

LEVELLING UP **Impact Report**

An independent exploration of the
levers of Levelling Up at Leonardo



LEVELLING UP
GOALS



This report reveals the findings of an independent analysis conducted by the Purpose Coalition to evaluate the levers for levelling up at Leonardo in the UK, identifying areas where the business is taking this contribution a step further.

Over the course of many weeks, the Purpose Coalition held discussions with a wide range of people from all levels of the Leonardo business, from senior management to apprentices just starting out in the organisation. Learn why Leonardo is placing such a priority on building social value into the core of their business through the lens of the Levelling Up Goals framework.

Contents

Foreword Rt Hon Justine Greening, Chair of the Purpose Coalition and former Education Secretary	04
Foreword Norman Bone, Chair and CEO of Leonardo UK	06
Executive Summary	08
Introduction to Leonardo and its approach to levelling up	10
The Journey to the Levelling Up Goals	12
Mapping Leonardo's activities against the Levelling Up Goals	14
Analysis	26
Recommendations	27

Foreword

RT HON JUSTINE GREENING

Chair of the Purpose Coalition and
former Education Secretary

As a major UK employer and a significant contributor to the country's economy, Leonardo is a long-time supporter of levelling up and equality of opportunity. In now joining the Purpose Coalition and adopting the Levelling Up Goals framework, it is taking this contribution a step further.

Headquartered in Italy but deeply embedded in the UK over many generations, Leonardo is one of the biggest suppliers of defence and security equipment to the Ministry of Defence.

Leonardo is the first defence company to set out its clear levelling up ambitions for the UK through the Levelling Up Goals.

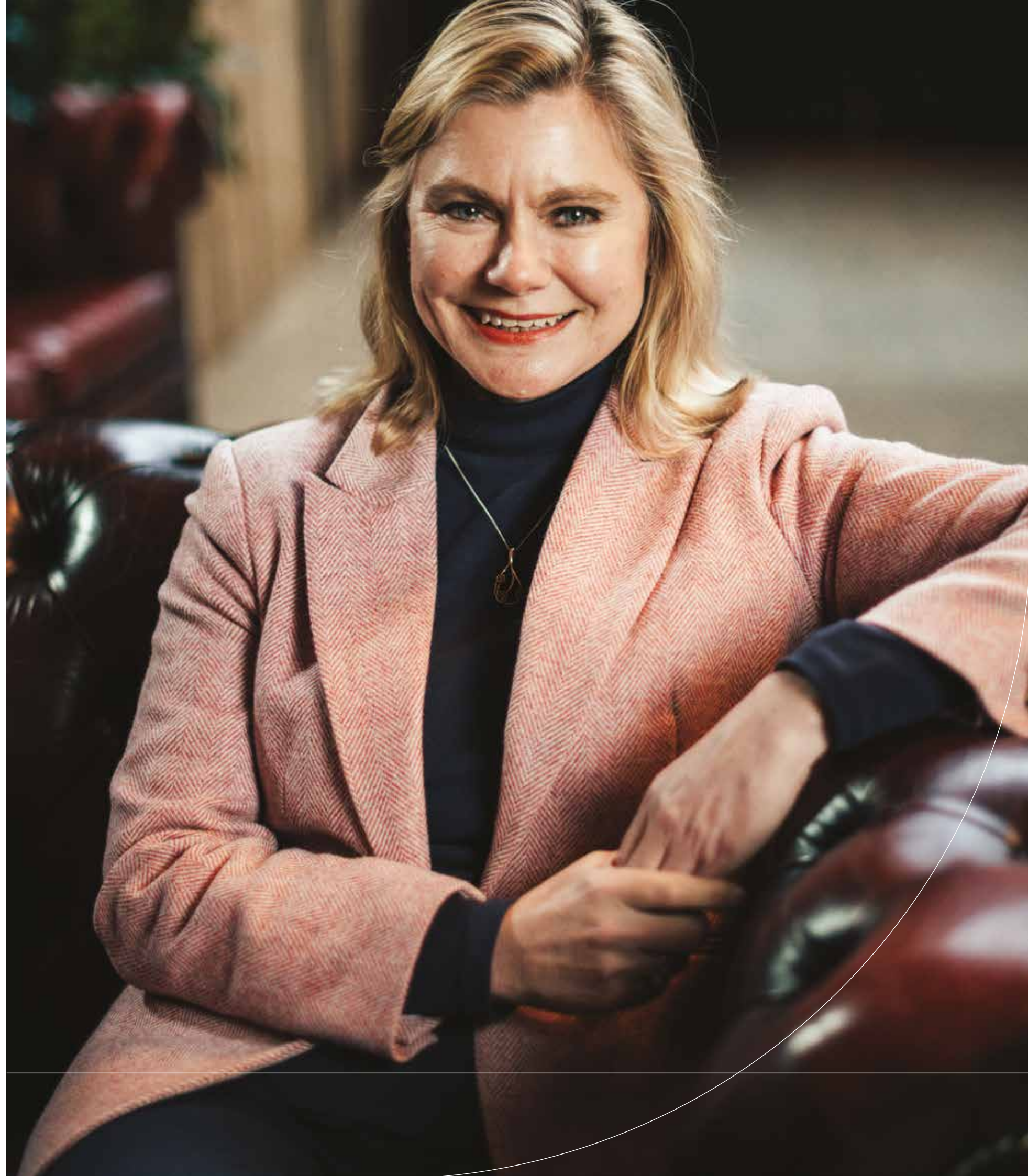
Leonardo is a leader in terms of its social impact across the country, the social value it creates throughout its contracts, and through its contribution to high tech jobs in diverse communities outside London and the south east of England.


In 'positive destinations post 16+' Leonardo details numerous opportunities for school and college leavers to break their way into the company. It offers high levels of training and practical experience in the form of apprenticeships, work placements, academic and virtual training.

In meeting the 'Harness the energy transition' goal, Leonardo has embedded sustainability within its strategic plan with a focus on lowering carbon emissions and reducing waste.

And in 'Achieve equality through diversity and inclusion', the company seeks to promote diversity and inclusion within the organisation to ensure that Leonardo is a company that is reflective of all demographic groups in society.

As the company develops ambitious plans to do even more in the future to advance its commitment to levelling up, it is already showing effective commitment to providing opportunities for education and growth for colleagues, now through the lens of the Levelling Up Goals.





Leonardo is a company with purpose. Our scientists and engineers are proud to deliver cutting-edge technologies, products and services which underpin the world-leading capabilities of our Armed Forces and our customers around the world.

Foreword

NORMAN BONE

Chair and CEO of Leonardo UK



Our UK operations contribute £1.9 billion to the UK economy, employing over 8,000 highly skilled people across the country and supporting more than 26,000 British jobs. We support a supply chain of 2,100 UK companies, two thirds of which are SMEs.

From Somerset to Scotland, Leonardo has deep roots in some of the most economically-challenged regions across the UK. We are proud of our skilled workforce and the investment we make in the people who live in these regions.

At the same time, our people are involved in extensive STEM outreach to nurture new generations of talent who will then themselves have access in future to great employment opportunities with Leonardo and other British engineering companies.

Many of our people who joined the business as apprentices have now achieved senior roles and they are motivated to share their expertise with those from their communities who have historically had less access to role models, resources and opportunity. Our purpose has always been to maintain a competitive business by investing in our people and their skills in a way that also delivers social impact.

That makes our partnership with the Purpose Coalition a very natural next step in our ambition to extend good social and employment opportunities more widely. This report outlines some of the ways in which we are working to deliver on this goal.

We are one of the UK's largest employers of engineering apprentices and graduates and invest about £3.5 million annually in employee training and development.

We aim to attract and retain the best talent at every level and beyond our traditional base, whether that is at the beginning of a person's career, or at a later stage depending on their individual circumstances and career routes.

Our work to incorporate diversity and inclusion into everything we do helps us to build a highly skilled workforce that reflects the communities we work in and helps us to develop the creative solutions that make us a competitive business.

Research, technological innovation and digitalisation are key to our approach to inclusive and sustainable development. Our commitment to achieve Net Zero by 2030 for Scope 1 and 2 emissions and by 2050 across our value chain is an indication of our ambition to deliver positive environmental impacts for the company and all its stakeholders, our customers and our communities.

Defence is inherently an industry with purpose. The war in Ukraine has highlighted the strategic importance of the defence sector and the need to maintain access to capabilities that will help ensure domestic and international security. Meanwhile, the economic impact of COVID-19 and the financial challenges that we continue to face have demonstrated that British engineering, manufacturing, innovation and, above all, people are going to be crucial to the country's recovery.

Executive Summary

Social mobility has remained stagnant in the UK for years and it is still too often the case that your background and where you are from dictate how well you do in life. The pandemic highlighted how many of these existing inequalities have become entrenched, especially in the most deprived parts of the country.

Tackling those inequalities requires businesses to work together to close the gaps that mean too many people cannot access the opportunities that will enable them to achieve their true potential.

Leonardo has worked with the Purpose Coalition to develop a Levelling Up Impact Report which sets out exactly how it is contributing to the levelling up agenda and how it is having a positive social impact on its employees, its customers and the communities they serve.

Leonardo has had a longstanding commitment to this, building on a strong legacy of social value throughout its projects. This report sets out how Leonardo is doing this through the lens of the four most relevant Levelling Up Goals. It shows that Leonardo is levelling up by:

- **Doubling Leonardo's Early Careers community of Apprentices, Graduates & Industrial Placements from around 600 in 2022 to over 900 by the end of 2023, a 50% increase.**

The creation of opportunities is a crucial pillar of the levelling up agenda, delivering equality of opportunity. Leonardo has demonstrated a strong commitment to delivering positive destinations post 16.

INVESTING IN THE MOST DEPRIVED AREAS

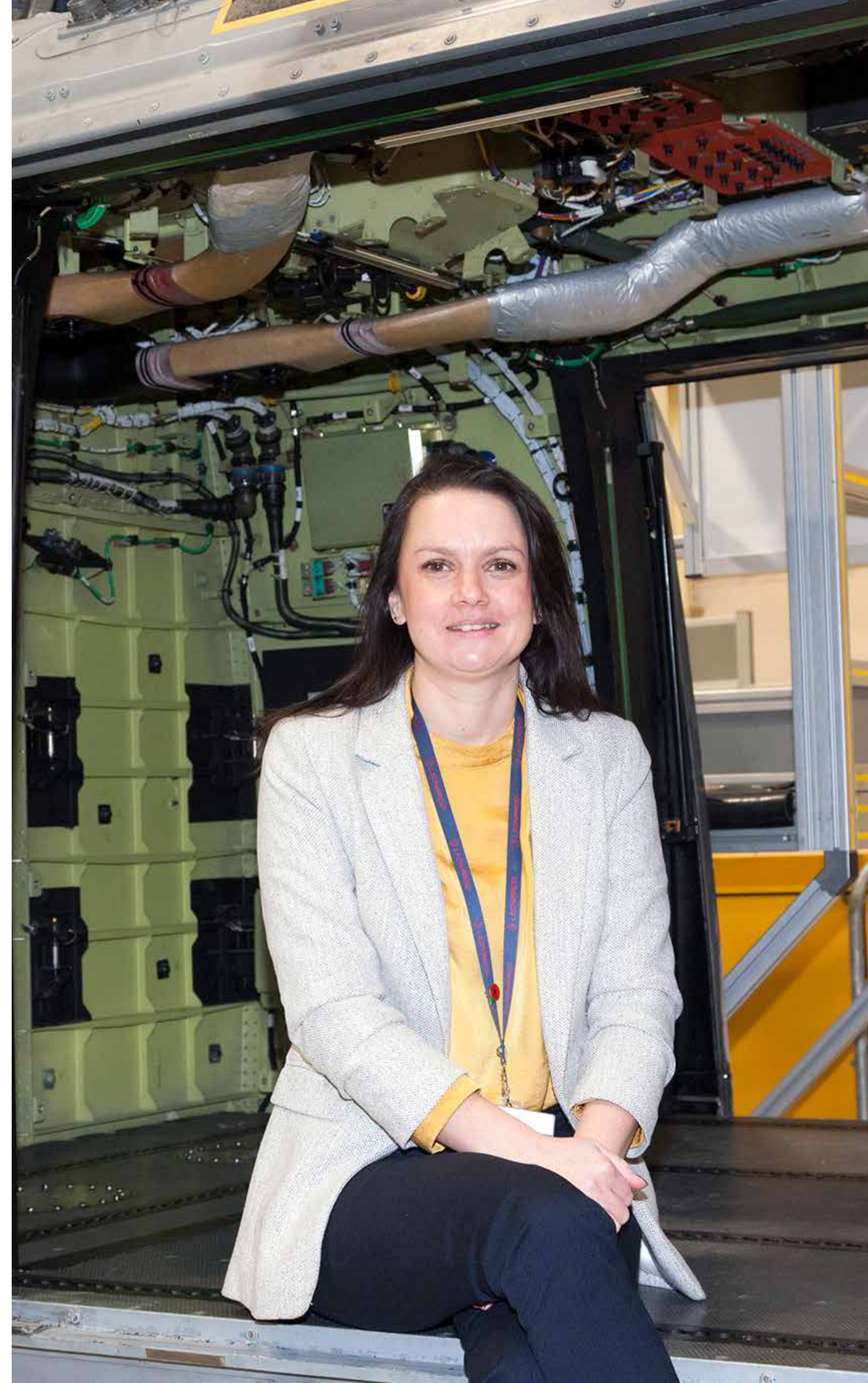
The presence of Leonardo in Lincoln and Yeovil is particularly important, given the context of deprivation in these areas. According to the Government's own Social Mobility Index, Lincoln and Yeovil were both ranked in the bottom 10% of areas in terms of deprivation.

This makes Leonardo's presence, investment and creation of opportunities in these areas more important than the average area.

FIGHTING FOR GENDER EQUALITY - AROUND ONE-THIRD OF NEW STARTS TO BE FEMALE

Leonardo has outlined that it aims for women to be at least equal to 30 percent of total new hires in STEM areas by 2025, representing just under a third of new starts, above the industry average, and above the ratio of those currently leaving education with STEM related qualifications.

These are bold ambitions that Leonardo is setting out in terms of how it will go beyond the traditional notions of social value; and deliver a real and tangible social impact that helps level up communities across the UK.



Introduction

TO LEONARDO AND ITS APPROACH TO LEVELLING UP



OVERVIEW

Founded in Italy in 1948, Leonardo develops capabilities in the aerospace, defence and security sector, with over 50,000 employees globally.

In the UK, Leonardo is one of the country's leading aerospace companies and one of the biggest suppliers of defence and security equipment to the UK Ministry of Defence. It plays a leading role on several major programmes, as part of the government's 'Global Britain' vision; as well as growing the UK's strategic defence capability in an increasingly turbulent geopolitical climate.

These include the Strategic Partnering Agreement on Rotary Wing future requirements, the Tempest Future Combat Air System, the RAF Typhoon Radar 2 (ECRS Mk2), cyber security capability, electronic warfare technology and updates and in-service support for Wildcat, Merlin and Apache helicopters.

Leonardo makes a significant contribution to the UK economy with revenues of £1.9 billion - about 45 per cent of which are in export.

It operates from seven main sites across the UK - Edinburgh, Bristol, Southampton, Lincoln, Luton, Basildon and Yeovil - and employs over 7,500 people. For every 100 jobs within the company, it supports 355 jobs across the UK. With its focus on high-value work, Leonardo's employees were in 2020 shown to be 80 per cent more productive than the UK average.

With its geographic spread across the UK, coupled with its contribution to the UK economy, skills and productivity, Leonardo makes a strong contribution to the UK Government's levelling up agenda, which will be clearly outlined in this report paper.

SOCIAL VALUE

Leonardo has a commitment to ensuring it maximises the amount of social value delivered

in the UK throughout its contracts. Leonardo has a long history of supporting and investing in our people, our communities and our economy as these are core values, as well as good business practise.

The UK Government has defined Social Value around five key themes: Equal Opportunity, Tackling Economic Inequality, Fighting Climate Change, COVID-19 Recovery, and Wellbeing. Leonardo is delivering across all of these areas as this paper establishes, through the framework of the Levelling Up Goals.

Leonardo views Social Value as a core consideration for its current and future activities, as it amplifies the company's contribution to industry and society.

SUSTAINABILITY

At the heart of Leonardo's approach is research, technological innovation and digitalisation to enable a quicker transition to become a more sustainable company that protects people and preserves the planet. Leonardo is committed to achieving Net Zero by 2030 for its Scope 1 and 2 emissions and by 2050 throughout its wider value chain. Their programme of work is aligned with the UN Agenda 2030 (Sustainable Development Goals) and the multilateral commitments at international level.

DIVERSITY AND INCLUSION

Leonardo's approach to inclusion and diversity doesn't operate in a silo, but rather is something that is fundamental to the way in which the company operates across all of its divisions.

Equality of opportunity is underpinned by having a diverse and inclusive workforce - attracting talent from all backgrounds and ensuring that talent can contribute and progress fairly - and Leonardo gets that it is more than just a good thing to do, but also good business.

Leonardo is strongly committed to supporting its people, and as times, people and society change, the company's approach to diversity and inclusion evolves to reflect this.



The Journey TO THE LEVELLING UP GOALS

In 2015, as Secretary of State for International Development, Rt Hon Justine Greening MP led the UK delegation to the United Nations (UN). Along with 184 international partners, she helped to establish the UN's Sustainable Development Goals (SDGs).

In 2017, the SDGs were made more 'actionable' by a UN resolution adopted by the General Assembly which identified specific targets for each goal, along with indicators used to measure progress towards each target.

These 17 interlinked, global goals were designed to be 'a blueprint to achieve a better and more sustainable future for all'.

They marked a shift from the previously established Millennium Development Goals (MDGs), following the Millennium Summit of the United Nations in 2000.

In contrast to the MDGs, the SDGs were nationally-owned, country-led and targeted wealthy, developed nations as well as developing countries.

The SDGs emphasised the interdependent environment, social and economic aspects of development, by centralising the role of sustainability. As Secretary for State, Justine recognised how useful a common set of accessible but ambitious objectives could be in galvanising action to effect change.

Since 2020, the COVID-19 pandemic has pulled us in the wrong direction - exacerbating many of the problems relating to social inequality in

the UK. The post-pandemic recovery should be seized by the United Kingdom to address these issues and level up. Such a task requires updated and specific goals that will define, inspire and measure progress.

The Purpose Coalition, of which Leonardo is a key member, aims to improve social mobility in the UK and has responded to this challenge with the launch of the 14 Levelling Up Goals in February 2021.

These Goals build on the foundations laid by the UN's SDGs and draw on expertise provided by academia and businesses, who have been applying themselves to the unique social mobility challenges facing the UK.

They focus on key life stages and highlight the main issues needing to be resolved in order to create a level playing field for all. The Levelling Up Goals are intended to guide how the urgent ambition to level up the UK can actually be achieved. The impact of the work carried out to do this can, and should, be measurable.

Sub-goals with quantifiable targets and measurements against which progress can be charted within the 14 goals are being developed by the Purpose Coalition in partnership with organisations like Leonardo.

The aim is to create a more transparent and measurable framework that can monitor and subsequently address problems of social mobility and inequality.

Many organisations are doing outstanding work and making important contributions to society but are still measuring this via inputs - a measure that focuses on pounds, pennies and numbers rather than real impact on human lives.

The Goals - a shared framework led by Justine and the wider Purpose Coalition - will create momentum for a shared understanding and set of objectives from leading businesses, to deliver meaningful change on the ground. It will encourage an exchange of ideas and best practice to inspire and elevate the activities of like-minded, purpose-led organisations.

Universities, businesses, policymakers, communities and public sector organisations, can work together for progress on this critical agenda. And this team effort comes at a time when the need to address social inequality is urgent.

1 Strong Foundations in Early Years 	2 Successful School Years
3 Positive Destinations Post-16 	4 Right Advice and Experiences
5 Open Recruitment 	6 Fair Career Progression
7 Widening Access to Savings and Credit 	8 Good Health and Well-Being
9 Extending Enterprise 	10 Closing the Digital Divide
11 Infrastructure For Opportunity 	12 Building Homes & Sustainable Communities
13 Harness the Energy Transition 	14 Achieve Equality, Through Diversity & Inclusion



Mapping

LEONARDO'S ACTIVITIES AGAINST THE LEVELLING UP GOALS

Leonardo has demonstrated a strong contribution to the levelling up agenda inline with key Levelling Up Goals.

This includes its contribution to:

- **Goal 3: Positive Destinations post 16+**
- **Goal 5: Open Recruitment**
- **Goal 6: Fair Career Progression**
- **Goal 13: Harnessing the Energy Transition**
- **Goal 14: Equality through Diversity and Inclusion**

This encompasses the various ways in which Leonardo is unlocking social value through its contracts and is resulting in levelling up the UK. Leonardo is making a clear contribution to delivering positive destinations and opportunities across the UK.



GOAL 3: POSITIVE DESTINATIONS POST 16+

This has never been more important, particularly as the UK emerges from a global pandemic, a new crisis of the cost of living and increasing geopolitical turbulence.

APPRENTICESHIPS

Apprenticeships are a key first step for many into rewarding careers, offering the opportunity to earn and learn. Leonardo offers highly regarded apprentice training programmes covering hardware and software engineering, business and cyber security.

The intensive training programmes last two to four years, and result in apprentices graduating with a substantial depth of skills in their specialist area. The training consists of both academic and structured on-the-job learning, and has been rated 'Outstanding' by OFSTED.

Leonardo is also a member and patron of the 5% Club - a campaign focused on creating momentum behind the recruitment of apprentices and graduates into the UK workforce. As an influential member of the club, it has committed to the aim of ensuring that five percent of its UK workforce consists of apprentices, graduates or sponsored students on structured programmes, and currently employs 8% in these groupings.

Leonardo's apprenticeship programme was recently recognised for its outstanding work with its apprentices, and was named amongst the 'Top 100 Apprenticeship Employers' by City and Guilds and the National Apprenticeship Service.

GRADUATE PROGRAMME

In addition to its programme of apprenticeships and training schemes at its Academy sites, another key pillar of Leonardo's upskilling for young people is through its award winning graduate programme.

Each year, Leonardo attracts university leavers who are ready to innovate and pioneer new ways and methods in the defence sector; increasing the competitiveness of Leonardo as a company, while ensuring more effective methods of defence for the United Kingdom and its allies.

Through a comprehensive induction programme, they will have the chance to gain a complete picture of the organisation and be involved in real challenges from day one.

Leonardo also places career progression at the centre of its graduate programme. Graduates can look to long-term careers as chartered engineers within the company, as well as wider permanent opportunities.

They will have the opportunity to learn from colleagues who are experts in their field, while always being encouraged to use their initiative.

WORK PLACEMENTS

Leonardo offers industrial placements, summer placements and work experience to enable students to have exposure and gain understanding of the opportunities that a career in a STEM discipline and the defence sector can offer.

The work placements are available for students across various technical functions, enabling

students to undertake activities including designing, testing, qualifying and supporting technology across a range of products.

These work placements can also lead to future potential opportunities within the company, linking up these industrial placements to progress into the company.

UPSKILLING THE UK: ACADEMY PROGRAMMES AND TRAINING

One of the Government's priorities is ensuring the United Kingdom can become a 'high wage, high skill economy,' particularly in the face of an emerging cost of living crisis.

Leonardo is demonstrating a clear commitment to upskilling the UK in the opportunities it is creating within the company. This is demonstrated through its academies in Lincoln and Yeovil.

The presence of Leonardo in these two areas is particularly important given the context of deprivation in these areas. According to the Government's own Social Mobility Index, Lincoln and Yeovil were both ranked in the bottom 10% of areas in terms of deprivation. This makes Leonardo's presence, investment and creation of opportunities in these areas more important than the average area.

Leonardo also has strong ambitions for the future on upskilling through its 'Be Tomorrow - Leonardo 2030' Strategic Plan. This aims for each employee logging more than 100 training hours from 2018 to 2022; as well as aiming for under 30s to equal at least 40 per cent of the total new hires, signalling strong investment in young talent across the UK.

LINCOLN ACADEMY

Leonardo's Lincoln Academy offers academic and operational training, supporting the understanding of electronic warfare products and capabilities, as well as increasing knowledge of the Cyber and Electromagnetic Activities environment.

As part of this, the graduates can contribute to the development of electronic and information technologies for defence systems, aerospace, data, infrastructures, land security and protection and sustainable 'smart' solutions.

Around 150 students can be trained in the Academy site, where UK and allied international armed forces can learn to master the latest techniques and equipment required for today's electronics-driven battlespace.

Lincoln is an area with pronounced socioeconomic challenges and barriers to social mobility, as outlined by its ranking on the Government's Social Mobility Index, at 483 out of 533 constituencies. Leonardo's presence and work in the area, in the face of these challenges, is important in an area where it is needed more than other regions.

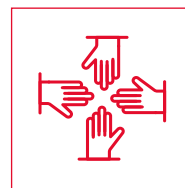
YEOVIL ACADEMY

Leonardo's Training Academy in Yeovil specialises in military rotorcraft training, pilot and aircrew ground school training, as well as technician and manager training.

Every year the Academy supports over 2,000 students, equating to around 7,000 simulator hours and around 750 live training hours in an aircraft.

Given Yeovil's ranking of 481 out of 533 areas on the Social Mobility Index, it is another area with significant socioeconomic challenges in terms of social mobility and opportunities. Likewise, just as in Lincoln, this enhances the importance of Leonardo's presence, investment and social impact in this area.





GOAL 6: FAIR CAREER PROGRESSION

Leonardo recognises that investment in people doesn't just matter at the beginning of their careers, but at all points in their professional life. This is why Leonardo's focus on Fair Career Progression is highlighted in this paper as part of its contribution to the levelling up agenda in the UK.

This is also reflected in the sentiment that the focus on social mobility shouldn't stop at the point of getting more socioeconomically diverse groups into careers, but supporting them to progress within those careers too. This is a particularly important part of levelling up when it comes to mid-careers.

Leonardo has also demonstrated this emphasis on mid careers, by focussing on those who may have left the workplace mid-career and may be finding it difficult to re-enter the workplace. There are leadership programmes that help colleagues take the next big step in their career, such as the Springboard programme, supporting women's progress in the workplace and Navigator, a similar programme for men.

STEM RETURNERS PROGRAMME

Leonardo's STEM Returners focuses on helping those who have left the workplace during their career re-enter it. The STEM Returners targets anyone who has taken any lengthy career break, that might have been for caring responsibilities or wider reasons, who wish to transfer sectors or industries to join Leonardo.

The Programme includes a paid 12-week structured return to work placement programme. During this each participant has a bespoke programme of development, which recognises their unique needs for learning, delivered through on-the-job training, as well as e-learning.

LEADERSHIP TRAINING

As part of Leonardo's commitment to supporting progression within the company, leaders at all levels receive a comprehensive programme of personal development training to enhance their management and motivational capability.

The course was specifically tailored by external specialists, and is made up of five separate modules, which can take up to nine months to complete. The modules aim to produce a consistent style of leadership, and focus on developing motivational skills to improve performance at all levels across the business.

The modules are highly participative and mixed with learning activities that involve individuals and their managers. Upon completion, all participants receive a certificate to mark their achievement.

SPRINGBOARD

'Springboard' is Leonardo's women's development programme. This supports women who wish to enhance their own abilities and progress their personal development, while building confidence, assertiveness and a positive image both at work and in their wider lives.

The programme is global and open to all of Leonardo's women. Whether thinking about career development, improving life skills, or setting practical yet stretching goals, this programme provides the tools to inspire and empower women to change their lives.

Springboard is delivered to cohorts of 20-24 women of different grades and locations around the globe, by Leonardo's own certificated trainers; in a series of eight half-day workshops online. Following this, a network group is set up for the participants to support each other following the completion of the Springboard course and continue to aid each other's development.

NAVIGATOR

Navigator is Leonardo's development programme for men who are looking to identify practical and realistic steps to fulfil their potential.

It encourages participants to examine their home and work life – in order to build new ways of seeing themselves and addressing how they respond to difficult situations and to the people they interact with.

Ultimately, Navigator is designed to enable participants to manage any challenges they face with a greater degree of confidence.



GOAL 13: HARNESS THE ENERGY TRANSITION

The issues of people and planet go hand in hand - and the preservation of the environment through harnessing the energy transition is a fundamental pillar of levelling up sustainably for the long-term.

Helping the UK, its communities and the businesses which operate here on their journey to reach net-zero carbon has become a hugely important aspect of companies' purpose and practice. Leonardo has demonstrated leadership on the issue of the energy transition.

SUSTAINABILITY

At the heart of Leonardo's approach to enabling a quicker transition to inclusive and sustainable development is research, technological innovation and digitalisation.

In 2021, Leonardo achieved (for the third year running) the highest score in the aerospace and defence sector, according to Corporate Sustainability Assessment (CSA) data, and has been in the S&P Global Dow Jones Sustainability Indices (DJSI) for the last 12 years.

It was also recognised for the second year in a row as Global Compact LEAD of the UN by the largest voluntary initiative worldwide for sustainability in corporate activities. The company has been part of Global Compact since 2018.

And Leonardo was included in the highest band of the Defence Companies Index on Anti-Corruption and Corporate Transparency (DCI), prepared by Transparency International.

STRATEGIC PLAN

The company's strategic vision for the next ten years is expressed in the 'Be Tomorrow - Leonardo 2030' Strategic Plan, which includes a sustainability plan.

It covers the entire value chain from research and technological innovation to operations and the development of new solutions and new business models.

The plan sets out eight thematic areas on which to act in order to accelerate transition to sustainability.

This will strengthen the business and the ability to create shared value with a view to the Sustainable Development Goals (SDGs) and the European Green Deal.

These include research and innovation, industrial and energy efficiency, environmental management and circular economy, sustainable supply chain and circular economy, earth observation and emergency management, mobility solutions and security systems, business integrity and human rights, and social commitment and scientific citizenship.

CARBON REDUCTION PLAN

In its Carbon Reduction Plan 2021 the company explains that it has been pursuing a path of sustainability that integrates environmental issues into its business strategy.

It monitors the energy consumption and carbon emissions footprint of its UK sites closely and follows a continuous process of incorporating innovative solutions to reduce its environmental impact.

Since 2016, Leonardo has procured 100 per cent green energy through renewable energy sources.

The company is committed to achieving Net Zero by 2030 for Scope 1 and 2 emissions and by 2050 across its value chain.

From 2018 to 2020, Leonardo achieved a 22 percent reduction in Scope 1 and 2 emissions.

Some of the significant changes it has already made were to lighting, heating systems, industrial cooling systems, and an electric charging network.

Future changes will include its energy management standards, local energy generation, electric vehicle roll-out, site investments, and waste and water improvements.

FUTURE OBJECTIVES

According to Leonardo's strategic plan, by 2025 it plans to reduce electricity consumption by 10 percent, and reduce Scope 1 and 2 emissions (location-based) by a further four per cent.

By 2030 it plans to reduce Scope 1 and 2 emissions (market-based) by 40 per cent from 2018. Meanwhile, by 2025 it plans to reduce water withdrawals by 10 per cent and amount of waste produced by 10 per cent.





GOAL 14: ACHIEVE EQUALITY, THROUGH DIVERSITY & INCLUSION

Leonardo's approach to inclusion and diversity is not just an isolated agenda, but something that is a consistent thread throughout the business.

Leonardo is strongly committed to supporting its people, and, as times, people and society change, its approach to inclusion and diversity is continually evolving to reflect this.

Inclusion and diversity are a commercial imperative that helps the company to stay relevant, attract a broad pool of talent, grow its brand and improve competitiveness.

A culture of inclusion will create an environment for greater collaboration, innovation and opportunities for the company to develop as an organisation.

STRATEGY AND ACTION PLAN

Leonardo has developed an Inclusion and Diversity Strategy and Action Plan for 2020+, bringing together in one place all the activities that it has already started.

It also includes the new actions that it will be introducing in response to employee survey findings, feedback, external trends and best practice.

The plan follows the employee lifecycle from attraction, resourcing, developing and raising awareness through to creating the right culture.

It includes clear, tangible actions that underpin each of the five stages that will ensure Leonardo is an inclusive place to work for its people.

PEOPLE AND INCLUSION COMMITTEE

Leonardo has also established a People and Inclusion Committee to lead the discussion and oversee the implementation of the plan.

The committee includes members of its senior leadership team, demonstrating the company's commitment and support.

Also involved are members from within the business who have a passion for making more progress with inclusion and diversity work and have volunteered to take part.

NETWORK GROUPS

Leonardo's network groups are places for like-minded people and their allies to come together, help shape engagement and lead associated educational initiatives.

The company is a member of Inclusive Employers which helps it to consolidate and continue to evolve its work in this area, sharing ideas and best practices with a range of fellow members across many different sectors.

The networks are an integral part of Leonardo's inclusion programme and help the company to support education and awareness work through blogs, articles and face-to-face activity. Read on to learn more about Leonardo's network groups.

CARERS

'Carers' is a Leonardo network group run by a small number of employees with caring responsibilities, across all its UK sites.

Caring responsibilities can come in various forms, from looking after elderly parents, unwell partners or friends, to caring for children with specific needs.

Carers exists to provide support to employees, raise awareness of the issues that carers face, and to help the company deliver its inclusion objectives.

ENABLE

'Enable' network group is run by a team working to further support their UK colleagues living with visible and non-visible disabilities, as well as those who are neurodiverse.

The group is focused on spreading awareness and understanding of all disabilities including those that are not immediately apparent such as mental illness, chronic pain, neurological disorders and learning differences.

Leonardo is also signed up to the Disability Confident scheme.





EQUALISE

'Equalise' is Leonardo's network group run by those who strive for gender equality within the workforce, in terms of both career development and opportunities.

Equalise aims to provide support to employees, inform others about the issues that affect every gender, and dispel stereotypical assumptions in order to help truly reflect a modern workforce.

ETHNICITY INCLUSION

The aim of the 'Ethnicity Inclusion' network group is to support Leonardo in attracting, recruiting and retaining talent from ethnic minority communities that will create a better and fair ethnicity balance at all levels.

The company has already made a great start through its partnership with AFBE-UK, hosting STEM and career transition events to inspire the next generation of engineers.

For its existing employees it is very important that through this group it creates a safe space for people to air their voices, share their experiences and make suggestions.

PRIDE

'Pride' is Leonardo's LGBTQ+ employee network, run by a group of LGBTQ+ employees and allies who have come together to support each other and their fellow employees.

The network holds regular meetings to provide advice and promote education and awareness of LGBTQ+ issues in the workplace, and works on broader inclusion objectives with the other Leonardo employee networks.

Pride's ultimate aim is to ensure that no one in Leonardo feels the need to hide who they are in order to fit in, regardless of their gender or sexual identity.

WELLBEING

Leonardo's 'Wellbeing' network is run by employees, promoting and supporting the company charter that puts our people and their wellbeing at the heart of what it does.

The network's activities are centred around four pillars of wellbeing - physical, psychological, social and financial - all of which are reinforced by trained wellbeing champions.

BLOOMBERG GENDER-EQUALITY INDEX

Leonardo has been included for the second year in a row in the Bloomberg Gender-Equality Index (GEI).

The GEI is a modified market capitalization-weighted index that aims to track the performance of public companies committed to transparency in gender-data reporting.

It measures gender equality across five pillars: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, anti-sexual harassment policies, and pro-women brand.

The 2022 edition includes 418 companies from 45 countries across a number of business sectors. Leonardo is highly rated in the 2022 Bloomberg Gender-Equality Index for transparency and information disclosure, obtaining the maximum score.

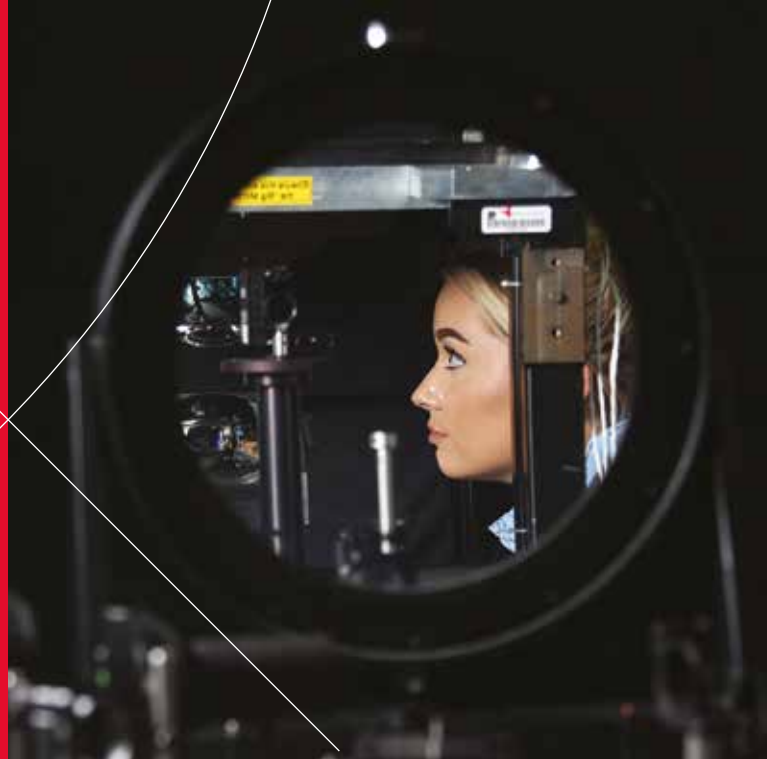
The company also ranked above the sector and global averages for equal pay and gender pay parity, anti-sexual harassment policies and having a recognized pro-women brand.

FUTURE OBJECTIVES

According to the 'Be Tomorrow - Leonardo 2030' Strategic Plan, it hopes to have at least 32 per cent female new hires in 2022.

By 2025 it wants women to be at least equal to 30 percent of total new hires in STEM areas, and 20 per cent female representation at management levels.

Analysis



Leonardo has demonstrated largely through its mission to deliver social value exactly how a business can generate positive impact across the key areas outlined within the Levelling Up Goals framework.

Where others must rely on a promise of growth in communities if they win future contracts, as a long-established UK operation, Leonardo can demonstrate its commitment to increasing opportunities right now, with a long-standing heritage in the communities in which it operates.

The Levelling Up Goals and the impact report have been an insightful framework to assess Leonardo's role in levelling up the UK more effectively, while also identifying the gaps for improvement in the future.

Leonardo's operations as a business, as well as its social and sustainability goals, are all aligned with at least four of the Levelling Up Goals, including Goal 3: Positive destinations post-16, Goal 5: Open Recruitment, Goal 13: Harness the energy transition, and Goal 14: Equality through Diversity and Inclusion.

Leonardo delivers on Goal 3: Positive destinations post 16+ through its apprenticeships programme, work placements, graduate programmes and academies in both Lincoln and Yeovil. These programmes are fundamental parts of how Leonardo is generating positive destinations and opportunities - which are also core pillars of the

levelling up agenda. This in turn contributes to the government's ambitions to make the UK a 'high wage, high skill economy.'

Goal 6: Fair Career Progression has also been an area to which Leonardo has contributed strongly. It has demonstrated this through a returners programme, helping those who have taken a break out of work mid-career to re-enter the workplace; and through leadership programmes, the Springboard programme supporting women's careers; and the Navigator programme, helping support both work/life balance and progression.

Leonardo is integrating sustainability into all parts of its business and projects, which is strongly contributing to Goal 13: Harnessing the Energy Transition with positive environmental impacts for the company, communities, customers and all key stakeholders.

As a company it is firmly committed to ensuring equality of opportunity, regardless of background, and its ethos on this aligns with Goal 14: Equality through Diversity and Inclusion. Leonardo has established through its Inclusion and Diversity Strategy and Action Plan 2020+ a series of robust ambitions on this.

Recommendations

Leonardo has demonstrated an industry-leading commitment to levelling up in the UK that is integral to how it does business across the country and throughout its contracts.

However, Leonardo does not want to stand still; and is working with the Purpose Coalition to identify recommendations to set out how it can go even further in its commitment to levelling up.

Based on the findings within this Levelling Up Report we have consolidated recommendations that will enable Leonardo to take its excellent work further.

SCALING OUT BEST PRACTICE ON GENDER REPRESENTATION TARGETS TO SOCIAL MOBILITY AND ETHNICITY

Leonardo has shown significant leadership on its focus on gender representation and equal pay within the sector.

It has bolstered this with targets of a 30% female workforce, which is well above the average in engineering - in addition to ensuring it has equal pay parity across the same roles throughout the business.

The Purpose Coalition recommends that this approach to targeting for its workforce diversity and representation should be scaled across other diversity stands; and that Leonardo should now consider outlining targets for the next largest cohorts of diversity in society - such as social mobility and ethnicity.

FOCUSING COMMUNITY IMPACT ON THE MOST DEPRIVED AREAS

Leonardo can have a more significant impact on levelling up by targeting its community efforts.

Leonardo should assess how its social impact and programmes can focus on the most deprived areas around its key sites - including around Yeovil and Lincoln, which are key social mobility cold spots.

It can use the Office for National Statistics' Index for Multiple Deprivation to enable this. This includes widely-used datasets within the UK to classify the relative deprivation (essentially a measure of poverty) of small areas. This considers how all areas across the country (32, 844 areas in total) rank in terms of deprivation by income, employment, education, health, crime, living environment, and barriers to housing and services.

For its sites in England and Wales it may wish to use the UK Government's Social Mobility Index, which ranks the 533 constituencies in England and Wales in terms of social mobility outcomes for various life stages - including early years, school, youth and adulthood.

This will both enhance and drive forward the impact of Leonardo on the levelling up agenda in a way that also delivers operationally for the business.

THOUGHT LEADERSHIP & ADVOCACY

As a purpose-led business, Leonardo has supported the Purpose Coalition's creation of this

Leonardo has considerable expertise that can help shape the wider levelling up agenda with key stakeholders, including both government and industry.

report through complete transparency in sharing their approach to levelling up. This makes them well positioned to lead by example.

Leonardo should use its expertise and leadership in the defence sector to be a firm and clear advocate for responsible business and business-led levelling up.

Through effectively using its relationships with key stakeholders and supply chains, Leonardo can leverage its own efforts on social value and create a significantly greater impact for local people and communities.



LEVELLING UP
GOALS

