Whistleblowing Management Guidelines

Approved by the Board of Directors on

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1. INTRODUCTION

1.1. Objective

Leonardo S.p.A. (hereinafter “Leonardo”), in the pursuit of its business goals and objectives, is actively involved in the fight against corruption and unlawful conduct, at any work level and in all geographical areas, both through the dissemination and promotion of ethical values and principles and through the actual implementation of rules of conduct and control processes, in line with the requirements set forth by the applicable rules and regulations and with the best international practices.

In consideration of its size and operation at the global level, the Leonardo Group (hereinafter also “Group”) has developed company protocols and monitoring systems with the aim of eliminating or minimizing the risk of commission of crimes when carrying out activities that are potentially more exposed to the occurrence of unlawful conduct.

Wanting to further implement its reference documents and the highest international standards, these Guidelines define and describe the process for managing reports, even anonymous ones, by anyone who becomes aware of facts contrary to law or to the internal rules and regulations of the Group.

1.2. Effectiveness and scope

These Guidelines will take effect immediately and their implementation is mandatory and binding for Leonardo and all Group Companies, which will adopt them through Board resolution within 60 days from the date of approval of this document.

The above-mentioned companies will communicate the successful adoption of these Guidelines to the Leonardo Surveillance Body.

1.3. Definitions and acronyms

The definitions used in these Guidelines are listed below.

**Anti-corruption laws:** the applicable laws provided for by the legal systems that each Group Company belongs to, with special reference to the Legislative Decree 231, the Bribery Act (2010), the Foreign Corrupt Practices Act (1977), the Convention of the Organization for Economic Cooperation and Development (OECD) on combating bribery of foreign public officials in international business transactions (1997), the United Nations Convention Against
Corruption (General Assembly Resolution no. 58/4 of October 31, 2003) and the applicable Council of Europe Conventions (Civil and Criminal Law Conventions on Corruption – 1999).

**Code of Ethics**: the document that defines the set of ethical principles and values adopted by Leonardo or by the Group Companies.

**Company Protocols**: the Models 231, Codes, Guidelines, Directives, Procedures, Policies, Manuals and Operating Instructions of Leonardo Group.

**Competent o.u.**: the Group Internal Audit organizational unit or the Security organizational unit charged by the Reports Committee to perform in-depth checks on the reports received.

**Coordination and Consultation Body for the prevention of corruption**: the body composed of the President pro tempore of Leonardo and the Chairmen pro tempore of the Control and Risk Committee, the Board of Statutory Auditors and the Surveillance Body of Leonardo, pursuant to Legislative Decree 231/01.

**Defamatory report**: a report that, at the end of the preliminary investigation phase, turns out to be frivolous and made in bad faith or for the sole purpose of defaming or causing harm or damage of any nature to the offended person or company.

**Group Company(ies)**: the company(ies) controlled directly or indirectly by Leonardo.

**Group or Leonardo Group**: Leonardo and the companies controlled directly or indirectly by it.

**Group Personnel**: employees (senior management, middle management, employees, blue collar workers) and other collaborators in any parasubordinate form, as well as members of the corporate bodies (Directors and Auditors), of the Leonardo Group.

**Law 179/2017**: Law n. 179 of November 30, 2017, published on the Official Gazette on December 14, 2017, on “Provisions for the protection of the authors of reports of offences or irregularities of which they become aware in the context of a public or private work relationship”, entered into force on December 29, 2017.

**Legislative Decree no. 231**: Legislative Decree no. 231 of June 8, 2001, as amended.

**Leonardo or the Company**: Leonardo S.p.A.

**Model 231**: the Organization, Management and Control Model adopted by Leonardo or by the Italian Group Companies in compliance with Legislative Decree no. 231; for the non-Italian Group Companies, the compliance programs or other systems provided for by the respective reference legal systems.
**Privacy laws**: the UE2016/679 Regulation of the European Parliament and the Council Meeting of April 27, 2016 on the protection of natural persons as regards the processing of personal data and their dissemination (hereinafter “GDPR”), as well as Legislative Decree no. 196 of June 30, 2003 (hereinafter, “Privacy Code”) and any other regulations on the protection of personal data applicable in Italy, including provisions from the Privacy Authority.

**Report**: communication concerning behavior of any nature (even omissive), attributable to the Group Personnel or to third parties who have a relationship of any nature with Leonardo Group, carried out in violation of:

- Internal Codes;
- Model 231;
- Internal company protocols;
- Laws or regulations, with specific regard to anti-corruption laws;

and, in any case, aimed at causing harm or damage to Leonardo Group.

**Reports Committee**: the Committee appointed by the Chief Executive Officer (CEO), composed of the heads of the Group Internal Audit, Legal, Corporate Affairs, Compliance, Criminal Law and Anti-corruption (LSC), Chief People Organization and Transformation Officer (CPOTO), Security, and Administration, Finance and Control (CFO) organizational units.

**Reports Archive**: physical and electronic archive of the Leonardo Surveillance Body containing the “history” of all reports received and of the notes/reports/documents that accompany them.

**Surveillance Body**: the body appointed to monitor the application of and compliance to the Model 231 of Leonardo and the Italian Group Companies. For the non-Italian Group Companies, the body or the person appointed to monitor the application and the observance of the compliance programs, the code of ethics or other systems provided for by the respective reference legal systems (i.e., Compliance Committee, Ethics Committee, Ethics Officers, Compliance Officer or other body/subject appointed for this purpose, in compliance with the respective reference legal systems).
2. REFERENCE PRINCIPLES

2.1. Fostering culture and transparency

With the aim of creating transparency and correctness conducts in the company’s social culture and daily operations, Leonardo Group promotes awareness of the Company Protocols among all employees and/or collaborators, establishing disciplinary actions or contractual penalties in the event of non-compliance.

Since prevention and control over the company’s activities are duties requested to all employees and not only to those appointed by law, the Group encourages employees to report concerns or cases of possible violation of the Company Protocols, ensuring:

1. Careful and effective management of reports;
2. Guarantee of anonymity;
3. An employee recognition award to those employees that identify themselves when reporting concerns. If the employee accepts the award, the company will recognize him/her for speaking up by mentioning the initiative in the employee's personnel file, as part of his/her professional experience and career. The employee recognition award is granted, provided that the report is:
   - Signed (the identity of the employee must be disclosed);
   - Detailed;
   - Suitable for making it possible to prevent and/or repress unlawful conduct;
   - About facts not included in previous reports.

2.2. Guarantee of anonymity

The Group encourages anyone who becomes aware of suspicious practices to report them, ensuring non-retaliation policies and confidentiality for the whistleblower, on the one hand, and protection from defamatory reports for the reported person, on the other hand.

In order to create an environment where employees are comfortable raising issues and concerns without fear of retaliation, Leonardo Group maintains discretion and confidentiality policies and procedures during the entire report management process, from the time the report is received to the preliminary investigation and conclusion phase.

In particular, the Group personnel involved, in any capacity in the different report management phases, must guarantee the maximum level of confidentiality with regard to the
content of the report and to the whistleblower, adopting the security requirements provided for “confidential information”\(^1\).

2.3. Protection from defamatory reports and protection of the reported person

In order to protect everyone’s dignity, honor and reputation, Leonardo Group undertakes to offer maximum protection from defamatory reports.

If at the end of the verification/analysis phase carried out by the competent o.u., a report is deemed as frivolous or made in bad faith, the Surveillance Body will supervise the application of any consequent action taken by the CPOTO o.u. against the employee who acted in bad faith or made the frivolous report.

Pursuant to applicable laws and regulations, Leonardo Group will maintain privacy protection policies in favor of both the whistleblower and the alleged perpetrator, without disclosing their identities, unless it is required to do so by law (e.g., requests from the judicial authorities, etc.).

3. REPORTING MANAGEMENT SYSTEM

With these Guidelines, Leonardo Group sets out a company’s reporting system and its related organizational and procedural rules. Notably, the system is composed of the following elements: (i) persons that can commence the process; (ii) reported violations; (iii) reporting channels; (iv) management activities; (v) protection for the whistleblower and the reported person; and (vi) reporting activities.

3.1. Involved persons

Pursuant to existing laws and regulations, and in compliance with the best practices, the reporting process may be commenced by:

- Leonardo Group’s employees (with any employment agreement), and those who operate by virtue of any other type of work relations, which determine their inclusion in the company, even if not under a regular employment agreement;
- Members of corporate bodies;

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\(^1\) Directive on classified company information (Dir. No. 9 issued on 13 December 2013).
Third parties having business relations with Leonardo Group (e.g.: customers, suppliers, consultants, etc.).

Reports can be about:
- Leonardo Group’s employees;
- Members of corporate bodies;
- Group Companies;
- Third parties (e.g.: suppliers, consultants, collaborators, etc.), which may cause, directly or indirectly, economic damage or harm to the Company’s image.

3.2. Reportable concerns

Reports may include, but are not limited to:
- Attempted, alleged and actual acts of bribery;
- Conflicts of interest;
- Alleged offences among those set forth by Leonardo Model 231 committed by the company’s employees in the interest or for the benefit of the Company;
- Unlawful use of company assets;
- Unlawful and/or fraudulent activities causing harm to customers or company assets;
- Violation of the principles of impartiality, transparency, and professionalism;
- Violations related to protection of employees;
- Non-compliant behaviors of employees with regard to ethical policies.

3.3. Reporting channels

Leonardo offers the following confidential channels for reporting concerns:
- Website: www.leonardocompany.com through the dedicated IT platform; ²
- Email: organismodivigilanza@leonardocompany.com;
- Mail to: Organismo di Vigilanza³, Piazza Monte Grappa 4, 00195, Rome, Italy;
- Fax number: +39 06 45538059.

Each Group Company offers its own channel for reporting concerns.

² The platform can be accessed by the Technical Secretariats of Leonardo’s Surveillance Body and the Reports Committee.
³ “Organismo di Vigilanza” is the Surveillance Body.
3.4. Reports received by the company

Reports received by the company are processed by the Surveillance Body of Leonardo or other Group Companies, and:

- Dismissed, if considered *prima facie* meritless or too generic and lacking the minimum elements to be able to commence any in-depth analysis. In any case, such report is kept in the Surveillance Body’s archive, along with a brief note explaining the reasons for its dismissal, and sent for information purposes to the Reports Committee and the Board of Statutory Auditors.

If the reports show a valid cause of action, the Surveillance Body transmits them to:

- The Reports Committee, for a preliminary investigation phase; and
- The Board of Statutory Auditors for information purposes.

Anyone who receives a report outside of the dedicated reporting channels shall promptly forward it, in its original version, to the Surveillance Body of the competent Group Company or Leonardo (if the report concerns the latter), assuring maximum confidentiality to protect the whistleblower and the identity and reputation of the reported persons.

With respect to reports concerning the Group Companies, the Surveillance Body of the Group Company transmits the received reports, through the above-mentioned reporting channels, to the Reports Committee and, for information purposes, to Leonardo’s Surveillance Body and to the Board of Statutory Auditors of the Group Company.

Should a report concerning the Group Company be delivered to Leonardo’s Surveillance Body, the latter will forward it to the Surveillance Body of the competent Company for the above-mentioned assessment and, for information purposes, to the Reports Committee.

With regard to reports concerning the Group’s international Companies, reference will be made to the Monitoring Body⁴.

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⁴ See Directive for international companies with regard to *Regulatory Compliance*. 
3.5. Preliminary investigation phase

The Reports Committee performs a preliminary analysis of the received report, aimed at verifying the need to further investigate the reported facts. This analysis is performed on the basis of the following elements:

- The information provided with the report is detailed enough;
- The reported concerns show a violation of the reference laws and regulations;
- Previous reports/audit having the same subject matter, and already examined;
- Facts or situations, with respect to which an investigation is already underway by public authorities (ordinary or special judicial authorities, administrative bodies and independent authorities invested with surveillance and control functions).

In the event that the Reports Committee deems it unnecessary to investigate further, it draws up a note explaining the analyses performed and sends it, along with the report, to the Leonardo Surveillance Body (or that of the Group Company and for information purposes to that of Leonardo, if the report comes from the Body of the subsidiary itself) for final storage in the dedicated archive.

On the contrary, should the Committee consider it necessary to investigate further, it prepares a request for in-depth analysis with clear identification of the subject matter of the investigation, assigning authority to the Group Internal Audit o.u. or the Security o.u., depending on the type of activities to be performed.

In order to carry out its activities, the Reports Committee can rely upon a Technical Secretariat, which is assigned to the Management Audit and Whistleblowing o.u. within Leonardo’s Group Internal Audit o.u..

3.6. Audit activities

Upon previous assignment of authority to carry out an audit, the competent o.u. (Group Internal Audit or Security) prepares a detailed scope of work, including the plan of activities in order to fulfil the assigned audit.

The competent o.u. performs the audit, even with the support of specialized external consultants and/or internal units, as necessary, periodically updating the Reports Committee on the state of the audit progress, if needed.
At the end of the audit activities, the Group Internal Audit o.u. or the Security o.u. prepares an Audit Report, which includes the audit results. The Audit Report is then submitted to the Reports Committee for their considerations.

3.7. Audit Report review, submission, and archiving process

Once the Audit Report is submitted to the Reports Committee, the latter verifies whether the audit results match with the audit scope and verification of the reported facts.

Should it be deemed necessary to perform further in-depth analyses, the Reports Committee will request to the competent o.u. to do so.

Once the Audit Report is finalized, the Reports Committee shall submit it to the competent o.u., and respectively to:

- Chairman of the Board of Directors;
- Chief Executive Officer;
- Chairman of the Control and Risk Committee;
- Chairman of the Board of Statutory Auditors;
- Chairman of Leonardo’s Surveillance Body;
- Competent Division Managing Director.

In case of Reports concerning one or more Group Companies, the Report will be submitted by the competent OU to the following recipients:

- Company Chairman;
- Chief Executive Officer or equivalent;
- Chairman of the Board of Statutory Auditors;
- Chairman of the Company’s Surveillance Body or equivalent body;

and, for information purposes, to Leonardo’s Administration and Control Bodies.

The Committee shall also evaluate whether the contents of the Report may have an impact with regard to the risk of corruption and, if necessary, submit the report to Leonardo’s Anticorruption OU, within the LSC OU.

If needed, the Reports Committee prepares an action plan in order to strengthen Internal Control and Risk Management System to be submitted to Leonardo’s Chief Executive Officer or to those of Group Companies.
Once the Audit Report is received, the Surveillance Body of Leonardo and/or of the Group Companies archive it along with the report in the Reports Archive.

3.8. Reporting

On a semiannual basis, the Reports Committee prepares an informative summary of the activities carried out, for:

- Leonardo’s Board of Directors;
- Leonardo’s Control and Risk Committee;
- Leonardo’s Board of Statutory Auditors;
- Leonardo’s Surveillance Body;

and, for the reports related to the subsidiary companies:

- Board of Directors of the Subsidiary;
- Board of Statutory Auditors of the Subsidiary;
- Surveillance Body of the Subsidiary.

With regard to those reports concerning conducts subject to the risk of corruption, the Reports Committee prepares an informative summary of the activities carried out for the bodies listed above. Such informative summary will also be brought to the attention of the Coordination and Consultation Body for the Prevention of Corruption.

3.9. Measures and sanctions

In the event the Audit Report reveals that one or more employees engaged in unlawful conduct, the Group will promptly issue appropriate and proportionate measures and sanctions. Taking into consideration the criminal relevance of the above mentioned conduct, the Group will commence a criminal proceedings, should the alleged conduct constitute a crime, pursuant to the provisions of Model 231, the Code of Ethics, and the collective labor agreement or other applicable laws and regulations.

In particular for Leonardo, reference is made to the provisions set forth in sections 3.9.3 e 3.9.4 below.

3.9.1. Directors and Auditors

In the event the Audit Report reveals that one or more Directors and/or Auditors engaged in unlawful conduct, the Surveillance Body will promptly inform its Board of Directors and its
Board of Statutory Auditors which, on the basis of their respective competences, will take one of the following measures, taking into account the seriousness of the violation, and in accordance with the powers provided by law and/or the company’s By-Laws:

- Statements in the meeting minutes;
- Formal warning;
- Withdrawal of the assignment/mandate;
- A shareholders’ meeting is called to pass resolution adopting appropriate measures against the individuals responsible for the violation, including the filing of a legal action against the Director or the Auditor for compensation of damages suffered by the Group.

3.9.2. Surveillance Body

In the event the Audit Report reveals that one or more members of Leonardo’s or other Group Company’s Surveillance Body engaged in unlawful conduct, the Reports Committee will promptly inform the Chairman, the CEO and the Board of Statutory Auditors of the competent company which, on the basis of their respective competences, will take one of the following measures, taking into account the seriousness of the violation, and in accordance with the powers provided by law and/or the company’s By-Laws:

- Statements in the meeting minutes;
- Withdrawal of the assignment;
- Commencement of a legal action against the member of Leonardo’s or other Group Company’s Surveillance Body for compensation of damages suffered by the Group.

3.9.3. Senior Management

In the event the Audit Report reveals that one or more senior managers engaged in unlawful conduct, the Surveillance Body will inform the CPOTO o.u., which will make sure that the competent company applies the most appropriate measure in compliance with the provisions of the National Collective Labor Agreement of the Senior Management of Companies that Produce Goods and Services.

In particular:
If the violation is so severe to result in a breach of the fiduciary duty owed to the company, and the employment shall be terminated immediately, the senior manager is subject to dismissal without notice;

If the violation is less severe but still serious enough to irreparably damage the fiduciary duty owed to the company, the senior manager is subject to dismissal with notice.

With regard to the non-Italian Group companies, should the Audit Report reveal that an unlawful conduct has occurred, those companies will apply the disciplinary policies and procedures provided for by the applicable laws and regulations to their own senior manager.

3.9.4. Blue collar workers, Employees and Middle Management

Should the Audit Report reveal that an unlawful conduct has occurred, the competent CPOTO o.u. will issue those measures and sanctions set forth by the company Disciplinary Regulations, in compliance with the procedure set forth by article 7 of the Workers’ Statute of Rights and the applicable collective regulations. The abstract categories of breaches describe the behaviors subject to sanctions, identifying the related disciplinary measures according to their seriousness.

In particular, according to the provisions set forth in the National Collective Labor Agreement for workers in the private engineering industry and plants’ installation:

- the worker who, in the execution of his/her activities, violates Model 231 or the Code of Ethics or adopts a conduct that does not comply with the provisions in Model 231 or in the Code itself, is subject to measures of verbal warning, written warning, fine or suspension from work and from wages, according to the seriousness of the violation – the employee engaged in a conduct prohibited by the National Collective Contract that is suitable to damage the discipline and ethical values of the company;

- the worker who, in the execution of his/her activities, engages in a serious misconduct in breach of the provisions set forth by Model 231 or the Code of Ethics, is subject to dismissal with notice – such conduct is deemed more serious than those identified in the previous point;
the worker who, in the execution of his/her activities, engages in a conduct unequivocally directed at the commission of a crime in violation of Model 231 or the Code of Ethics, such as to determine the concrete application of sanctions against the Group Company, is subject to dismissal without notice – such conduct is deemed as a very serious violation that causes the Group Company serious moral and/or material damage.

With regard to the non-Italian Group companies, should the Audit Report reveal that an unlawful conduct has occurred, those companies will apply the disciplinary policies and procedures provided for by the applicable laws and regulations to their own staff.

3.9.5. Collaborators, auditors, advisors, partners, counterparties and other third parties

In the event the Audit Report reveals that one or more persons, other than those mentioned above, engaged in unlawful conduct, the Surveillance Body will make a determination upon each conduct, in order to propose to Leonardo’s CEO or other competent Group Company’s CEO the adoption of appropriate measures, such as contract termination, as provided for by special contractual clauses.

3.10. Traceability of the reports management system

The Surveillance Body stores the reports received in special paper/computer archives, in accordance with the provisions of the internal regulations for managing information classified as “confidential”.

All the organizational units involved in the report management system shall guarantee, within their respective competences, the traceability of the information, by archiving the documentation produced.

The documentation must be kept for a period of at least 10 years.

4. DISSEMINATION AND PUBLICATION OF THESE GUIDELINES

The Reports Committee, with the support of the Chief Stakeholder Officer o.u. (CStO), shall take care of the dissemination and publication of these Guidelines on the Company website.

5 Dir. n. 9 of 13 December 2013.
With regard to internal dissemination, these Guidelines will be circulated by the CPOTO o.u. to every:

- Member of the Board of Directors, Board of Statutory Auditors and Surveillance Body;
- Employee through posting in the spaces dedicated to company communications, and publication on the company Intranet;
- New employee, along with a copy of the internal company Codes, delivered in hard copy signed for acknowledgement of receipt.

The Surveillance Body will monitor the dissemination on a semiannual basis, as required. The Surveillance Body will also monitor the implementation and dissemination of the content of this document at the Group Companies.

5. PRIVACY

Pursuant to applicable privacy laws, the Data Controller of the personal data acquired during the management of the reports is Leonardo S.p.A., with registered office in Rome, Piazza Monte Grappa n. 4, or the Group Company that receives the report. In case of Group Companies headquartered in non-European Union countries, a Representative in Italy shall be appointed, pursuant to and in accordance with art. 27 of the General Data Protection Regulation (GDPR).

All documents relating to the reports are confidential. Therefore, Leonardo takes all the appropriate security measures to ensure adequate management and storage of the documents, guaranteeing access to their information “only to subjects who need to know it to execute their working activity, based on the responsibilities they have and in relation to the organizational role/position held in the Company (need-to-know principle)”

The personal data of those who make reports and of any other person involved – acquired during the management of the reports – will be processed in full compliance with existing regulations on personal data protection and to the extent necessary and for the period strictly sufficient for the intended purposes of the regulations.

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6 Dir. n. 9 of 13 December 2013.
In this regard, Leonardo and/or the Company involved in the report, in their capacity as Data Controller have designated their own Surveillance Body as controller (or delegate) for those data. Employees who, for various reasons, are involved in the reports management process, are also appointed in writing as Persons in charge (or authorized) of the processing.

Enclosed is an information note on the processing of personal data connected with the reports for the purposes of collection of the related consent (Annex 2).