



ABSTRACT

Consolidated Non-Financial Statement 2023



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ABOUT US

The Avio Group is a **world leader in the aerospace sector**. Thanks to the experience and know-how acquired over more than 50 years, Avio is today

an excellence in the field of launch systems, solid, liquid and cryogenic space propulsion systems, and propulsion for military systems.

CERTIFICATIONS

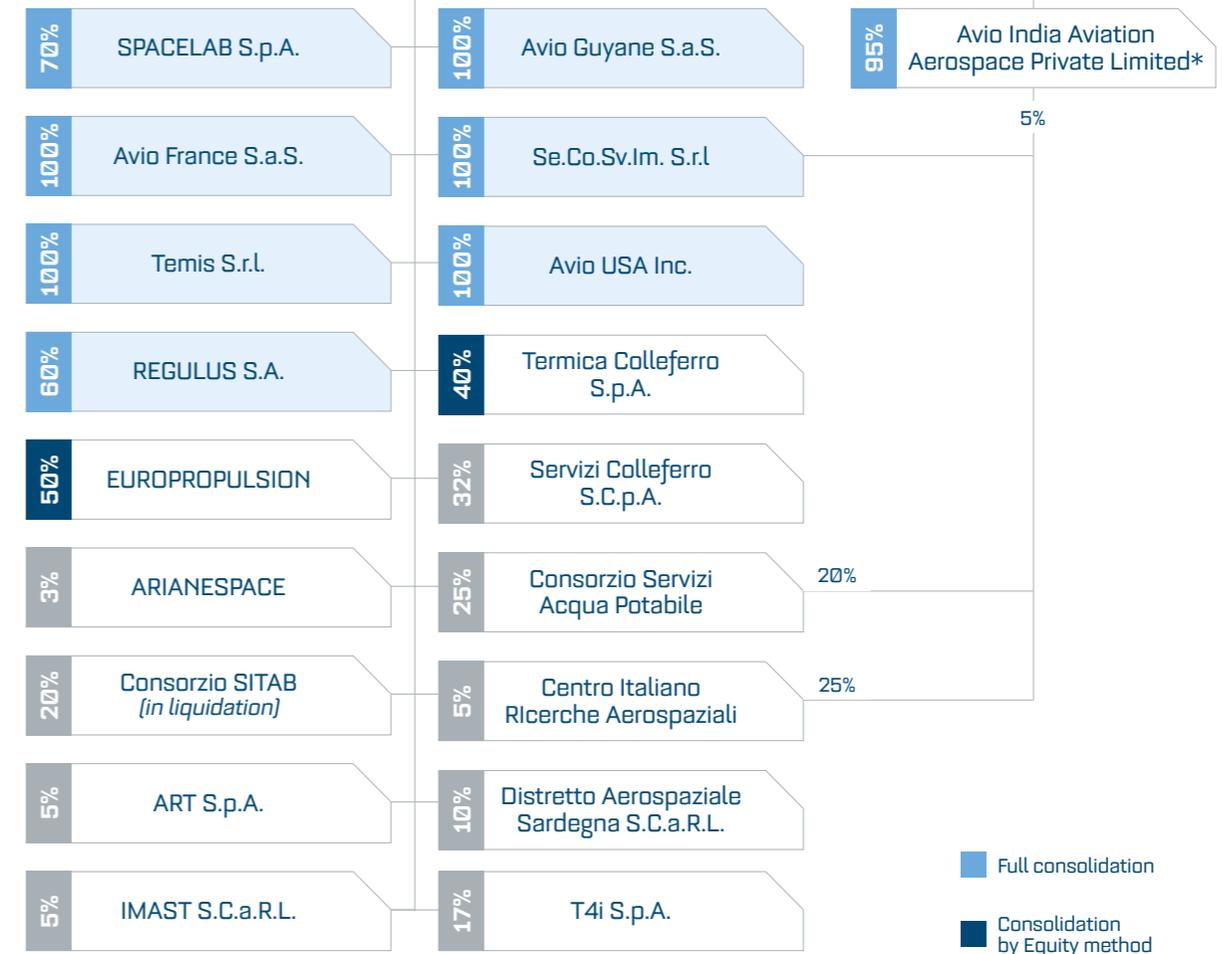


MAIN CUSTOMERS



THE GROUP

AVIO



* Note that the company is in a state of liquidation.

OUR FIGURES*

The Avio Group currently employs over 1,200 people in Italy, France and French Guiana. Founded in 1912, the company has always played a key role in the design, production and integration of space launch systems and tactical missiles.

EMPLOYEES
1,256

ORDER BACKLOG
1,359
million Euro

NET REVENUE
338.7
million Euro

RESEARCH AND DEVELOPMENT ACTIVITIES
121.7
million Euro of costs

NET PROFIT
6.6
million Euro

* at 31/12 2022

OUR SITES



OUR BUSINESS

Avio operates in the **launch systems and space propulsion sector**, with particular reference to:

- **design, development, production and integration** activities for space transportation systems (Vega launcher and future evolutions);
- **solid and liquid propellant propulsion systems for space launchers** (Ariane 6, Vega family launchers);
- **solid propellant propulsion systems for tactical missiles** (Aspide, Aster, CAMM-ER, MARTE, TESEO);
- **liquid propellant propulsion systems for satellites;**
- new **environmentally friendly liquid propulsion systems** for future launchers and orbital modules;
- **ground infrastructure** related to launcher preparation and launch activities.



OUR LAUNCH SYSTEMS

ARIANE 5, for positioning satellites with masses up to 10 tonnes in GEO (Geostationary Earth Orbit) (altitude 36,000 km).

ARIANE 6, currently under development, is the new European large rocket that will take over from Ariane 5. Capable of transporting up to 21 tonnes of payload in low orbit with the 4 booster configuration.

VEGA, for positioning satellites with masses up to 2 tonnes in LEO (Low Earth Orbit) (from altitudes of 300 to 2,000 km altitude).

VEGA C, an evolution of the Vega launcher aimed at commercialisation, and designed for a larger payload than VEGA.

VEGA E, in the early stages of technology development, its innovative three-stage architecture with a revolutionary liquid-oxygen-methane engine (M10) means it will be able to release many satellites into different orbits during the same mission.

VEGA launch

OUR MISSION

WE ARE CONVINCED THAT BRINGING SPACE CLOSER WILL CREATE WELL-BEING AND BENEFITS FOR PEOPLE AND SOCIETY. TO FULFIL THIS MISSION, WE PRODUCE TECHNOLOGICALLY ADVANCED PRODUCTS DESIGNED TO THE HIGHEST QUALITY STANDARDS IN ORDER TO MEET THE DEMANDS OF A CONSTANTLY EVOLVING MARKET

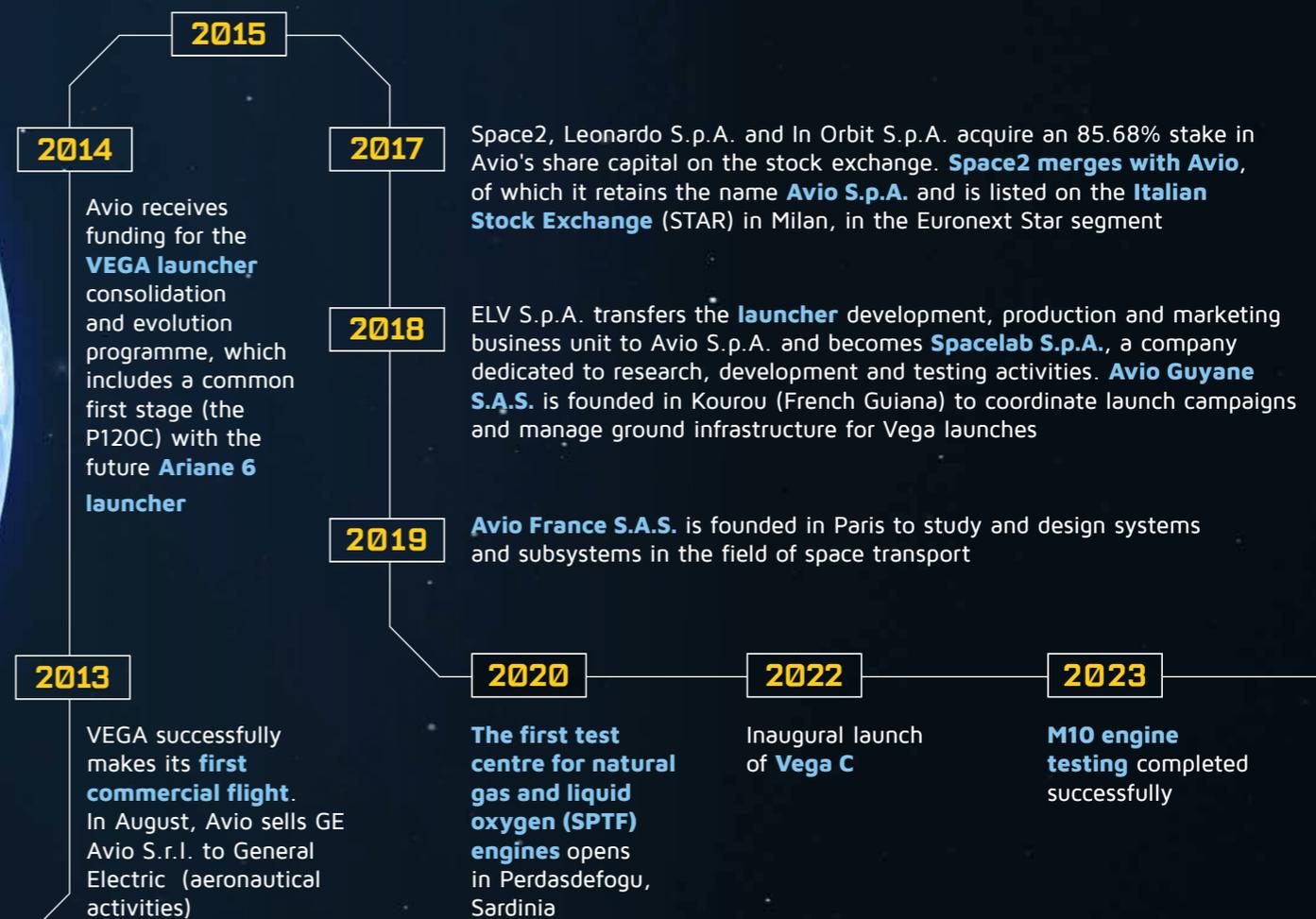
1994
The FIAT Group, already operating in the **aeronautical sector**, acquires BPD Difesa e Spazio, a company that produced munitions for **Italian and foreign military administrations**

2000
The FIAT Group, in collaboration with the ASI, establishes ELV S.p.A. to develop and design the **new European VEGA launcher**, becoming its prime contractor

The Avio Group is acquired by **BCV Investments**, a company owned by the private equity fund Cinven, the Finmeccanica Group (now Leonardo) and others

2006

2012
The VEGA spacecraft, designed and manufactured by Avio, is qualified. At the end of the year, Avio sells its **aeronautical division** to General Electric



GOALS

The **Consolidated Non-Financial Statement**, now in its 7th edition and for the second time combined with the Annual Financial Report, serves to transparently communicate the **Avio Group's sustainability strategies** for **Environmental, Social and Governance (ESG) performance**.

THE REPORT DESCRIBES:

- the main **policies and management models implemented as well as the results achieved** by the company in 2023 in relation to Environmental, Social and Governance (ESG) topics;
- the main **risks** identified, generated or suffered, in relation to the above topics and how they are managed;
- the main potential and actual **positive and negative impacts**.

The NFS includes fully consolidated data from the **parent company (Avio S.p.A.)** and its subsidiaries. The accounting process is **annual** and the NFS is subject to **review, analysis and approval by the Board of Directors following a favourable opinion from the Sustainability Committee**.

METHODOLOGY

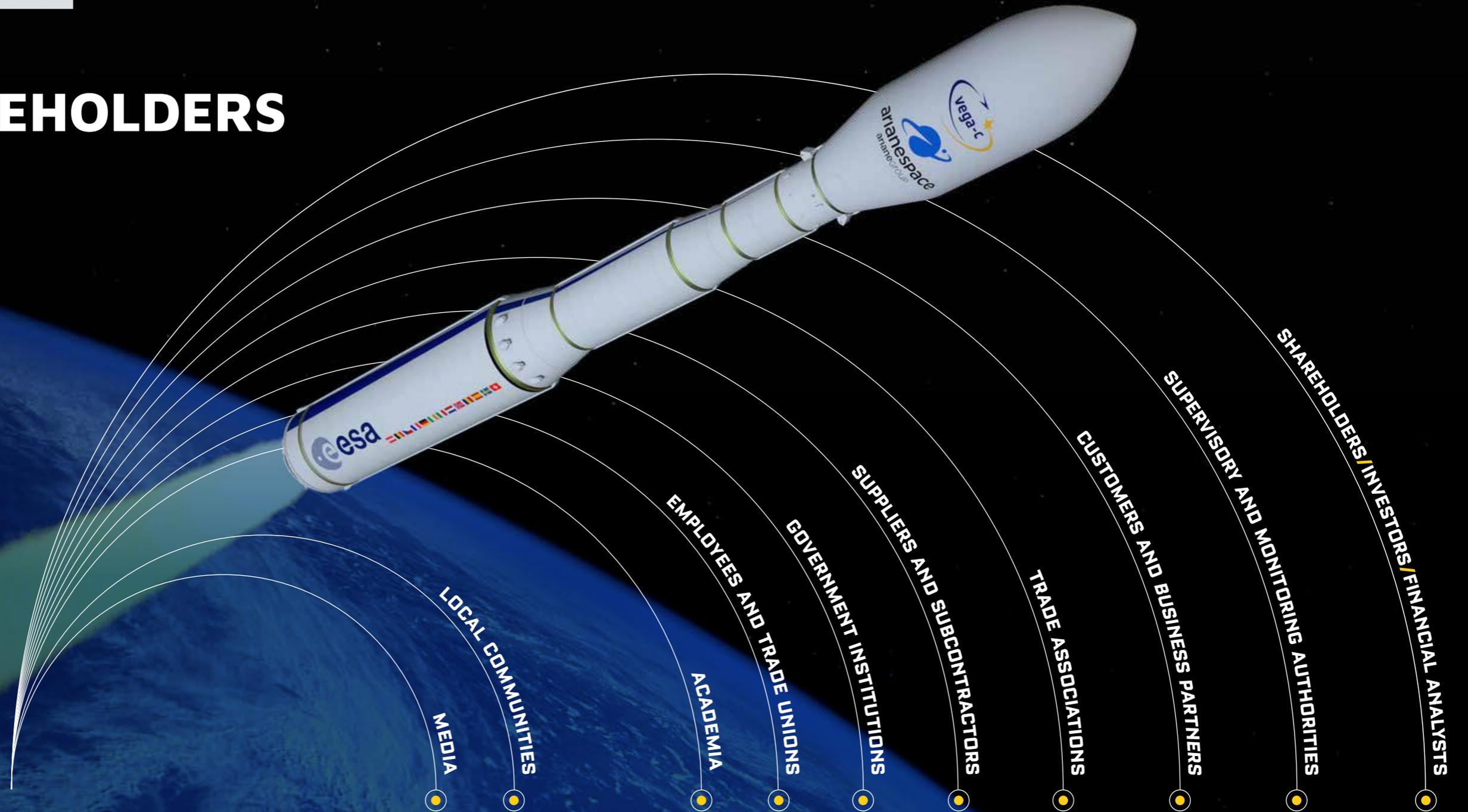
It is prepared in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" using the materiality or relevance principle as defined in the latest version of the Global Reporting Initiative (GRI).



OUR STAKEHOLDERS

Avio considers its stakeholders to be among the **company's founding pillars**.

That is why it has dedicated departments to pursue a proactive approach to the stakeholders it deals with, through acknowledging their needs and adopting diversified involvement practices oriented towards **inclusion, transparency, fairness, attention to ethical, environmental and social aspects** and consistency with the group's business.



MATERIAL TOPICS

AVIO IS COMMITTED EVERY DAY TO ENSURING PRODUCTION PROCESSES ARE SUSTAINABLE AND PROTECTING THE ENVIRONMENT

To identify **strategic sustainability priorities**, Avio updated its **materiality analysis** in 2022 with the aim of identifying **material topics**, i.e. those topics of **economic, environmental, social and governance relevance to the group** and its **stakeholders** that have a significant impact on the Company.

In 2023, Avio will continue to align its materiality analysis with the requirements of the new **GRI Universal Standards**, starting by identifying the **positive and negative impacts** linked to its *business* activities.

THE NEW PROCESS

- **Identification** of the economic, social and environmental impacts of Avio's business related to material times.
- **Identification** of priority stakeholders for the company's business activities and relationships.
- **Evaluation** of the impacts identified through a Stakeholder Engagement process in order to assess their positive and negative significance for each material topic considered.
- **Update** of the Materiality Matrix 2023 by combining the survey responses.
- **Approval** of the 2023 Materiality Matrix by the Board of Directors, subject to the favourable opinion of the Sustainability Committee.



THE MATERIALITY MATRIX

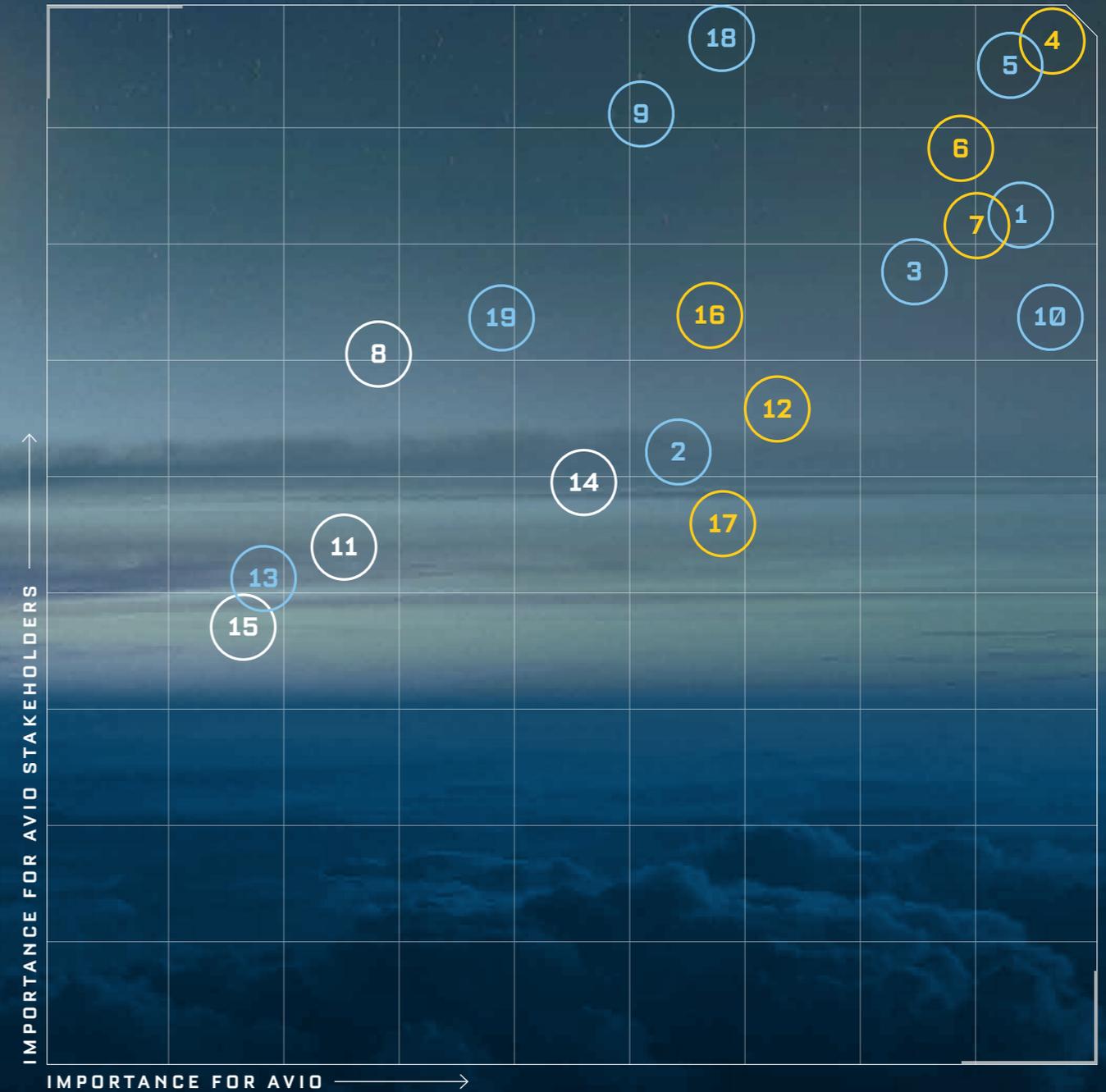
The material topics were identified and updated through a special **survey**, which for the first year was also submitted to the company management and control bodies (Board of Directors, Board of Auditors and Supervisory Board):

EXTERNAL

INTERNAL

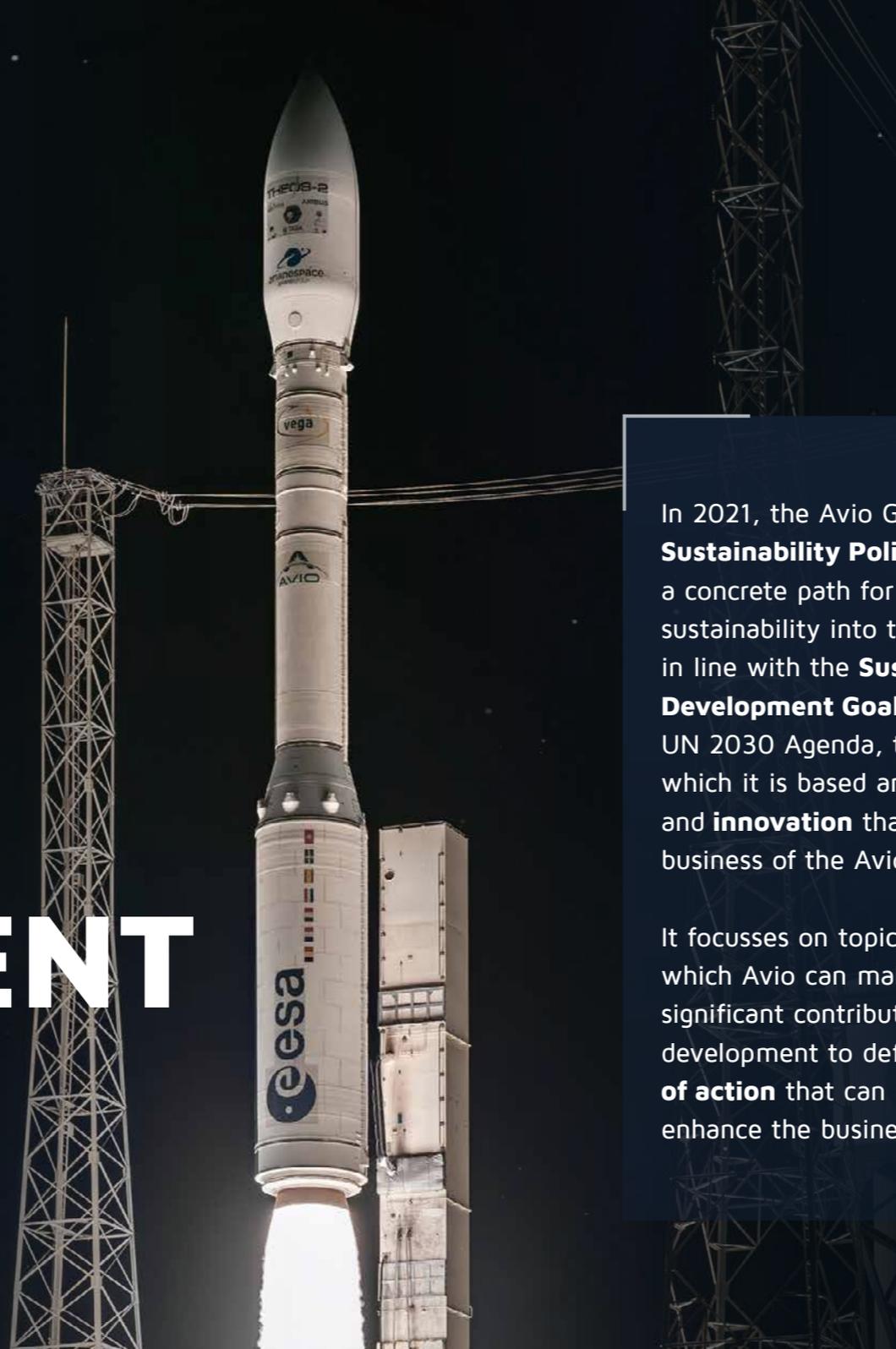
Combining the responses received resulted in updating the 2022 materiality matrix.

- 1 Quality and safety of products and services
- 2 Quality system management
- 3 R&D and innovation
- 4 Health, safety and welfare of employees and human rights
- 5 Safety in Industrial management
- 6 Training and skills development
- 7 Talent management and retention
- 8 Energy consumption and emissions
- 9 Responsible relationships with suppliers
- 10 Cybersecurity and data protection
- 11 Redevelopment
- 12 Personnel remuneration
- 13 Social and environmental initiatives
- 14 Waste Management
- 15 Water resource management
- 16 Equal opportunities
- 17 Dialogue with social partners
- 18 Corruption prevention
- 19 Integrated Corporate Governance



TOPICS: ○ Environmental ○ Personnel management ○ Social impact

OUR COMMITMENT



In 2021, the Avio Group drew up a **Sustainability Policy**, which outlines a concrete path for integrating sustainability into the business: in line with the **Sustainable Development Goals** (SDGs) of the UN 2030 Agenda, the main goals on which it is based are the **technology** and **innovation** that form the core business of the Avio Group.

It focusses on topics in relation to which Avio can make a concrete and significant contribution to sustainable development to define **specific lines of action** that can help support and enhance the business.

Avio wants to distinguish itself as **leader in technological development and innovation** through cutting-edge products and services. Technological development aims to maximise the positive impact of the group's activities in **three dimensions** related to the SDGs.

Among the goals on which the Sustainability Policy is based, in line with the SDGs, Avio aims above all for **development of a cleaner space** [SDG 9], to **greater observation of the Earth for sustainable development** [SDGs 13 and 15] and **support of life in space** [SDG 17].

OUR SDGS GOALS

OTHER TARGETS IN LINE WITH THE AVIO 2030 POLICY AGENDA

GOAL 4

The most significant and relevant initiatives on Gender Inclusion include membership of the Valore D association, The first corporate association **promoting gender balance and an inclusive culture** to foster companies and country growth. Avio also organised the 'AVIO4WOMEN' event for the growth and empowerment of women in AVIO.

GOAL 8

In terms of occupational health and safety and prevention of major environmental incidents, Avio complies with current regulations in order to protect and ensure a **safe working environment and business continuity**.

GOAL 16

Avio undertakes to contribute to the **combating corruption** through practices and policies that implement a culture of transparency and anti-corruption.



GOALS ON WHICH THE SUSTAINABILITY POLICY IS BASED

GOAL 9

Avio wants to become a major contributor internationally to **space debris removal** missions, the presence of which is potentially dangerous because it increases the likelihood of collisions with satellites.

GOALS 13 AND 15

Satellite technology is crucial for **observing planet Earth**: of the satellites that are in geostationary orbit, 27% collect data needed for a variety of purposes, including food security of endangered areas, **mapping ecosystems** and mapping the **effects of climate change**.

GOAL 17

Avio aspires to become a reference interlocutor for promoting a **paradigm of open innovation**, which serves to maximise synergies with satellite manufacturers and research centres for the development of Earth observation technologies. In addition, it has co-signed the **"Statement for a Responsible Space Sector"** with other industrialists and representatives of the European Space Community (2022), which aims to **provide a basis for sustainable development** of the space sector and increase the **contribution of space activities** for the benefit of society.

SHORT-TERM SUSTAINABLE GOALS

For years Avio has been at the forefront of **access to space in Europe**, contributing to the **European space fleet** as prime contractor of the Vega family of launchers and one of the main partners of the Ariane 5 and Ariane 6 launchers. It also **promotes advanced and sustainable technologies** with all its partners and stakeholders to aim for a clean future.

The goals include a desire to be a trailblazer for **sustainability in the entire space sector**; in fact, there are many **projects** planned for the near future in which Avio is one of the main players.

First of all, Avio is already working with the Italian Space Agency (ASI) on the **next generation of liquid-propellant engines**, which will make their debut with our latest-generation Vega E launcher.

PARTNERSHIP

An agreement has been signed with the Italian Space Agency (ASI) for the launch of the **Platino 1 and Platino 2** satellites between 2022 and 2024.

Moreover, contracts were signed with ESA and CNES for the launch of **Microcarb and NESS** and with ESA for the **Flex** and **Altius** satellites to be put into orbit by 2025.

In April 2022, Arianespace signed a contract with Amazon for 18 launches with **Ariane 6**. Avio also signed an agreement to launch the **Sentinel 1C** satellite with the brand new **Vega C**, increasing the importance of the company's contribution to the Copernicus programme.

SPACE CONTRACTS FOR EUROPE

The group was awarded the first two contracts as part of the space industry initiatives and implementation of the "Next Gen EU", which will involve an investment of approximately **340 million Euro** by the Italian government to boost technological capabilities in the Italian industry for access to space.



COPERNICUS AND SENTINEL

In November 2022, an agreement was signed for the launch of five **Copernicus** missions with **Vega C**. These will take place between 2024 and 2026 and will make it possible to accurately monitor some important **elements for survival on Earth**.

In December 2022, a framework contract was signed in ESA for the **launch of five Sentinel satellites**: 2C, 3C, 1D, CO2MA and CO2MB.



ENVIRONMENTAL SOCIAL GOVERNANCE

Avio aims to create a better tomorrow that is more **sustainable for future generations**. That is why it decided to take inspiration from the United Nations' **17 Global Sustainable Development Goals**, continuing on its path towards **sustainable progress** by adopting an integrated strategy capable of combining **environmental, social and governance protection** with healthy economic growth.

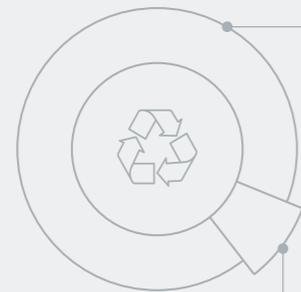
In its business model, Avio considers sustainability to be a fundamental principle that contributes to the definition of the group's strategic and operational choices and guarantees, in the long term, growth consistent with the principles of **respect for the environment, appreciating people, and positive interaction with the surroundings and communities in which it operates**.

ENVIRONMENTAL

For several years, the Avio Group has had an **Environmental Policy** that, besides complying with all applicable legal and other regulatory requirements, formalises the company's commitment to **continuously improving its environmental performance** and minimising the impact of its production site and facilities.

WASTE GENERATED

1,245.82 TON



71%
Recycling
and
recovery

29%
Disposal

In 2023, the group generated a total of **1,245.82 tonnes** of waste, of which **222.99 tonnes (vs. 518.73 in 2022)** were **hazardous waste** and **1022.83 tonnes (82%)** were **non-hazardous waste**.



AVIO UNDERTAKES TO:

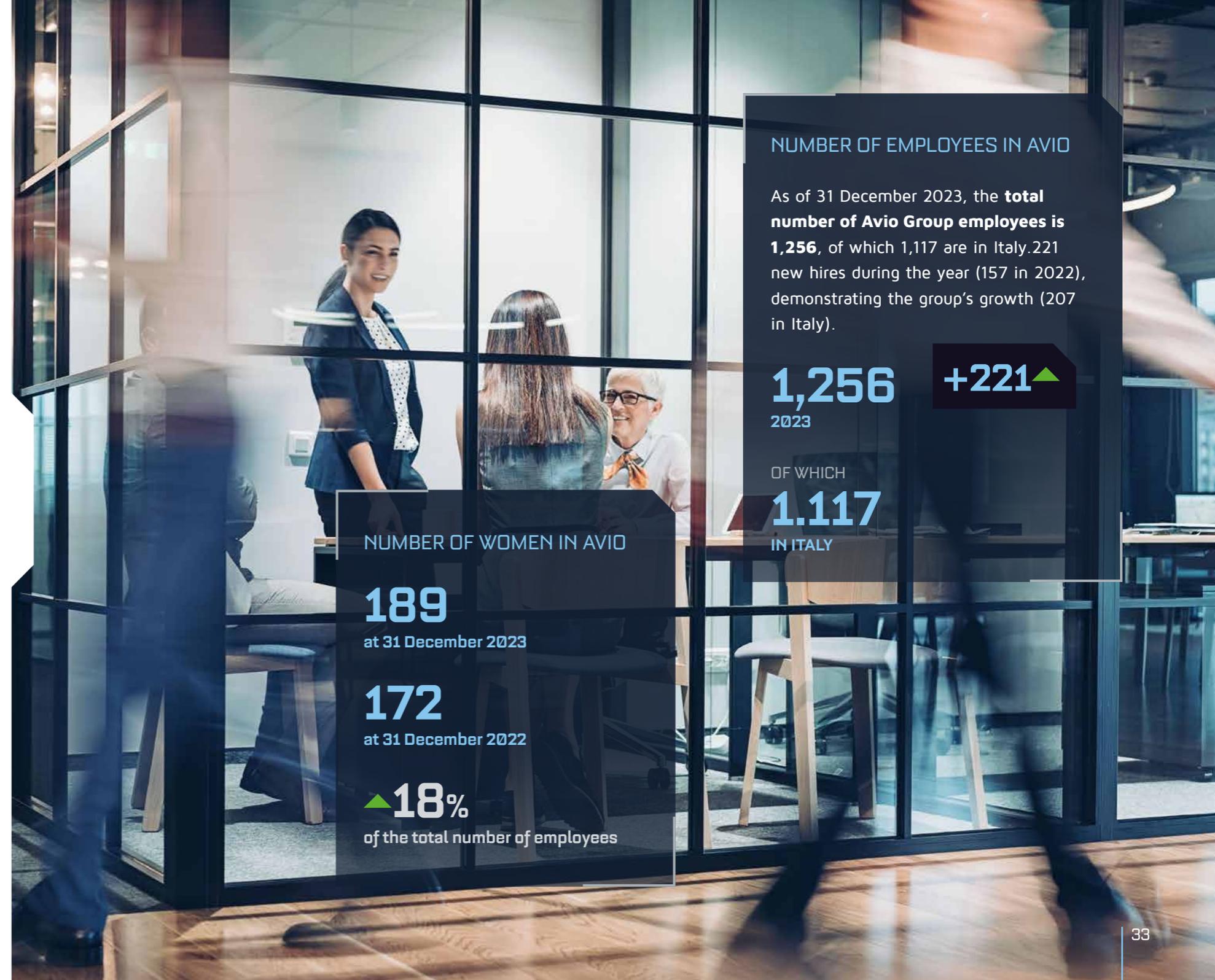
- **improve** environmental performance to help achieve climate neutrality;
- **promote** a comprehensive plan to reduce waste and minimise its environmental impact;
- **protect** the natural resources of the surroundings in which the group operates.

SOCIAL

Constant attention and commitment to human capital are the founding pillars on which Avio has defined a development plan aimed at **enhancing quality and skills** based on specific selection, training and management processes, and remuneration policies.

In this regard, Avio is committed to:

- **becoming** a European benchmark for aerospace talent by strengthening skills development and corporate welfare;
- **promoting** the highest health and safety standard in full compliance with national and international regulations, both internally and throughout its value chain;
- **promoting** gender equality in accordance with ISO 30415:2021;
- **fostering** corporate growth geared towards diversity and appreciating people.



NUMBER OF EMPLOYEES IN AVIO

As of 31 December 2023, the **total number of Avio Group employees is 1,256**, of which 1,117 are in Italy. 221 new hires during the year (157 in 2022), demonstrating the group's growth (207 in Italy).

1,256
2023 **+221**▲

OF WHICH

1.117
IN ITALY

NUMBER OF WOMEN IN AVIO

189
at 31 December 2023

172
at 31 December 2022

▲ **18%**
of the total number of employees

GOVERNANCE

COMPANY STRUCTURE AND SHAREHOLDERS

Avio's system of Corporate Governance is characterised by the central role assigned to the Board of Directors and Committees (Sustainability, Control and Risks, Appointments and Remuneration, and Planning and Scenarios Committees, as well as the Supervisory Board and Board of Statutory Auditors).

Avio is:

- among the 148 companies that publish an **NFS**;
- among the 15 companies that publish an **Integrated Report**;
- among the 30 companies that include the **NFS in the Management Report**;
- among the 74 companies that involved the **BoD** in the materiality analysis process;
- among the 8 companies that submitted the **materiality analysis to a board committee for approval**.



AVIO UNDERTAKES TO:

- Adopt an **integrated compliance system** through the collaboration of the various departments (risk management, internal audit, legal) in order to develop its own risk management methodologies;
- implement a corporate organisational **cybersecurity** model;
- promote an **anti-corruption** culture by adopting preventive measures, including through cooperation with trade associations.

AVIO ADOPTS THE PROVISIONS OF THE CORPORATE GOVERNANCE CODE PROMOTED BY BORSA ITALIANA AS A REFERENCE MODEL FOR ITS *CORPORATE GOVERNANCE*

In line with its contents, the group has:

- a **Code of Conduct** on Internal Dealing;
- a **Procedure that governs operations** with related parties;
- a **Code for processing inside information**;
- a **Code of Ethics** for the Avio Group;
- an **Organisation, Management and Control Model** (Model 231);
- an **Anti-Corruption Code**;
- **Internal Control and Risk Management System Guidelines**;
- a **Diversity Policy**;
- a **Policy on Dialogue with the Generality of Shareholders**;
- a **Policy on qualitative and quantitative criteria** for assessing the independence requirements of directors and auditors;
- a **Cybersecurity Policy**.

NO ANTI-CORRUPTION VIOLATIONS

NO SANCTION

BUSINESS INTEGRITY FORUM (BIF)

In 2023, Avio confirmed its membership of the **Business Integrity Forum (BIF)**, an initiative of **Transparency International Italia**, which brings together major Italian companies that are active in integrity and transparency.

OECD'S BUSINESS ANTI-CORRUPTION COMMITTEE (BIAC)

Avio joins the **OECD's Business Anti-Corruption Committee (BIAC)**.

This membership demonstrates Avio's commitment to promoting ethical business practices to counteract corruption and reinforce the achievement of our governance goals in relation to ESG factors.

ITALIAN TRANSPARENCY AND ANTI-CORRUPTION ASSOCIATION (AITRA)

Avio is a member of AITRA, a non-profit association that since 2015 has united public employees and professionals with first-hand experience of the responsibilities linked to the roles of Corruption Prevention Officer, Transparency Officer, Anti-Money Laundering Officer, Personal Data Protection Officer and Compliance Officer (Italian Law 190/2012 and subsequent amendments and integrations).



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