

2023 ESG Fact Sheet



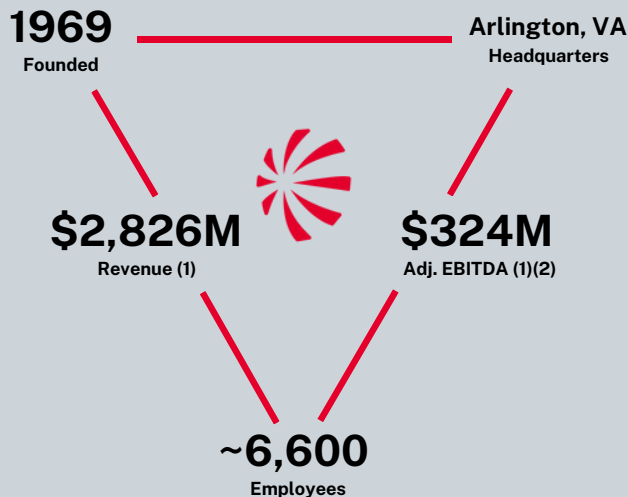
About Leonardo DRS

Leonardo DRS Inc (NASDAQ: DRS) is a leading provider of defense products and technologies that provide battlefield superiority today while shaping the battlefield of tomorrow for the U.S. military and our allies abroad. We offer a broad portfolio of technologies, products and services in our core markets including:

-  Advanced Sensing
-  Network Computing
-  Force Protection
-  Electric Power & Propulsion

Our core values and principles:

- Integrity
- Agility
- Excellence
- Customer Focus
- Diversity, Equity & Inclusion
- Innovation



“DRS strives to develop new and innovative products and systems to manage and fight threats to maintain peace and security. As we evolve, we will continue to enhance our ESG program to further that mission and meet our responsibilities to our customers, employees and communities.”

William J. Lynn III

Chairman & Chief Executive Officer

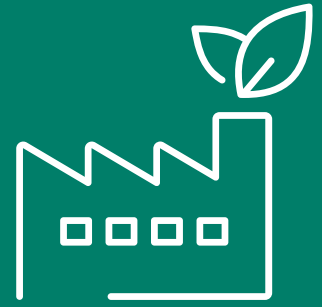


(1) Based on the mid-point of 2023 actuals.

(2) Adjusted EBITDA is a non-GAAP financial measure. The company does not provide a reconciliation of forward-looking adjusted EBITDA, due to inherent difficulty in forecasting and quantifying the non-GAAP exclusions that are necessary for such reconciliation without unreasonable efforts. Material changes to any one of these items could have significant effect on future GAAP results.

Environmental

For more than five decades, Leonardo DRS has been at the forefront of delivering innovative products and services to military forces and defense contractors globally. Our sustainability principles focus on investing in people, enhancing eco-efficiency in our operations and products, and supporting our supply chain.



Protecting Our Planet

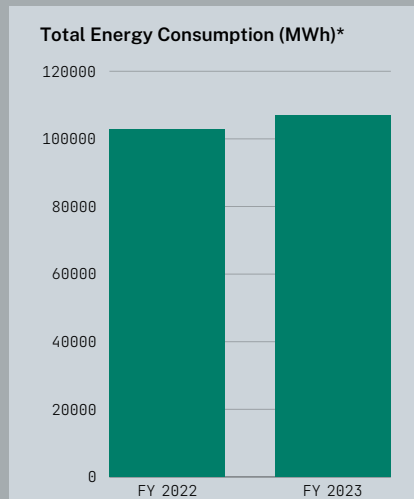
Today, our commitment to a sustainable future includes our intent to manage natural resources responsibly and address climate-related risks and opportunities. Alongside our impact with customers and suppliers, we seek to make a difference in our own operations by improving the environmental impact of our facilities and business activities. Specific examples of our sustainability initiatives include:

- Improvements to energy efficiency within our facilities,
- Use of renewable electricity resources,
- Optimizing fuel consumption,
- Reducing our overall facility footprint; and
- Promoting supply chain practices that will help to ensure that our activities today do not compromise tomorrow’s resources.

Our efforts to improve our environmental impact are overseen by cross-functional teams responsible for developing and implementing strategies to achieve DRS’ ambitions related to environmental performance. This team works in close collaboration with business leaders and sustainability advocates across the organization.

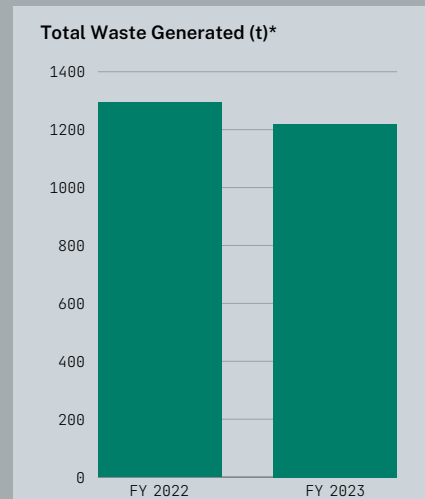
Energy Consumption

We have launched several initiatives to reduce energy use and drive efficiency. These included increasing energy efficiency (e.g., lighting and equipment) to reduce consumption within our facilities, and utilizing renewable electricity sources where possible, optimizing fuel consumption.



Waste

Reducing waste from our operations is a long-term priority. All of our sites recycle waste where possible and have implemented recycling programs for a range of waste streams, including manufacturing waste as well as office waste like food scrap, cardboard, paper, electronic waste, batteries, aluminum, glass, plastics, and toner cartridges.



*Energy and waste data represents Leonardo DRS operations within the reporting scope for the relevant fiscal years.

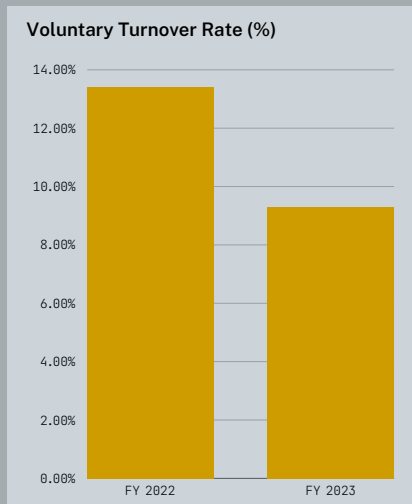
Social

Leonardo DRS is committed to promoting corporate social responsibility and having a positive impact on our customers, employees, and the communities where we live and work. We do this by actively attracting and nurturing a diverse and inclusive workforce; supporting veterans, their families and our communities through corporate philanthropy; and promoting and maintaining the highest standards of safety for our employees.



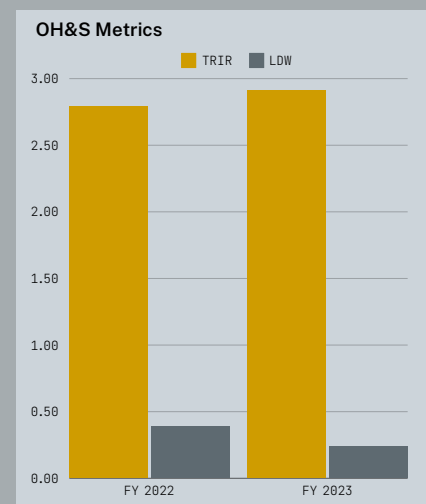
Human Capital

Our training and development efforts ensure our workforce is appropriately trained on critical job skills as well as leadership behaviors. We conduct rigorous succession planning exercises to prepare for future transitions. We engage our employees through surveys and performance reviews. In 2023, **83%** of surveyed employees positively responded that DRS is a great place to work.



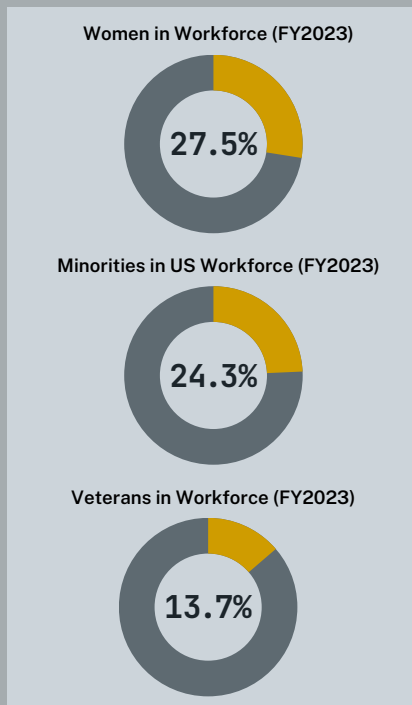
Health & Safety

The wellbeing of our employees is a top priority. We adhere to rigorous health and safety protocols, provide comprehensive safety equipment and training, and engage in continuous risk assessment to ensure a safe working environment. We also have added a range of employee benefits and initiatives across financial, emotional and social wellbeing.



Diversity, Equity & Inclusion

We believe that a diverse, equitable, and inclusive environment makes us a stronger company. Our DE&I strategy is overseen by leadership with collaboration from our action teams and employee resource groups. We proactively promote diversity in our recruiting efforts, succession planning, talent management processes, and employee development programs. All employees participate in inclusion and anti-harassment training.



Community Engagement

The Leonardo DRS Charitable Foundation provides financial support to causes that reflect our commitment to the United States Armed Forces, children's health and education, and community and civic causes that improve the quality of life in our communities. Our employees actively participate in volunteer work and donate to non-profit organizations through our programs. This program includes contribution matching and paid time off for volunteering.



Governance

Leonardo DRS’s corporate governance practices help promote long-term value and strong Board and management accountability to our stakeholders. Our policies and practices reflect corporate governance initiatives that are compliant with the Nasdaq listing rules, SEC rules and regulations, and the applicable corporate governance requirements of the Sarbanes-Oxley Act and those applicable to us as a cleared U.S. defense technology company.



ESG Oversight

DRS’s board has established four committees to assist with its responsibilities: Audit Committee, Compensation Committee, Government Security Committee, and Nominating and Corporate Governance Committee. We seek to have a board that is diverse in experience, perspective, education, race, ethnicity, and gender.

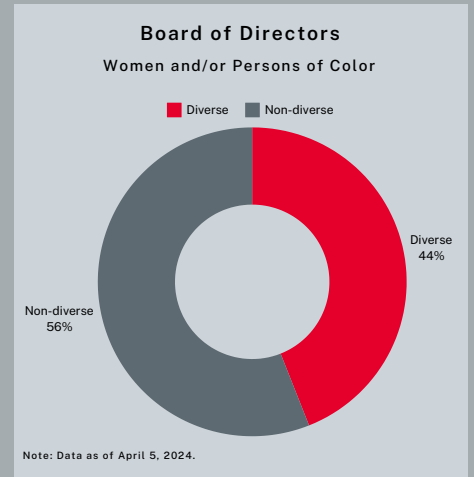
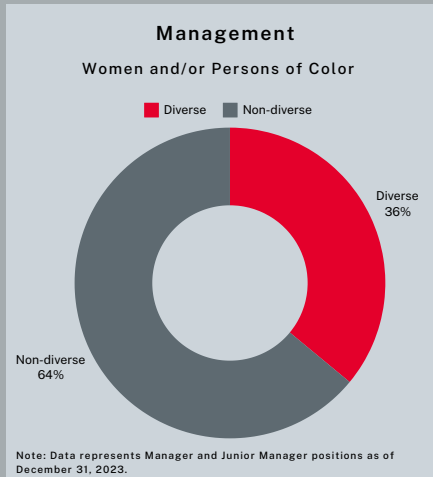
Our Board of Directors oversees and monitors important governance issues, including risk management, Board composition and renewal, executive and Board compensation, ethics issues, cybersecurity and ESG matters.

In 2023, DRS conducted its first ESG materiality assessment. Priority ESG topics are overseen by senior members of the DRS leadership team, and managed by our Senior Vice President for Strategy, Sustainability and Corporate Development.

Ethics & Compliance

Leonardo DRS is committed to operating with the highest level of integrity. Our [Code of Ethics and Business Conduct](#), accessible to all stakeholders, underpins our business dealings. We provide mandatory ethics training for all employees on an annual basis, covering compliance procedures, anti-corruption, and HSE. An Ethics Alertline is available 24/7, and a no-retaliation policy is in place to reinforce our ethical principles across the organization.

Our ESG efforts extend to our suppliers. Relevant environmental and social criteria are clearly laid out in DRS’s [Supplier Code of Conduct](#).



Corporate Governance Highlights

- 89% Independent Directors
- 100% Independent Committee Members
- Lead Independent Director
- Annual Board and Committee Evaluations
- Director Overboarding Policy
- Periodic Review of Committee Charters and Governance Policies
- Regular Meetings of Independent Directors without Management Present
- Published Corporate Responsibility Report
- Formal CEO Evaluation Process
- ESG Goals in Individual Performance Objectives
- Stockholder Engagement Program
- Stock Ownership Guidelines for Directors and Officers
- Codes of Conduct for Directors, Officers and Employees
- Succession Planning Process

Privacy & Cybersecurity

For more information, please see Leonardo DRS’s [Privacy Policy](#) and [Form 10-K](#).