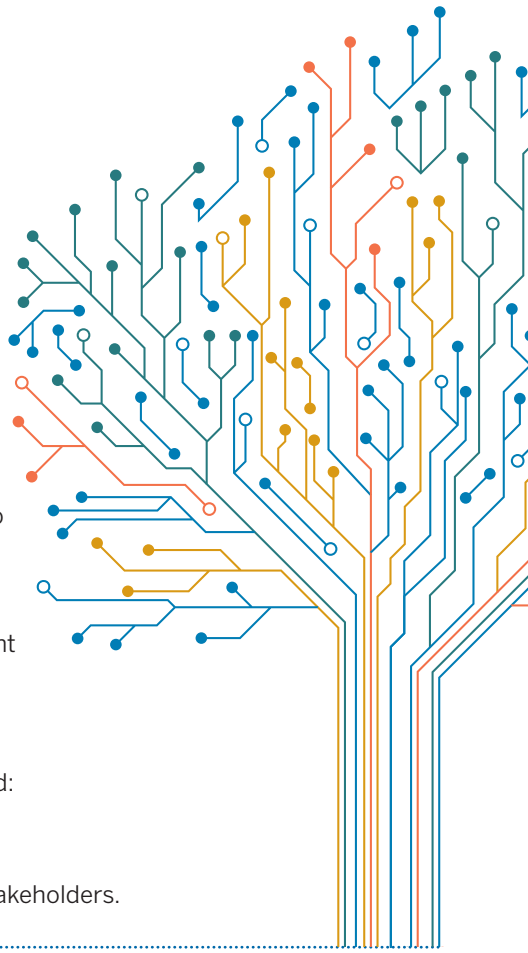
Leonardo's Strategic Priorities

What matters the most

Materiality analysis: a compass for a long-term strategy

- The "materiality analysis" is the process to assess the strategic priorities relevant for Leonardo business model, identifying significant topics for itself and its stakeholders. Material issues are those that can influence the organization's ability to create value in a substantial manner and protect it in the short, medium and long term.
- The matrix is the tool that compares and synthesizes both the corporate Management and the stakeholders' points of view.



A new approach

For the update of the materiality analysis a strong methodological process was adopted:

- DATA DRIVEN: a deep and structured analysis through a digital platform.
- PARTICIPATED: wide involvement of Leonardo's structures, Top Management and Stakeholders.

The process

- Through an AS&D industry benchmarking and a preliminary data-driven analysis on the Datamaran platform, **16** material topics have been identified (from **71** specific topics) and harmonized with the 2018 materiality analysis.
- **28** Leonardo structures identified key stakeholders representing a complementary external perspective to an in depth data-driven analysis.
- Online stakeholders survey was launched to assess internal and external perspectives of Leonardo material topics.

The internal perspective

- **Top Management engagement**
  Leonardo's Top Managers answered to the survey to evaluate the 16 topics based on the degree of strategic priority.

27 Top Managers involved

The external perspective

- **Data-driven analysis**
  In depth analysis of 4 external documental sources through a natural language processing and big data analytics methodology.

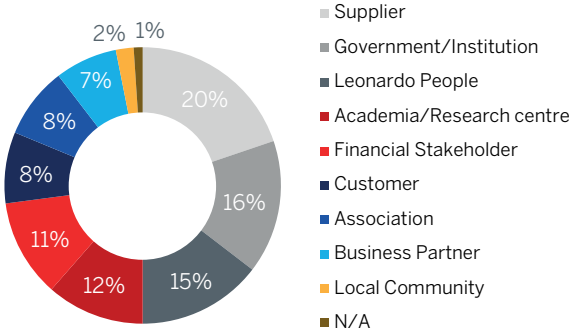
21 industry peers reviewed

1,631 regulations analysed

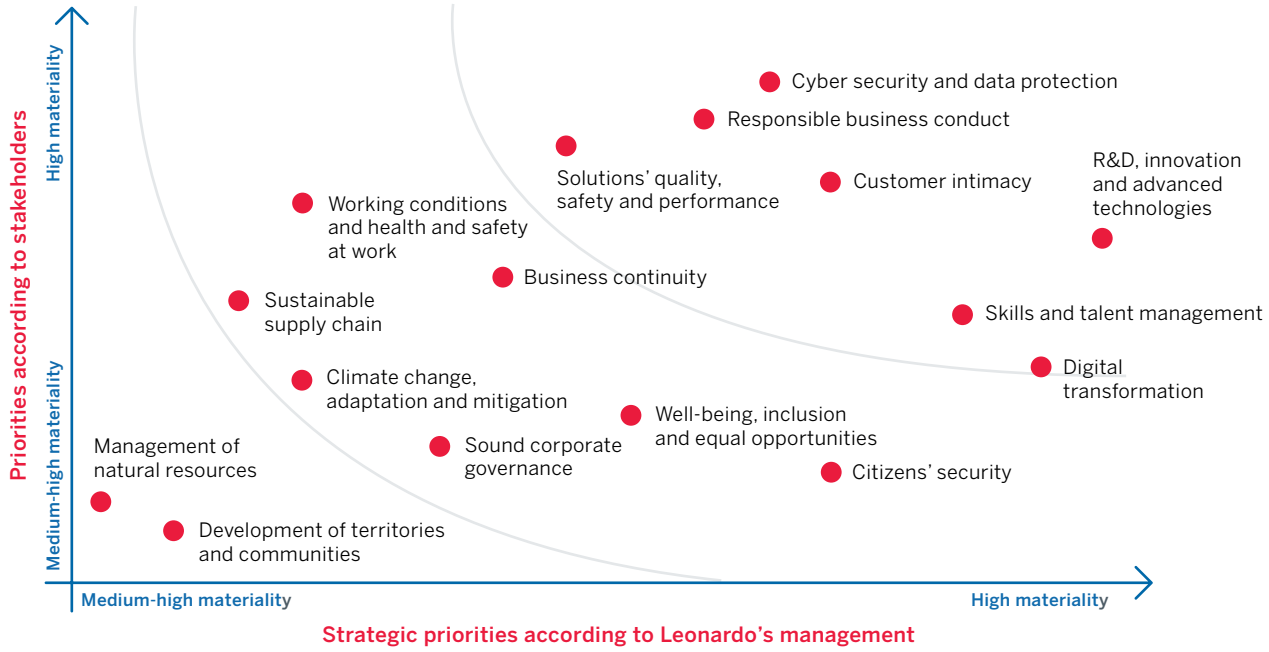
6,565 news surveyed

764,476,642 tweets

- **Stakeholders survey**
  160 stakeholders involved, about 100 responded from 11 countries; 264 comments received.



Priority matrix: results



Top issues for external stakeholders

The top priorities identified by external stakeholders are **aligned to key elements of the Be Tomorrow-Leonardo 2030** Strategic Plan.

Cyber security and data protection

Ensuring business resilience and data privacy through the protection of data and sensitive information. Vulnerability of critical information systems and networks due to security breaches might disrupt core business operations and lead to accidental or illegal access, destruction, alteration or disclosure of sensitive data.

Responsible business conduct

Ensuring compliance with relevant laws, policies, and regulations, within fields as anti-corruption, trade control, fair competition, responsible tax practices, respect of human rights, preventing any illicit behaviour and proactively addressing risks. Investments in control mechanisms, reporting systems, and the promotion of corporate culture and values enable an ethical conduct.

Solutions' quality, safety and performance

Management of processes and initiatives to ensure quality, reliability and security of products and services, providing efficient and distinctive performance as well as guaranteeing end-user safety.

Customer intimacy

Management of the Company – Customer relationship from a partnership perspective, developing strategies and processes intended to meet or surpass customer expectations, to create a positive experience and build customer loyalty. Corporate reputation and perceptions of stakeholders depend on performance - also on sustainability issues - strategic decisions and ability to deliver value.

Impacts & next steps

Supporting our strategy

- Identified priorities, evaluation of stakeholders engagement initiatives and inputs for managing risks and internal processes and for seizing new business opportunities.

Providing guidance to the Integrated Report

- Disclosures in the Integrated Report are consistent with material topics.

Driving continuous monitoring

- Periodic data-driven monitoring of material topics (using the 2020-2021 analysis as a baseline).