

Anti-Corruption Management System of  
Leonardo S.p.a.  
ISO 37001:2016 Certified

Abstract

Compliance with the relevant laws, transparency, integrity, bona fide, trust and cooperation with stakeholders and zero tolerance towards corruption are the ethical principles followed by Leonardo - and which have inspired its model of conduct - in order to compete effectively and fairly in the market, improve customer satisfaction, maximise value for the benefit of its shareholders, develop the skills and promote the professional growth of its human resources. In particular, the firm belief of acting to the Company's advantage does not justify behaviour in contrast with these principles.

Everyone who works in the name and on behalf of Leonardo or for its benefit is therefore committed, without distinction or exception, to observe and enforce these principles within his own function and responsibilities. Such commitment requires that all the parties involved in any business dealing with Leonardo have to act, in all their transactions with the Company, in accordance with rules and methods inspired by the same values.

Leonardo's Anti-Corruption Management System has been set up to face the risks of corruption, identified by areas that the Company may incur, in order to prevent and fight against non-compliant conducts, in respect of the zero tolerance principle. The Group General Counsel is responsible for disclosing criminal offences to relevant authorities, if found necessary.

The Anti-Corruption Management System is a part of the broader compliance system set up with the Organizational, Management and Control Model, pursuant to Legislative Decree no. 231/2001, which provides information flows toward the administrative and control bodies.

Leonardo's Anti-Corruption Management System obtained, on July 2018, the ISO 37001:2016 "Anti bribery management systems" certification, the first international standard for anti-corruption management systems. Leonardo's Anti-Corruption Management System is compliant with the international standard until 2021, with verification carried out annually by a Certification Body, based on a specific audit. The results of this specific audit and the verification by the Certification Body is presented to

Leonardo's Board of Directors on annual basis. The Anti-Corruption Organizational Unit (OU), under the direction of the Group General Counsel and with the necessary support of the OUs involved in the areas of respective competence, is responsible for updating and strengthening Leonardo's Anti-Corruption Management System on an ongoing basis, also based upon the results of the annual audit.

## **KEY PLAYERS**

Key players of the Anti-Corruption Management System of Leonardo S.p.a. are the following:

- Board of Directors;
- Top Management;
- Coordination and consultation body for the prevention of corruption;
- Surveillance Body;
- Reports Committee;
- Anticorruption organisational unit (within Legal, Corporate Affairs, Compliance, Criminal Law and Anticorruption);
- Risk Management organisational unit;
- Group Internal Audit organisational unit;
- Chief People, Organization and Transformation Office organisational unit;
- Security organisational unit.

Moreover, the Board of Directors has appointed the Chairman, who has no executive roles, with the responsibility to oversee the execution of corporate governance rules related to integrity in corporate behaviours and fight to corruption. The Anti-Corruption OU reports to the Chairman of the Board and to the Group General Counsel and has direct access to the Top Management and to the corporate bodies, by means of ad hoc information flows.

## **INTERNAL FRAMEWORK**

- [Code of Ethics](#);
- [Anti-Corruption Code](#);
- [Organizational, Management and Control Model pursuant to Legislative Decree 231/2001](#);
- Guidelines, procedures and directives relevant for the Anti-Corruption Management System.

## **RISK ASSESSMENT ACTIVITIES**

Leonardo periodically identifies and assesses sensitive activities in relation to the crimes as provided by the Legislative Decree no. 231/2001 (the so called “risk assessment”), including bribes, through the analysis of the company’s context and the capitalisation of the company’s past experiences (so called “case history”).

In particular, the anticorruption risk assessment, in relation to business and support processes, is part of and is carried out through the Enterprise Risk Management (ERM) process in order to identify and treat the risks. The results of the risk assessment are used to develop, with the necessary support of the OUs involved in the areas of respective competence, tailored mitigation plans and to update Leonardo's Anti-Corruption Management System to address identified areas of risk.

The ERM activities are continuously being performed taking into account the identified risks, the result of mitigation actions, as well as the identification of emerging risks due to changes of the relevant internal or external factors for Leonardo. The results of the anti-corruption risk assessment activities, reviewed by the Board on annual basis or when significant findings emerge from the risk assessment, inform and strengthen the Anti-Corruption Management System.

Finally, the Company draws up the Audit Plan taking into account the results of the risk assessment activities. This Audit Plan is prepared on an annual basis.

## **TRAINING**

Training is a core element for the mitigation of the Company exposure to corruption risks.

Training activities are differentiated by functions and risks to which employees are exposed and repeated periodically (on a one-year or three-year basis, in light of the risks faced by the employees according to their roles and responsibilities).

Moreover, Leonardo provides for awareness raising activities on all relevant third parties. The effectiveness of anti-corruption communications and training activities is monitored through the verification, at any time and with the support of the relevant OUs, of the personnel trained within the time frame of the training plan, as well as through a yearly

anonymized survey regarding, *inter alia*, the quality of the training activities<sup>1</sup>. Such data are then used to improve and review, on a continuous basis and at least every three years, the Company's anti-corruption communication and training activities within the framework of the Anti-Corruption Management System of Leonardo S.p.a.

For more details please see also the Anti-Corruption Code, par. 10. "Staff Training and dissemination of the Anti-Corruption Code".

### **MONITORING, REVIEW AND CONTINUOUS IMPROVEMENT**

The Anti-corruption OU is in charge of carrying out the monitoring activities of the Anti-corruption Management System. In particular, the monitoring activities concerns the adequacy with respect to the risks and the effective implementation of the Anti-corruption Management System, as well as the changes that have occurred in the reference standards, in the organization and in other relevant internal and external factors for updating the Anti-Corruption Management System accordingly - if necessary- in the light of such changes.

As part of the Annual Plan, the Anti-Corruption OU defines the methods and timing of the monitoring activities.

To this end, the Anti-corruption OU prepares an annual report, sent to the Group General Counsel and submitted to the attention of the (i) Board of Directors, (ii) Control and Risk Committee, (iii) Coordination and Consultation Body for Corruption Prevention, and (iv) Surveillance Body for matters pertaining to Legislative Decree 231/2001 and, most recently, (v) to the Board of Statutory Auditors for matters within its competence in which the OU reports on the activities performed and the main outcomes, on the operation, adequacy and the implementation of the Anti-corruption Management System, on the implementation of the Annual Plan, as well as on the results of any internal checks and audits.

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<sup>1</sup> This survey has been introduced in the Anti-corruption Code with the amendment approved by the Board of Directors in the meeting 26th September 2019

The Company undertakes to continuously improve the suitability, adequacy and effectiveness of the Anti-Corruption Management System.

## **WHISTLEBLOWING**

Leonardo supports and protects any employee who refuses to act unethically, even if such behaviour contributed to or resulted in a loss of business.

Leonardo S.p.a. encourages, through the [Whistleblowing Management Guidelines](#), anyone who becomes aware of suspicious practices or breaches of the Anti-Corruption Management System to report them, even anonymously, ensuring protection – against any form of retaliation, discrimination and/or penalisation - and confidentiality to the whistleblower and protection from defamatory reports to the reported person, throughout the entire report management process.

The Company, moreover, assures itself of its employees' awareness and confidence in the protection from any sort of retaliation granted by Leonardo, by means of an annual and anonymized survey regarding this commitment.

The report management process is organised into the following phases: (i) reception of the report; (ii) investigation; (iii) audit execution; (iv) report analysis and actions plan (when provided); (v) filing of the reports and initiation of the due communications; (vi) monitoring of the action plan (when provided); and (vii) reporting activities.

Leonardo offers the following confidential channels for reporting concerns:

- Website: also anonymously, through the dedicated platform;
- Email: [organismodivigilanza@leonardocompany.com](mailto:organismodivigilanza@leonardocompany.com);
- Mail to: Organismo di Vigilanza, Piazza Monte Grappa 4, 00195, Rome, Italy;
- Fax number: +39 06 45538059.

Leonardo commits to analyse the reports received in any language.

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