SUSTAINABILITY REPORT 2022

SEA MilanAirports

CONTENTS

LETTER TO STAKEHOLDERS

Our journey towards a sustainable transition was unceasing in 2022. If anything it accelerated, positioning us in some cases among the most dynamic players in our sector. As traffic levels recovered significantly during the period, we were able to look more calmly at the agenda of ESG commitments and programmes that we defined with such determination and commitment during the months when the pandemic was sowing uncertainty and making it difficult to plan for the future. The turning point came in the second half of the year as passenger numbers rose suddenly across Europe, putting pressure on the operating abilities and passenger service quality of many of the continent's airports. Staffing was a particular stumbling block, following the decision by many operators to significantly restructure their workforces in response to repeated lockdown periods. The Milan airports, however, did not suffer in this area. During the periods of peak operational difficulties, passenger inconvenience was kept to a minimum and many aspects of the passenger experience improved: ASQ (Airport Service Quality) indicators at Linate and Malpensa report values for 2022 that are well above their historical averages.

When everything seems to be going against you,
remember that the airplane takes off against the wind, not with it.

Henry Ford

This result was due in part to the introduction of innovations such as Smart Security, a system based on cutting-edge technology that allows passengers to pass through security checks without removing liquids or electronic devices from their luggage. In 2021, Linate became the world's first airport to trial the equipment, which halves passenger waiting time at security while also drastically improving the efficiency of checks. Malpensa followed suit in 2022.

We also took great strides in the area of sustainable mobility. In 2022 we doubled the number of electric passenger shuttles, which were first introduced at Malpensa in 2021. We also began the process of upgrading the vehicles used at both our airports, replacing endothermic-powered vehicles with low-emissions alternatives. Between 2023 and 2025, the entire fleet will be replaced with electric and hybrid vehicles, which will also see us make over 100 charging stations available at our airports.

Also in the area of mobility - travel to and from our airports - in 2022 we introduced Milan's first superfast charging station at Linate. This is among the largest electric vehicle charging stations found at any airport across Europe (allowing 10 vehicles to be charged simultaneously in 15/20 minutes) and uses 100% renewable energy. The same type of infrastructure will soon by installed at Malpensa.

These are just some of the initiatives covered by our ambitious, multifaceted Decarbonisation Plan, which launched in 2022. The plan reflects the commitment we have assumed - including by achieving the highest level of certification of Airport Carbon Accreditation (ACA), the voluntary CO_2 emissions reduction programme promoted by the European airports association ACI Europe - to reaching net zero carbon emissions for both of our airports by 2030.

In line with the path set out in the plan, we concluded the sale of SEA Energia, which had provided electricity and heating to our airports from two methane-powered cogeneration plants. The sale will allow us to rethink our future energy provision solutions and progressively increase our use of renewable sources.

We are also working on reducing our needs, approving a significant energy efficiency plan which will see us invest around Euro 15 million over the next three years and reduce our direct CO_2 emissions by 10 thousand tonnes per year.

And we have not neglected the issue of climate-altering emissions produced by other operators at our airports, including airlines. The EU has ruled that by 2025, carriers must use 2% Sustainable Aviation Fuel (SAF) and that this percentage must gradually increase in the following decades to 2050. The use of SAF can reduce emissions by 70-80% compared to traditional fuel. At the end of 2022, it powered 28 flights operated by DHL Express Italy from Malpensa, where it was mixed 20/80 with traditional kerosene, as a result of an agreement between the carrier, SEA and the supplier ENI. A further 4,000 tonnes of aviation fuel, in a 20% mix with biojet, will be available at both Milanese airports in 2023. SEA will also be the first Italian Airport Manager to adopt a specific incentive plan to encourage airlines to use the fuel before EU regulations make it obligatory, covering part of the price difference that carriers will incur. This is a tangible sign of our desire to be active participants in the comprehensive ecological transition in our industry.

We also laid the groundwork to develop an advanced climate change adaptation plan at our airports, and particularly at Malpensa. This will cover all of the factors that could potentially create critical issues in infrastructure and airport operations, including temperature, wind, and precipitation. Our plans - which were deemed worthy of EU funding - will significantly increase Malpensa's resilience to extreme weather conditions in the coming years.

In terms of social issues, 2022 saw the launch of two significant Diversity & Inclusion projects. These focused on combatting cultural biases that impede or slow the full integration of members of the LGBTQ+ community into the corporate population, and on empowering our female members of staff. On the second issue in particular, we are working to introduce a management system that will oversee each of the processes affecting gender equality. While this is in development, however, we have already taken steps in the right direction. The percentage of women in management positions - which rose from 32% in 2019 to 38% last year - is evidence of this.

Generational renewal plays an important role in this change. We are committed to ensuring that SEA provides a younger and more gender-balanced working environment, and that it is increasingly inclusive for every type of diversity. This approach has borne fruit, as evidenced by the figures for 2022: since 2019, the number of SEA employees under 30 has quintupled, and the percentage of women in this age bracket has increased from 25% to 60%. The portion of women in the under-40 age group also grew in the period, from 37% to 50%.

These numbers are further evidence of SEA's success in tackling the challenge of better equipping itself to create value, and of the tangible results that it has generated in a range of areas. Reflecting on this information, as we have sought to do with this Report, is more than just a transparency obligation: it is also a crucial way to learn lessons for the future.

Of these lessons, two are particularly important. The first is that volatility is the new normal. Many of the sustainability initiatives in action today were formulated and planned during the pandemic, as traffic ground to a halt and the future became near impossible to predict. Today, we are glad to have overcome a moment in which so many extremes came together.

We also know, however, that the environment in which we operate will never be entirely free of turbulence and never immune to rapid change. As such, it is imperative that we learn to map out sustainability pathways even as we deal with the volatile conditions around us, not allowing these conditions to affect us unduly.

The second lesson is that we must urgently learn the art of ambidexterity. Nothing good can ever come of using adversity as an excuse to procrastinate or fail to act. From transformation - even that which seems at first glance to cause us real harm - we must seek to draw the courage and lucidity required to press forward towards new opportunities, doing everything in our power to limit risk and uncertainty. This ability will allow us to confidently tackle the emergencies of the present, and contribute to preventing the problems of the future.

Chairperson **Michaela Castelli**

Chief Executive Officer **Armando Brunini**

METHODOLOGICAL NOTE

The SEA Group (hereinafter also the "Group") has published an annual Sustainability Report since 2010.

The 2022 Non-Financial Statement (hereinafter the "NFS") - now in its sixth edition - concerns the Group's performance during the year ended December 31, 2022, in accordance with Legislative Decree No. 254/2016. Pursuant to Article 5 of this Decree, it takes the form of a separate report that includes specific language so as to be considered an NFS as per the regulatory requirements.

This NFS was prepared in compliance with the "Global Reporting Initiative Sustainability Reporting Standards" and the "Airport Operators Sector Disclosures" (2014 version) defined by the Global Reporting Initiatives (GRI). The 2021 version of the Universal Standards GRI 1 (Foundation), GRI 2 (General Disclosures), and GRI 3 (Material Topics) has been adopted by the Group. The GRI Content Index has been included at the end of the document, with the aim of providing a full account of the coverage of the GRI indicators associated with each topic identified as material.

The document has been prepared with the objective of ensuring an understanding of business activity, its performance, results and impact on the topics deemed material set out in Article 3 of Legislative Decree No. 254/2016.

The non-financial disclosures contained in the NFS reflect the principle of materiality or relevance, a key characteristic of the GRI Standards that is also defined in the reference legislation: the materiality analysis process is described in the "Defining the materiality matrix" section. In 2022, the materiality analysis underwent a light review and was subsequently presented to the Control, Risks and Sustainability Committee on March 7, 2023.

This document contains a description of the major policies applied by the undertaking, the management models and results achieved by the Group in 2022 (January 1 to December 31) relating to the topics expressly cited in Legislative Decree No. 254/2016 (environmental, social, personnel-related, respect for human rights and the fight against corruption), as well as the main risks identified, generated or incurred, relating to the above topics and management methods.

It should be noted that human rights are taken into account within the context of personnel and supply chain management. In this regard, SEA has established procedural and organisational safeguards to manage and monitor issues relating to applicable legislation. Water consumption and anti-corruption are adequately disclosed in this report under the respective material topics of "Infrastructure Development Compatible With Biodiversity and Reduced Land Consumption" and "Strategic Vision Oriented to Long-Term Value".

The financial reporting scope is the same as for the Group's 2022 Consolidated Financial Statements. The scope of information and data regarding social and environmental aspects includes companies consolidated line-by-line in the Group's 2022 Consolidated Financial Statements.[1]

We note that data and information for the year 2022 do not include SEA Energia S.p.A. due to its sale on September 29, 2022. Nonetheless, its energy consumption and CO_2 emissions data have been included for the first nine months of the year (excluding the reporting of scope 3 indirect emissions) to present an accurate overview of the Group's business and its impacts.

In 2022, there were no significant changes related to the Group's supply chain.

To allow data to be compared over time, data for 2021 and 2020 have also been included. It should, however, be noted that some data are shown for the two-year period as a whole.

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[1] For the list of Group companies consolidated line-by-line, reference should be made to sections 2.4 - Consolidation method and principles, and 2.5 - Consolidation scope and changes in the year of the Explanatory Notes to the SEA Group Consolidated Financial Statements.

In the interest of a proper account of performance, and in order to ensure that the figures are reliable, the use of estimates has been kept to a minimum and any estimates presented have been based on the best available methods, as appropriately disclosed. Data published in the previous NFS are also indicated in this document, where necessary.

This report was approved by the Board of Directors on March 24, 2023.

The document also uses the following terms:

- SEA for SEA SpA;
- SEA Energia for SEA Energia SpA;
- SEA Prime for SEA Prime SpA;
- Airport ICT Services for Airport ICT Services S.r.l.

This Statement was subject to an opinion on its compliance by Deloitte & Touche ("limited assurance engagement" according to the criteria indicated by the ISAE 3000 Revised standard). The verification was carried out according to the procedures indicated in the "Independent Auditors' Report" included in this document.

The Group's CSR Function may be contacted for information regarding the NFS: Sebastiano Renna - *Head of Corporate Social Responsibility* e-mail: sebastiano.renna@seamilano.eu.

This document is also available from the SEA Group's website, www.seamilano.eu in the section "Sustainability".

COMPANY OVERVIEW

THE SEA GROUP

The Milan airport system is managed by the SEA Group (Società Esercizi Aeroportuali) in accordance with the Convention entered into with ENAC in 2001, which is effective until 2043. The parent company, SEA SpA, is a joint-stock company, incorporated and registered in Italy.

The Malpensa and Linate airports are among the top ten in Europe by passenger volume and among the top five by cargo volume, whereas at the national level the Milan airport system is Italy's second-largest in terms of passenger traffic and number-one in the cargo segment and general aviation.

KEY FACTS

Foundation of SEA: May 22, 1948
Registered office: Milan Linate Airport - 20090 Segrate (MI)
Milan company registration office No.: 00826040156
Share capital: Euro 27,500,000
No. Group workers at December 31, 2022: 2,570

HIGHLIGHTS 2022

Total revenues: Euro 767.5 million
EBITDA: Euro 290.2 million
Net profit: Euro 182.5 million
Passengers: 28.9 million
Aircraft movements: 256.0 thousand
Cargo: 717.1 thousand (tons)

SEA and the Group companies manage and develop the airports of Milan Malpensa and Milan Linate, guaranteeing services and related activities, such as the landing and take-off of aircraft, the management of airport security and the development of commercial services for passengers, operators and visitors, through a wide and differentiated offer.

Mission

The mission of SEA is to create value for all parties directly involved in Group activities: shareholders, customers, employees, and its stakeholder audience as a whole.

This is achieved through providing services and solutions which serve the growing demands of the market, ranging from passengers to airlines, airport operators and the commercial partners at Malpensa and Linate airports.

The airport infrastructures managed by SEA ensure air access to the major international destinations for a large number of users and are located in one of the most developed catchment areas in Europe - providing a key hub for economic growth in the North Italy region as a whole.

The services provided by SEA are guaranteed by the management and development of secure and cutting-edge infrastructure, placing a central focus on the development of the host community and environmental protection.

Ownership

The share capital of SEA SpA amounts to Euro 27,500,000, comprising 250 million shares of a par value of Euro 0.11, of which 137,023,805 Class A shares, 74,375,102 Class B shares and 38,601,093 other shares. The Class A shareholders upon majority divestment must guarantee Class B shareholders a right to co-sale. Class A shareholders have a pre-emption right on the sale of Class B shares.

SEA, following the issuance of the bond designated "SEA 3 1/8 2014-2021" on April 17, 2014 and the admission to listing of the notes on the regulated market organised and managed by the Irish Stock Exchange, qualified as a Public Interest Entity (PIE) as defined in Article 16, paragraph 1, letter a) of Legislative Decree No. 39/2010. This status was maintained through a new Euro 300 million bond issue completed in October 2020 and listed on the regulated market of the Irish Stock Exchange (Euronext Dublin).

Public Shareholders

8 entities/companies

Municipality of Milan [*]	54.81%
Municipality of Busto Arsizio	0.06%
Other public shareholders	0.08%
Total	**54.95%**

[*] Holder of Class A shares

[**] On behalf of F2i - second Italian Fund for infrastructure

Private Shareholders

2i Aeroporti SpA	36.39%
F2i Sgr SpA [**]	8.62%
Other private shareholders	0.04%
Total	**45.05%**

Share Capital Structure

54.81% **Municipality of Milan**

8.62% **F2i Sgr SpA**

36.39% **2i Aeroporti SpA**

0.18% **Others**
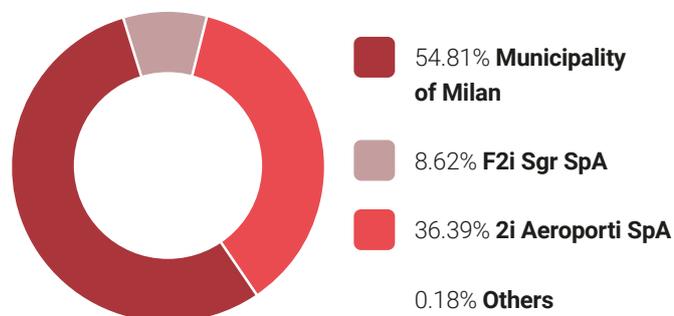
SEA GROUP STRUCTURE AND INVESTMENTS IN OTHER COMPANIES

Direct investments of SEA S.p.A. as of December 31, 2022

SEA SpA

Airport Management	Utilities	Commercial Activities	Other Activities	Handling
99.91% SEA Prime SpA	**18.75%** Disma SpA	**40%** Dufrital SpA	**100%** Airport ICT Services Srl	**30%** Airport Handling SpA
30.98% S.A.C.B.O. SpA Società Aeroporto Civile di Bergamo Orio al Serio		**40%** Areas Food Services Srl	**0.23%** Romairport Srl	**25%** Malpensa Logistica Europa SpA

■ *Controlling shareholding*
■ *Associate*
■ *Investment in other companies*

Note: the holding in SEA Energia was sold in the second half of 2022.

Value creation model

By interacting with its operational environment on an ongoing basis, SEA intends to consolidate its capacity to generate long-term economic value (the aviation sector is one of the industries most susceptible to external dynamics). The economic value generated by SEA is the result of its conscious and balanced approach to managing various forms of capital (including financial, infrastructural, social, human, intellectual, and natural resources), which play a critical role in generating economic value for the Company.

By efficiently managing these different forms of capital, SEA is able to create the necessary conditions for providing air connectivity (and connected services) while meeting the needs and expectations of passengers and customers. This approach also ensures that the demand for balanced and sustainable growth from regional stakeholders is protected. The impact generated by airports on their neighbouring environments is also evaluated based on the facilitated and accelerated development of socio-economic players. This encompasses the accessibility of the area to international tourists, the integration of the manufacturing system into global trade chains, and the attractiveness of production investments in the surrounding area thanks to the presence of airports.
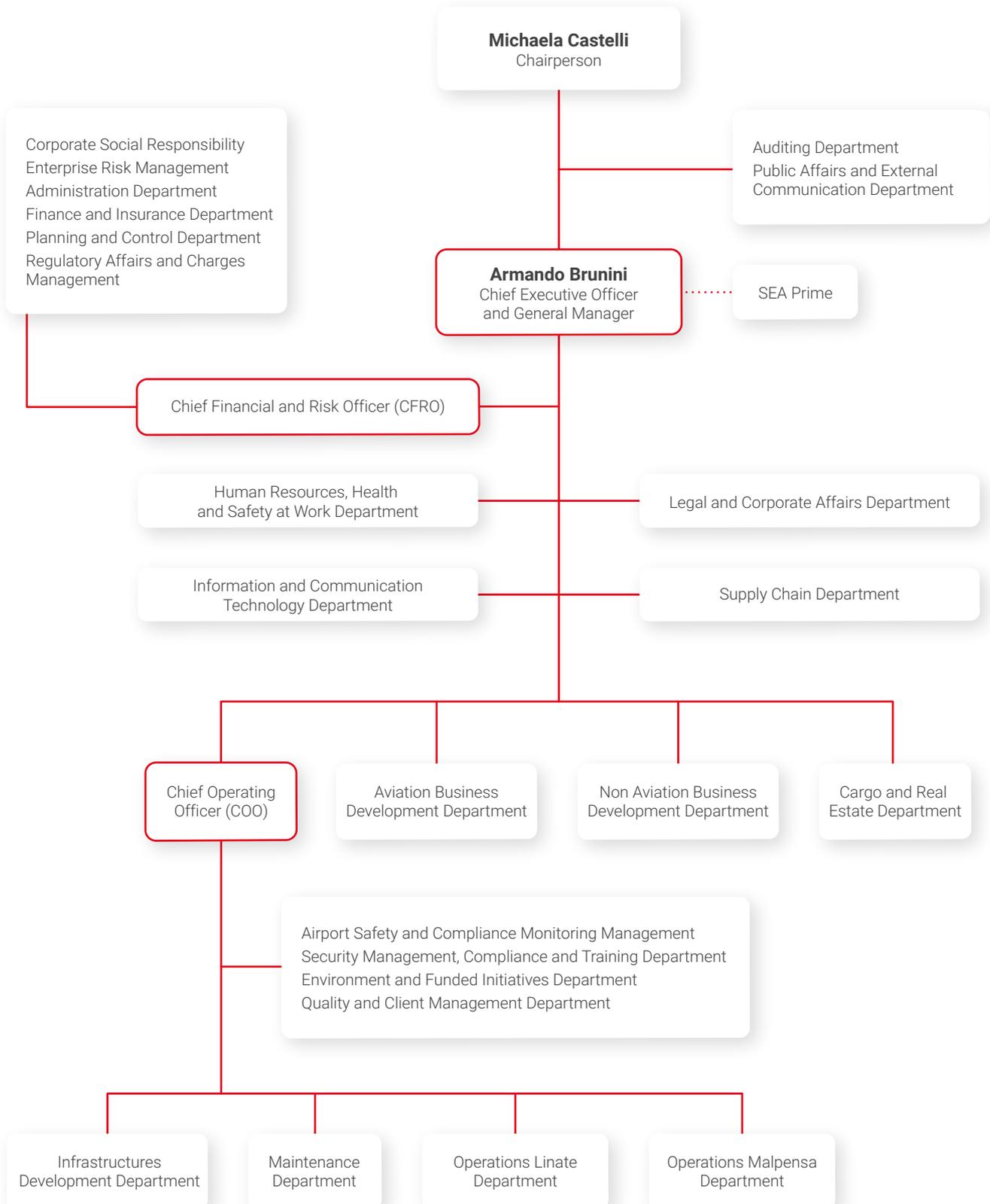
Value creation model

BUSINESS AREAS

COMMERCIAL AVIATION

Aviation Business
— Management, development and maintenance of airport infrastructure and equipment
— Aircraft arrival and departure services
— Airport security services

Revenues generated by a regulated fee system comprising:
— airport fees
— fees for the use of centralised infrastructure
— security fees
— fees for the use of check-in desks and spaces by carriers and baggage handlers

Non-Aviation Business
— Wide and varied range - managed both directly and under license to third parties - of commercial services for passengers, operators and visitors to the airports
— Real estate business

Revenues:
— Market fees for business conducted directly by the Group
— Royalties (percentages on revenues generated by third parties, often with a guaranteed minimum)
— Income from warehouses, space and office rentals to Cargo business operators, such as cargo handlers, transport companies and couriers

GENERAL AVIATION
Full range of services relating to business traffic

RESOURCES

INFRASTRUCTURAL CAPITAL
— Physical assets directly managed by the company (terminals, runways, warehouses, car parks, etc.)
— Network of roads giving access to the airports

FINANCIAL CAPITAL
— Debt capital
— Equity

HUMAN CAPITAL
— Employees and collaborators

SOCIAL AND RELATIONAL CAPITAL
— Customer portfolio
— Supply chain management
— Socioeconomic features of the areas served
— Quality of stakeholder relations (reputation, engagement, customer satisfaction)

NATURAL CAPITAL
— Air
— Water
— Soil and biodiversity
— Climate

INTELLECTUAL CAPITAL
— Technology used in operating processes
— Innovation in customer service provision

OUTPUT
— Volume of passenger and cargo traffic
— Volume of commercial offer (No. of shops, F&B, Cargo Services, E-Commerce, Parking, Advertising)
— Quality of passenger services
— Aviation safety
— Structure and size of supply spin-offs
— Provision of Corporate Citizenship

OUTCOME
— Air connectivity created for the region
— Socioeconomic impact:
  – Direct
  – Indirect
  – Spin-off
  – Catalytic (International trade, Tourism, Business localisation)

VALUE CREATED
— Economic performance of business areas
— Economic value generated and distributed to stakeholders

REGIONAL ECONOMIC SITUATION
Lombardy
— 2022 GPD vs. 2021: +4.3% (+3.8% vs. 2019)
— Manufacturing production: +4.8% vs. 2021
— Employment rate: 68.1% (vs. 67.1% 2021)
— Unemployment rate: 4.8% (vs. 5.5% 2021)

Source: Assolombarda

AIR TRANSPORT MARKET
Europe 2022
— Passenger traffic: 1.94 billion (+98% vs. 2021; -21% vs. 2019)
— Cargo traffic: -5% vs. 2021; +2% vs. 2019
— Movements: +57% vs. 2021; -19% vs. 2019

Source: ACI World, ACI Europe

INTERNATIONAL TOURISM DYNAMICS
— 917 million international arrivals (+101% vs. 2021; -37.4% vs. 2019)
— International arrivals in Europe: 585 million (-21.4% vs. 2019)
— GDP global tourism: USD 1,900 billion (vs. USD 3,500 billion in 2019)

Source: UNWTO

REGULATORY FRAMEWORK
"FIT for 55" package
— SAF usage at airports from 2% in 2025 to 63% in 2050
— Electricity to power aircraft on standby at airports from 2025
— Phased introduction of taxation on jet fuel and electricity used for intra-EU flights (excluding cargo flights) over a 10-year period (2023-2033)
— Phasing out free emission allowances to carriers by end of 2026

Source: EU Commission

INTERNATIONALISATION OF THE REGIONAL ECONOMIC SYSTEM
— In the first nine months of 2022, Lombard exports amounted to Euro 120 billion (+20.5% vs. 2021)
— Lombardy's exports are mostly driven by European countries (+21.3% in January-September 2022), but non-EU countries saw growth (+19.6%), particularly the USA (+37.5%)
— 31% of Italy's 3,500 medium-sized manufacturing companies are located in Lombardy

Source: Assolombarda

OPERATING ENVIRONMENT

Organizational structure

The SEA organization is structured into various departments and staff functions, each of which is subject to the control of the Chairperson, Chief Executive Officer and General Manager.

Department structure

Michaela Castelli
Chairperson

Auditing Department
Public Affairs and External Communication Department

Corporate Social Responsibility
Enterprise Risk Management
Administration Department
Finance and Insurance Department
Planning and Control Department
Regulatory Affairs and Charges Management

Armando Brunini
Chief Executive Officer and General Manager

SEA Prime

Chief Financial and Risk Officer (CFRO)

Human Resources, Health and Safety at Work Department

Legal and Corporate Affairs Department

Information and Communication Technology Department

Supply Chain Department

Chief Operating Officer (COO)

Aviation Business Development Department

Non Aviation Business Development Department

Cargo and Real Estate Department

Airport Safety and Compliance Monitoring Management
Security Management, Compliance and Training Department
Environment and Funded Initiatives Department
Quality and Client Management Department

Infrastructures Development Department

Maintenance Department

Operations Linate Department

Operations Malpensa Department

SEA Group Airport System

LINATE AIRPORT

Linate Airport occupies a total area of approximately 350 hectares in the south-eastern part of the Province of Milan, extending into the municipalities of Peschiera Borromeo, Segrate and Milan. Forlanini Park, one of the major urban parks in Milan, and the Idroscalo lake adjoin the airport.

The airport is dedicated primarily to a frequent flyer type client, on domestic and international routes (these latter both within the European Union and outside). In 2022, Linate handled 4.7% of passengers, 6.9% of aircraft movements and 0.2% of cargo in Italy.[2]

MALPENSA AIRPORT

Malpensa Airport is located in the south-west of Varese province, 48 km from Milan, with rail connections to the city and a road system, including a motorway, which connects the airport with the major regions of Northern Italy and Switzerland. The airport covers 1,220 hectares within 7 municipalities: Somma Lombardo, Casorate Sempione, Cardano al Campo, Samarate, Ferno, Lonate Pozzolo and Vizzola Ticino. All airport's grounds are within the Lombard Park of the Ticino Valley, the largest regional park in Italy, created in 1974.

In 2022, Malpensa managed 12.7% of overall movements, 13.0% of passenger traffic and 65.1% of cargo transported in Italy.[3]

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[2] *Source: Assaeroporti (www.assaeroporti.it).*
[3] *Source: Assaeroporti (www.assaeroporti.it).*

LINATE AIRPORT

73
No. check-in desks

24
No. departure gates

18.2%
Terminal surface area dedicated to commercial activity

16,800 m²
Cargo warehouse surface area

80-100,000 tons/year
Cargo movements capacity

75,388
Movements (+66.2% vs. 2021, rank Ita 3°)

7,669,173
Passengers (+78.1% vs. 2021, rank Ita 8°)

1,679
Cargo (tons/year)
(+27.2% vs. 2021, rank Ita 14°)

Cargo
0.2%

Passengers
4.7%

Aircraft movements
6.9%

■ LIN ■ ITA

3
No. car parks

2,885
No. parking spaces reserved for passengers

350 ha
Surface area

2
No. runways

46
No. aircraft stands

MALPENSA AIRPORT

No. car parks
T1 **4**
T2 **1**

No. parking spaces reserved for passengers
T1 **6,937**
T2 **5,924**

No. check-in desks
T1 **291**
T2 **35**

No. boarding gates
T1 **61**
T2 **23**

Terminal surface area dedicated to commercial activity
T1 **8.5%**
T2 **12.2%**

Baggage Handling System (bags/hour)
T1 **10,650**
T2 **4,800**

No. baggage delivery carousels
T1 **10**
T2 **4**

180,568
Movements (+59.7% vs. 2021, rank Ita 2°)

21,213,970
Passengers (+121.6% vs. 2021, rank Ita 2°)

715,497
Cargo (tons/year)
(-3.5% vs. 2021, rank Ita 1°)

Cargo **65.1%**
Passengers **13.0%**
Aircraft movements **12.7%**

■ MXP ■ ITA

780-820,000 tons/year
Cargo movements capacity

1,220 ha
Surface area

2
No. runways

204
No. aircraft stands

CORPORATE GOVERNANCE

SEA complies with Borsa Italiana's Corporate Governance Code, confirming its commitment to adopting an efficient corporate governance framework that outlines the priorities and associated responsibilities of both management and the supervisory board. Its objective is to create long-term value for shareholders while considering their interests in achieving sustainable success.

The SEA Corporate Governance structure is based on a traditional model and comprises the following bodies:

- The Shareholders' Meeting, which represents the interests of all shareholders and with a duty to take the most important decisions for the Company - appointing the Board of Directors, approving the financial statements and amending the By-Laws;

- The Board of Directors, which operates through the Executive Directors and Directors with representative powers. A Control, Risks and Sustainability Committee, Remuneration Committee, and Ethics Committee have been set up within the Board;

- Board of Statutory Auditors.

The structure of powers and duties and the internal control system complete the Governance structure.

Board of Directors

SEA's Board of Directors consists of seven members (both executive and non-executive). According to SEA's By-Laws, and unless otherwise unanimously decided by the Shareholders' Meeting, Directors are appointed based on slates presented by shareholders who own shares with full voting rights that represent at least 20% of the share capital. These slates must contain the same number of candidates as the Directors to be appointed and the shareholders can submit them either separately or jointly with other shareholders. The Board of Directors in office at December 31, 2022 was appointed by the Ordinary Shareholders' Meeting of May 3, 2021. The Company is not subject to particular rules in terms of the composition of the Board of Directors in relation to minority shareholders or the number of Directors. The Board of Directors of SEA has established the remuneration of the Chairperson, the Vice-Chairperson, and the other Directors on the basis of that agreed by the appointing Shareholders' Meeting. The remuneration of the Board of Directors in 2022 was Euro 694 thousand.

The Board of Directors plays a central role within the Company's organisation. The Board is responsible for the strategic and organisational choices undertaken and exercises, within the corporate scope, all powers which by law or through the By-Laws are not expressly reserved to the Shareholders' Meeting and therefore carries out the ordinary and extraordinary administration of the Company.

Structure of the Board of Directors and of the SEA Committees as of December 31, 2022

Office	Members	Executive	Non-Exec.	Control, Risks and Sustainability Committee *	Remuneration and Appointments Committee *	Ethics Committee *	Indep.	Age group 30-50	>50
Chairperson	Castelli Michaela		X			X	X		X
Vice Chairman	Barletta Pierfrancesco		X	X			X	X	
CEO/GM	Brunini Armando	X							X
Director	D'Alfonso Franco		X		X	X	X		X
Director	Mainini Daniela		X	X			X		X
Director	Mazza Rosario		X		X		X	X	
Director	Rovelli Luciana		X	X	X		X	X	

Membership of the Board member on the Committee

The Board monitors the general operating performance, particularly in relation to conflicts of interest, paying attention to information received from the Chairperson and from the SEA Control, Risks and Sustainability Committee, in addition to periodically reviewing results in comparison with forecasts. In addition, it examines and approves the operations of strategic, economic, equity or financial significance, the strategic, industrial and financial plans of the Company and the Group in general, the corporate governance system and the Group structure. SEA's By-Laws, in compliance with the regulations, comprehensively cover gender diversity within the Board of Directors and Board of Statutory Auditors. The self-assessment process recommended by the Code is also used as a tool to assess diversity levels and the adequacy of the professional skills possessed by the Board of Directors.

INTERNAL COMMITTEES TO THE BOARD OF DIRECTORS

The Board of Directors of SEA, in line with the Code, has internally set up additional committees comprising Non-Executive Independent Directors, with proposal and consultation functions and has set the number of members and relative duties.

Meetings held by the Board of Directors and the Committees in 2022

Board of Directors	Control, Risks and Sustainability Committee	Remuneration and Appointments Committee	Ethics Committee
12	9	4	3

These committees regularly carry out their duties through meetings, with minutes prepared and maintained by the Company. For the discharge of their duties, the committees access the information and company departments necessary. The committees may in addition utilise external consultants, within the budget limits approved by the Board. The Board of Directors has set up:

- the Ethics Committee, chaired by a Non-Executive Director;
- the Remuneration and Appointments Committee;
- the Control, Risks and Sustainability Committee.

Board of Statutory Auditors

The Board of Statutory Auditors comprises 5 Statutory Auditors and 2 Alternate Auditors. Two Statutory Auditors are included by law: one of which as Chairperson of the Board appointed by the Treasury Ministry and the other by the Ministry for Infrastructure and Transport. The appointment of the remaining three Statutory Auditors and the two Alternate Auditors takes place through the slate voting system, presented by shareholders with holdings of at least 20%. The Statutory Auditors are appointed for a period of three years (and may be re-elected), which expires on the date of the Shareholders' Meeting called for the approval of the financial statements relating to the final year in office.

Structure of the SEA Board Of Statutory Auditors at December 31, 2022

Office	Members	In office from	In office until
Chairperson	Noce Paola	03/05/2022	Approval 2024 FS
Statutory Auditor	Chiaruttini Stefania	03/05/2022	Approval 2024 FS
Statutory Auditor	Giussani Stefano	03/05/2022	Approval 2024 FS
Statutory Auditor	Contessi Daniele	09/11/2022	Approval 2024 FS
Statutory Auditor	Di Marco Luigi	03/05/2022	Approval 2024 FS
Alternate Auditor	Mantini Federica	03/05/2022	Approval 2024 FS

Note: Daniele Angelo Contessi, who had already been appointed Alternate Auditor at the SEA Shareholders' Meeting on May 3, 2022, resigned from office to take up the position of Statutory Auditor on November 9, 2022, replacing Felice Morisco.

In 2022, the total remuneration of the Board of Statutory Auditors was Euro 261 thousands.

Systems of powers and duties

On January 8, 2019, the Board of Directors appointed a Chief Executive Officer, who also holds the position of general manager, to whom powers were granted for the ordinary management of the Company, within certain limits, and with the faculty to sub-delegate the appointed powers, as well as to implement directives voted on by the Board of Directors.

This power system is based on a clear and formalised internal structure, subdivided into distinctive units, each one with a specifically identified and respective line of hierarchical subordination, roles and responsibilities.

Remuneration of management

The Group's remuneration system is designed to attract, motivate and retain highly qualified and skilled individuals, capable of achieving the Groups' objectives.

The variable incentive system (MBO) for Group Management is in line with new strategic targets and seeks to further its achievement. The variable remuneration component recognises the results achieved, drawing a correlation between performance and remuneration. The annual objectives are pre-set by the budget approved by the Board of Directors and allocated to the resources in relation to the result and responsibility areas. Management's main objective is to achieve the Group's financial results, which is a pre-requisite for accessing the performance management system.

Performance is measured on, in addition to the economic-financial aspects, the reaching of individual objectives, some of which are directly associated with ESG topics.

The ESG targets incorporated into the performance management system for 2022 are highlighted below.

Managerial performance reviews with regard to ESG topics

Cluster	ESG Topics	No. of managers	% Weighting (min-max)
Environmental	ACA 4+ Certification CO_2 emissions roadmap	14	5-20%
Environmental	Sustainable air fuel adoption	12	5-20%
Environmental	Urban Air Mobility business model definition	8	5-45%
D&I	D&I Certification roadmap	2	10-20%
Health and Safety	Redaction of Work-related injuries	33	5-10%
Quality of passenger services	Summary index of perceived and delivered quality	130	5-45%

Source: SEA

Additionally, we note that in 2022, the ratio of the annual salary of the highest paid person and the median annual salary of all employees (excluding the above person) was 11.31.[4]

SUSTAINABILITY GOVERNANCE

In addition to ensuring that the annual Sustainability Report is prepared and published, as required by current legislation, the Board of Directors also approves the report, based on the presentation of its contents and key performance. The materiality analysis results are approved by the Board of Directors once every three years. Prior to this, the Board acquires a comprehensive understanding of the methodology adopted (definition of potentially material topics, stakeholder categories, and their feedback). The Board may include its own evaluations and considerations if deemed necessary.

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[4] *We note that this figure was calculated considering the income of all employees at December 31; specifically, part-time employees (constituting 7.7% of the total) and new hires in 2022 were considered full-time employees for twelve months for the purpose of the calculation.*

The Board of Directors also approves various sustainability governance tools, including the Code of Ethics, Values, and Sustainability Plan, along with any subsequent updates and additions, using the same criteria employed for sustainability reporting and materiality analysis.

Internal control system

SEA's internal control and risk management system was recently reorganized, adopting the Enterprise Risk Management (ERM) Model as a reference, comprising regulations, procedures and an organizational structure aimed at monitoring:

- the efficiency and effectiveness of the business processes;
- the reliability of financial disclosure;
- compliance with law, regulations, the By-laws and internal procedures;
- the safeguarding of the company's assets.

ORGANISATION AND MANAGEMENT MODEL AS PER LEGISLATIVE DECREE NO. 231/01

In 2003, SEA adopted an "Organisation, Management and Control Model" in line with the provisions of Legislative Decree No. 231/2001, taking into account the Guidelines published by Confindustria for the proper and transparent conduct of business.

The current Organisation and Management Model was approved by the Board of Directors on May 31, 2022, and includes all the offences covered by Legislative Decree No. 231/2001 at that date. The Model summarises the actions undertaken by the Company with regard to the Decree. The Model also indicates the procedures adopted to prevent the offences listed under the Decree, which could result in the company's administrative liability.

The Supervisory Board is allocated the role of overseeing the functioning of, compliance with and updating of the Model. It was appointed by the Board of Directors on May 31, 2022 and comprised four members (an SEA Director without operational powers, two independent external members, one of whom functions as Chairperson of the Board, and an internal member - Auditing Director). The Supervisory Board complies with the prerequisites of independence and autonomy,

professionalism and continuity in its actions and is invested with the powers to initiate and to control, as well as availing of sufficient financial resources to carry out its actions. The Company has a dedicated channel for employees, corporate bodies and third parties to report unlawful conduct or situations, including anonymously, to the Supervisory Board - even if there is only a potential risk or offence (so-called "Whistleblowing"). This channel guarantees the confidentiality of the reporting party's identity in accordance with Law 179 of 2017.

The components of SEA's 231/2001 Model, which integrate the General Section and the Special Section, are:

- the Code of Ethics;
- risk mapping;
- the corporate organisational system;
- the corporate procedural system;
- the system of authority and signatory powers;
- the operating control system;
- the reward and sanction system;
- communication and employee training;
- the company IT system;
- the corporate governance system;
- control activities;
- whistleblowing.

The SEA Supervisory Board met ten times in 2022; minutes were drawn up for each meeting. The Organisation and Management Model includes offences relating to occupational health and safety, the environment, the violation of human rights and associated preventive measures adopted by the company to prevent them, in addition to all the other offences envisaged by Legislative Decree No. 231/2001 and relative preventive protocols. The Group companies SEA Prime and Airport ICT Services also adopted their own Organisation and Management Model pursuant to Legislative Decree No. 231/2001 and appointed their own Supervisory Board. The Supervisory Boards of SEA and its subsidiaries, SEA Prime and Airport ICT Services, perform audits, including through the Auditing Department, on the suitability and effectiveness of protocols adopted by the Company to prevent the offences set out in the Decree.

RISK MODEL

The creation of sustainable value for stakeholders cannot exclude taking risks, which is a fundamental component of doing business. The SEA Group, in its

capacity of airport operator, is exposed to a broad spectrum of potential risks impacting on the achievement of the business strategies. In order to reduce exposure to such events, the Group adopted specific processes and procedures to safeguard airport safety and the quality of services offered, for the protection of tangible and intangible assets of interest to stakeholders and to ensure the long-term creation of value.

To better support and integrate the aforementioned systems, the SEA Group has introduced an Enterprise Risk Management (ERM) model, which takes inspiration from the main national and international best practice (e.g. the Self-Governance Code for Listed Companies, the CoSO ERM - Integrating with Strategy and Performance). The objective of this model is to identify and assess homogeneously and transversally the risks linked to the development of corporate activity, and those which may have a significant impact on the medium-long-term sustainability of the business. It also ensures the constant monitoring of these risks, in order to support management strategic choices, decision-making processes and stakeholder assurances. The ERM model, drawn up in the ERM Policy approved by the Board of Directors in 2017, is based on an approach that spans all types of risk/opportunities that may be significant to the Group, and targets the risks/opportunities with the greatest impact on SEA's strategic objectives and corporate value drivers.

The SEA Group Risk Model is a list of all the potential risks to the Company, and consists of four categories:

- external risks
- operating and business risks
- financial risks
- legal and compliance risks.

The Risk Model also included specific risk categories in the Environmental, Social and Governance areas in order to facilitate the identification and analysis of ESG risks. Identified events are assessed and subsequently "prioritised" on quali-quantitative metrics in terms of impact, probability of occurrence and maturity of the risk management system. Said assessment takes into account the mitigation actions in place to manage individual risk events. Impact is assessed on the basis of four different dimensions: economic-financial, HSE (Health, Safety, Environment), reputational, and operational factors.

The SEA Group also has well-established ad hoc controls that deal with specific management systems in compliance with sector regulations. The risks monitored by these controls are related to the environment, health and safety in the workplace and corruption. As part of each certification process (ISO 14001, ISO 50001, ISO 45001, ISO 27001 and ISO 37001), in fact, the Group carries out specific risk identification, assessment and management activities which in conjunction with the activities of continuous improvement and the policies implemented, allow the Company to effectively manage them.

CODE OF ETHICS AND ETHICS COMMITTEE

Origin and purpose of the Code of Ethics

The SEA Code of Ethics - a component of the Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001 - was adopted for the first time in April 2000, and was most recently approved by the Board of Directors on December 21, 2020. The Code of Ethics identifies the ethical principles and rules of conduct that SEA intends to embrace in its activities and which must be followed by the members of the corporate bodies, employees and collaborators linked to SEA and its Group companies by employment contracts of any nature (including occasional or temporary), as well as other specific categories of stakeholders (e.g., customers, suppliers, and business partners), which are required to comply with certain rules of conduct set out in the Code of Ethics and formalised through specific provisions in the relevant contracts. The rules of the Code of Ethics are an essential part of the contractual obligations of the Company's management, employees and collaborators. Therefore, conduct that is in violation of the rules constitutes an infringement of the diligence obligation required by the applicable National Collective Bargaining Agreements (CCNL). For other stakeholders, compliance with the provisions of the Code of Ethics is a prerequisite for establishing and/or continuing their relationship with SEA.

Ethics Committee

SEA has set up an Ethics Committee, most recently appointed on May 31, 2022. The Committee is tasked with ensuring that the Code of Ethics is appropriately circulated, adhered to, accurately interpreted, and regularly updated. The Committee comprises the Chairperson of the Company's Board of Directors (who serves as the Committee's Chairperson), a Non-Executive Director, and managers from the "Human Resources", "Health and Safety at Work", and "Auditing" departments. In 2022, the Ethics Committee met three times, primarily to discuss the progress of circulating and adopting the Code.

The subsidiaries SEA Prime and Airport ICT Services have adopted their own Codes of Ethics inspired by the principles expressed in SEA's Code, which have been approved by their respective Boards of Directors. The subsidiaries have appointed the Ethics Committee of the parent company as their own Ethics Committees.

Code of Ethics circulation and training activities

Circulation of the Organisation and Management Model pursuant to Legislative Decree No. 231/2001 and the Code of Ethics continued in 2022 through the following initiatives:

- updating of information relating to the various components of the Model on the Company Intranet and in the HR section.
- uploading of the Code of Ethics and the Organisation and Management Model to the dedicated Intranet sections for new hires;
- publication on the company Intranet of an updated version of the 231/01 risk mapping;
- publication of an information and awareness-raising video on the Model's importance.

In 2022, information and training on Legislative Decree No. 231/2001 and the SEA Model was structured as follows:

- communication of the Board of Directors' approval of the latest version of the Model, along with all the primary revisions, to all personnel, including Executives, via the Company intranet;
- organisation of seven in-person sessions on the Model's adoption for Executives/Managers of sensitive areas;
- refresher training session for Maintenance managers (15) with a focus on area-specific 231/01 and anti-corruption risks;
- continuation of the online course on the 231/01 Model and anti-corruption for administrative staff, accompanied by a final assessment, and its roll-out to shift workers. As of December 31, 75% of eligible personnel had completed the courses.

BRIBERY PREVENTION POLICY

Please refer to the SEA Group website for information on this topic: https://seamilano.eu/it/governance/politica-prevenzione-corruzione

Anti-Bribery Management System

Confirming its commitment to the prevention and combatting of illegal practices, SEA has drawn up a document containing "Anti-corruption measures pursuant to Law No. 190/2012", approved by the Board of Directors on February 6, 2020. The document contains the measures adopted by SEA to prevent the offences subject to Law No. 190 of November 6, 2012 on the "Provisions for the prevention and repression of corruption and illegal acts in the public administration". These measures complement the Organisation and Management Model as per Legislative Decree No. 231/2001, as indicated in the Guidelines issued by the National Anti-Corruption Authority (ANAC) in November 2017.

The "Anti-corruption measures pursuant to Law No. 190/2012" include prevention measures for the corruption offences provided for in the Anti-Bribery Management System, approved by the Board of Directors on February 22, 2018 and certified on March 8, 2018 according to the UNI ISO 37001:2016 "Anti-bribery Management System" standard issued by TUV Italia. The certificate's validity until March 2024 was confirmed during an annual audit carried out by the certifying body in November 2022.

An analysis of company processes was carried out as part of the activities relating to SEA's Management System for the Prevention of Corruption and the 231/2001 Model of SEA and the subsidiaries SEA Prime and Airport ICT Services, in order to identify the risks linked to corruption. 39 audits were also carried out (24 of which at SEA, 13 at the subsidiary SEA Prime and two at the subsidiary Airport ICT Services) - which also focused on the auditing of processes with a potential risk of corruption and the suitability and effectiveness of associated procedures. No critical issues emerged.

In 2022, information and training on anti-corruption measures and the ABMS was structured as previously described for Legislative Decree No. 231/2001 and the SEA Model.

Anti-Corruption Focal Point

SEA has appointed the Manager of the Legal Affairs - Staff Services and Legal Compliance its Anti-Corruption Coordinator.

The Anti-Corruption Coordinator is in no way associated with or fulfils the duties assigned to the Anti-Corruption Manager appointed pursuant to Law 190/2012, as the relevant regulatory provision is not applicable to SEA. The Company's primary intention in appointing an

Anti-Corruption Coordinator is to assist third parties in their efforts to prevent corruption when interacting with SEA.

WHISTLEBLOWING

SEA has launched an IT reporting platform, managed by an "external provider", through which employees and third parties can make (whistleblowing) reports, including anonymously, on, for example, alleged violations of law, of corporate procedures or regulations, of rules of professional conduct, of the principles of the Code of Ethics, of the Organisational Management Model, as per Legislative Decree No. 231/2001, or of the Anti-Bribery Management System. The IT platform can be accessed via the Corporate Governance section of the website www.seamilano.eu or via the corporate intranet. The platform guarantees the confidentiality of personal data and the contents of reports in accordance with law. The management of the reporting is governed by a specific company procedure. The IT platform is also used by the subsidiary SEA Prime. Meanwhile, Airport ICT Services uses the postal service as its reporting channel.

COMPLIANCE WITH LAWS AND REGULATIONS

Regulatory compliance is ensured by the various corporate functions within their sphere of competence, with the support of specialist assistance from the Legal and Corporate Affairs Department.

In 2022, no pending actions were registered in relation to competition and antitrust, nor were any significant penalties recorded for non-compliance with laws or regulations, or for defaulting on environmental and social obligations. Moreover, no corruption cases were confirmed during the year.

TAX POLICY

The SEA Group has adopted an Ethics Code and an Ethics System with the aim of establishing conditions to ensure the principles of maximum transparency, clarity, fairness, integrity and equality are observed when carrying out business activities in order to safeguard the interests of stakeholders and establish efficient working methods in compliance with current legislation. The Code represents SEA's core belief system and also provides a basis for the Group's approach to tax management.

In this regard, the SEA Group company's tax policy has the following objectives:

- to ensure the correct determination and timely settlement of taxes due by law, together with the execution of the related declaratory obligations;
- to minimise the tax risk - understood as the risk of violating tax regulations or the abuse of the principles and purposes of the tax system.

To this end, the companies of the SEA Group abide by the values of honesty and integrity with regard to tax management, based on an awareness that revenues deriving from taxes constitute an important contribution to Italy's economic and social development.

In fact, the SEA Group considers taxes to be an operational business expense that must be managed as such in accordance with the principle of legality and with the aim of safeguarding corporate assets, pursuing the primary interest of generating value for shareholders, satisfying the interests of all stakeholders, and maintaining SEA's reputation.

The SEA Group therefore seeks to comply with the tax regulations in place in Italy and in the countries in which it operates, based on its interpretation of the regulations, so that it may manage related tax risks responsibly, ensuring that the spirit and purpose of the tax regulations or legal system in place are observed.

If tax legislation is not sufficiently clear or unambiguous, the Tax Management department will provide a reasonable interpretation based on the principle of legality and making use, if necessary, of external consultants.

In defence of its corporate interest and shareholders, the SEA Group considers it legitimate to uphold - including in its defence - its reasonable interpretation of the tax regulations if interpretative discrepancies arise with the competent tax authority.

Finally, with a view to full cooperation, the SEA Group pursues a fair and transparent relationship with the tax authorities and provides its support in the event of audits on the Group companies or on third parties.
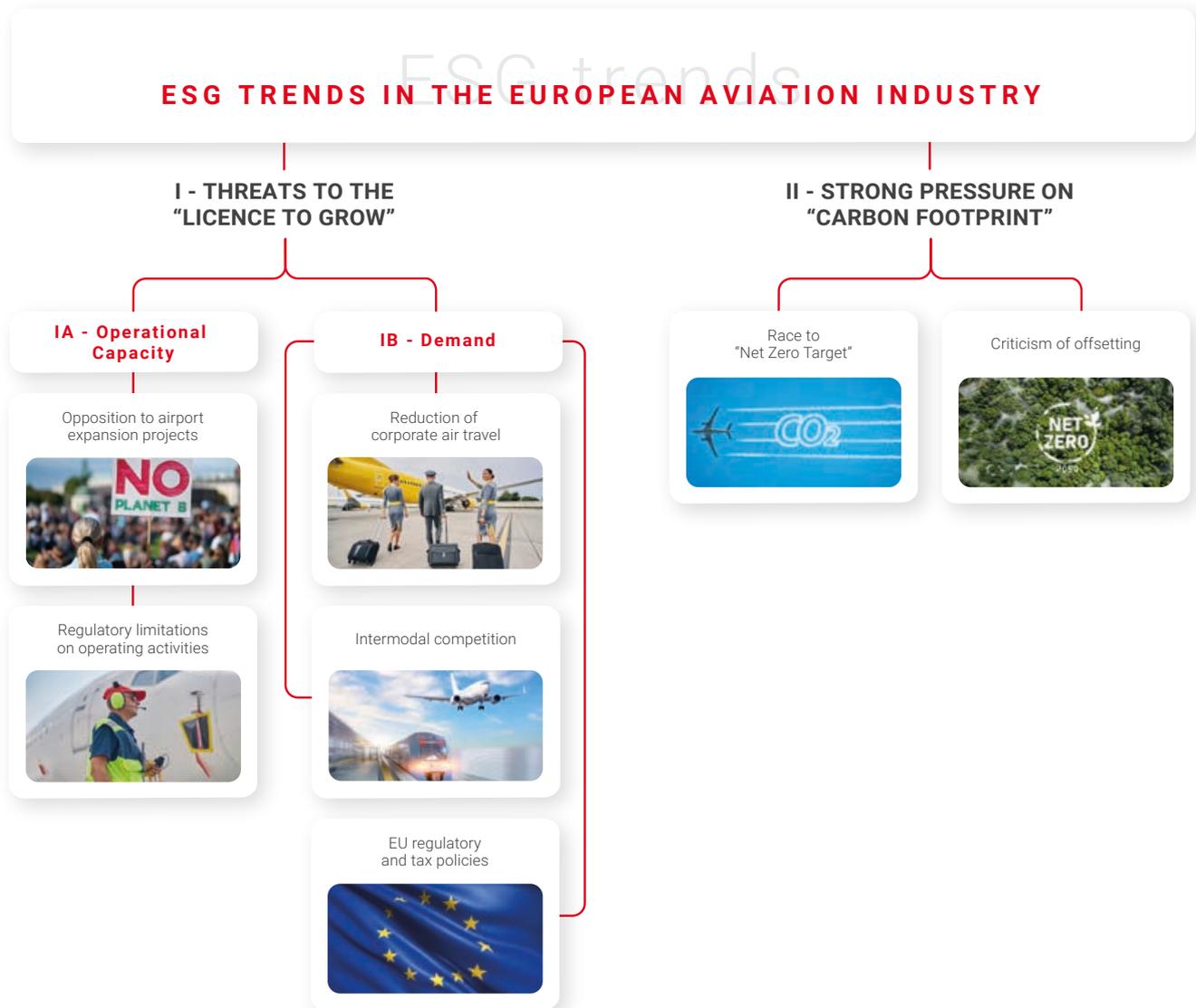
SUSTAINABILITY
SCENARIO
AND STRATEGY

SUSTAINABILITY SCENARIO

SEA's sustainability strategy is also partly the result of an examination of the incentives and constraints of its reference context.

In recent years, an increasing number of institutions, market players, and organisations in the air transport sector have begun to prepare regulatory measures, frameworks, guidelines, recommendations and signs of change from an "ESG" perspective. These dynamics persisted throughout 2022, intensifying the focus on the decarbonisation of air transportation.

The main elements of this scenario are briefly categorised and described below.

ESG TRENDS IN THE EUROPEAN AVIATION INDUSTRY

I - THREATS TO THE "LICENCE TO GROW"

II - STRONG PRESSURE ON "CARBON FOOTPRINT"

IA - Operational Capacity

IB - Demand

Opposition to airport expansion projects

Regulatory limitations on operating activities

Reduction of corporate air travel

Intermodal competition

EU regulatory and tax policies

Race to "Net Zero Target"

Criticism of offsetting

Source: SEA

Two main areas need to be addressed: the challenges to air traffic growth, which arise from regulatory and economic policy measures, in addition to market dynamics, and the mounting pressure exerted by institutions, the financial world, and public opinion on air transport players to accelerate their decarbonisation policies.

Threats to the "licence to grow" of European airports

Air transport has been classified as a "hard-to-decarbonise sector", leading to increased opposition to its efforts to recover pre-COVID traffic volumes and growth rates. Reducing the number of flights is seen as one of the few effective measures to curb the industry's carbon footprint in the short to medium term, while we wait for technological developments and the commercial deployment of innovations to create the conditions required for low-carbon air transport. This conviction is finding expression in administrative and regulatory interventions, European policies on sustainable transport, the decarbonisation policies of large companies, and the competitive strategies of other transport players.

OPPOSITION TO AIRPORT EXPANSION

In recent years, opposition to the expansion of airport infrastructure in Europe has escalated and several projects have been met with challenges, appeals, and a lack of authorisation. In some countries, governments have rejected airport expansion plans, regardless of the stance taken by environmentalists. They cite commitments to reduce CO_2 emissions made in the 2015 Paris Agreement and the potential increase in air traffic volumes resulting from expanded operational capacity, which would conflict with those commitments. This position has been endorsed by the European Investment Bank (EIB), which is currently transforming itself into the European Climate Bank. In its updated guidelines (Climate Bank Roadmap, 2019), the EIB declares its refusal to fund new airport constructions or expansions, only providing support for projects that seek to improve service quality or reduce carbon emissions.

"FIT FOR 55" LEGISLATIVE PACKAGE

The "Fit for 55 Aviation" measures issued by the European Commission in 2021 - which are currently being finalised by the Parliament and the Council - include several measures relevant to airports and the air transport industry:

- Alternative Fuels Infrastructure Regulation (AFIR), which requires that electricity be supplied to parked aircraft;
- ReFuelEU Aviation, which mandates the use of sustainable aviation fuels (SAFs);
- revision of the Energy Tax Directive (ETD), which introduces a tax on kerosene;
- general ETS reform, which reduces, or completely removes, the free allowances granted to the aviation sector.

The impact of "Fit for 55" policies on airports can be divided into two categories:

- direct impacts, requiring airports to make investments or incur additional operating costs;
- indirect impacts, leading to cost increases for airlines, which are subsequently passed on to passengers in the form of higher fares, resulting in a drop in passenger demand and revenue for airports.

The EU's "Fit for 55" package - Estimated economic and competitive impacts for the aviation

	oxera		seo amsterdam economics		EUROCONTROL
	EU	**Non-EU**	**EU**	**Non-EU**	
IMPACT ON DEMAND	-11%	-1%	-10%	-1.4%	
IMPACT ON TICKET PRICES	+16%	+0.4%	1.51 Euro cent/pax/km	0.24 Euro cent/pax/km	
INCREASED OPERATING COSTS FOR CARRIERS					Implementing the decarbonisation measures set out in the "Fit for 55" package will affect the aviation sector to the tune of **€61-65 billion** **ETS**: €22-24 billion **ETD**: €29-31 billion **SAF**: €10 billion **Total: €61-65 billion**

Source: SEO Amsterdam Economics, Oxera, Eurocontrol (2022)

Airports are direct addressees of the "Alternative Fuels Infrastructure Directive", which provides for the mandatory supply of electricity by airports to aircraft parked at gates to avoid the use of auxiliary power units (APUs), which have a significant impact on GHG emissions and local air pollution.

Three separate studies conducted by SEO Amsterdam Economics, Oxera, and Eurocontrol indicate that the adoption of new regulations concerning the aviation emissions trading system (ETS), ReFuelEU, and kerosene taxation (ETD) will result in additional expenses for airlines. These expenses are expected to be partially or entirely borne by passengers in the form of increased fares, leading to a decline in demand.

Both SEO Amsterdam Economics and Oxera agree that demand would drop by 10-11% between 2030 and 2035, compared to a "no policy" scenario.

According to Oxera, airports that focus on low-cost traffic are likely to be significantly impacted by these measures, partly due to their focus on intra-EU flights, but also because they would be affected by a proportionally higher increase in tariffs. This drop in demand could lead to reduced connectivity at some airports.

On the other hand, based on the Eurocontrol study, the combined cost of adopting the three measures for airlines is estimated to be between Euro 55 and 62 billion for the 2022-2030 period. According to Eurocontrol, these burdens could be reduced to Euro 33-46 billion if the industry accelerated the pace of fleet renewal - by switching to more efficient aircraft - and rapidly increased its use of SAFs.

"CLIMATE PLEDGES" AND THEIR IMPACT ON BUSINESS TRAFFIC

According to T&E data, business travel accounted for about 15-20% of air travel in 2019, with emissions of about 154 million $MtCO_2$. The industry suffered a huge shock during the COVID-19 pandemic, and business travel spending fell by 52% in 2020 (from USD 1.4 billion in 2019 to USD 694 billion in 2020). Many analysts believe it is likely that this gap will only partially close in the coming years, thanks in part to the widespread commitments of companies to reduce their carbon footprint.

The increasing number of companies that have committed to voluntarily decreasing their greenhouse gas emissions (including those generated indirectly through operations such as business travel, known as Scope 3 emissions), will result in mounting demand to reduce business travel. This will involve opting for flights with lower emissions or, at a minimum, procuring sustainable aviation fuels through agreements with airlines and fuel suppliers.

Many companies have already announced major plans to reduce employee travel (especially by air) to comply with planned reductions in CO_2 emissions.

In addition, a survey conducted by IPSOS in October 2022 [5] highlighted that:

1. three quarters of employees want their employer to set targets to reduce flights;

2. most business travellers are prepared to take measures to reduce the impact of their trips;

3. more than half of travellers reported that reduced travel had a good impact on their work-life balance, productivity, and health. 67% are willing to avoid long-haul flights, planning local meetings as opposed to international ones, while 72% are willing to take fewer flights to attend meetings in their own country.

INTERMODAL COMPETITION

One of the objectives of the EU's "Sustainable and Smart Mobility Strategy", introduced in 2020, is to double the volume of HS rail traffic by 2030 and triple it by 2050.

This growth objective would also include shifting the traffic shares presently associated with short- to medium-haul flights on the continent to the railways.

Initiatives in this direction include:

- Greenpeace EU commissioned a research study entitled "Get On Track: Train Alternatives to Short Haul in Europe", which was conducted by OBC Transeuropa (OBCT). The study revealed that one third of the busiest short-haul flights in Europe would take fewer than six hours by train. Based on

these findings, Greenpeace launched a campaign demanding that the EU ban short-haul flights wherever the same journey would take fewer than six hours by train;

- in 2022, the European Commission gave the green light to the planned merger of the two railway groups Eurostar (UK) and Thalys (Belgium) to form a new holding company called Eurostar Group, which announced its intention to promote sustainable high-speed rail in Europe. The project, called "Green Speed", intends to transport 30 million passengers a year on the Group's high-speed networks, up from the current 18.5 million, taking market share away from continental short- and medium-haul flights.

Pressure to reduce our carbon footprint

The airport industry's first commitment to achieving net zero carbon emissions by 2050 was launched by ACI Europe in June 2019, and confirmed in May 2021. Based on the traffic volumes recorded in 2019 and the estimated aggregate carbon footprint of European airports, a total 3.14 million tonnes of CO_2 emissions will be eliminated per year as soon as all airports reach the "Net Zero" threshold.

THE RACE TO "NET ZERO 2030" FOR EUROPEAN AIRPORTS

More than 270 airports in the ACI Europe network have already separately committed to Net Zero by 2050, representing 75.5% of European air passenger traffic (based on 2019 traffic levels). Almost 50% of airports have set even more ambitious Net Zero targets. According to ACI Europe data, more than 90 European airports have announced their intention to achieve net zero carbon emissions by 2030. By the target year, airports will have reduced all CO_2 emissions from direct operations and neutralised residual emissions using negative emissions technologies (carbon removal and storage). Some of these airports have agreed to this target as a pre-requisite for receiving Airport Carbon

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[5] Survey of 2,506 employees of companies operating in the US, UK, France, Germany, and Spain. To be eligible for the survey, respondents had to be full-time employees of an organisation with at least 50 employees and be aged between 18 and 74. (https://travelsmartcampaign.org/library/majority-of-employees-expect-top-executives-to-set-corporate-flying-reduction-targets-new-survey/).

Accreditation certification, promoted by ACI Europe, which introduced two new accreditation levels (Level 4 and Level 4+) in 2021. As of March 2023, 27 European airports have been awarded Level 4+ "Transition" accreditation and 15 airports have obtained Level 4 "Transformation" accreditation, representing 11.4% and 8.0% of European air passenger traffic respectively.

THE ROLE OF SAF AND PROJECTED USAGE TRENDS

Sustainable Aeronautical Fuels (SAFs) are one of the few low-carbon technologies with the potential to contribute to the aviation sector's decarbonisation and currently represent the only viable short-term option. SAF will play a central role in the aviation sector's decarbonisation, particularly for medium- and long-haul flights.

Compared to conventional jet fuel, SAF can reduce CO_2 emissions by up to 80%, depending on the feedstock and production technology used. There is also evidence that SAF can contribute to improving local air quality.

SAF is now available as a drop-in solution that is compatible with existing aviation systems and airport infrastructure, providing a significant practical and financial advantage over other decarbonisation options. It can currently be used in all aircraft at up to a 50% blend.

Cumulative global commercial flights using SAF (Oct 2019-Nov 2022)
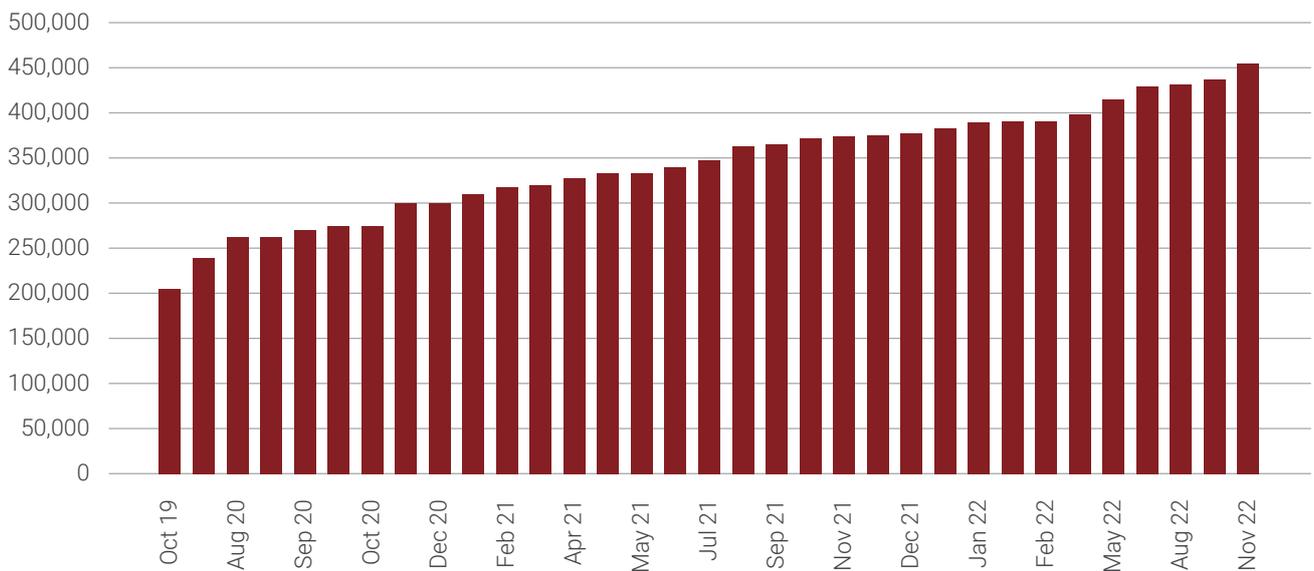
Source: CAPA

2022 was a very positive year for SAF. Both production and purchase volumes reached record levels, new global SAF agreements were made, and support programmes are currently being adopted by several airports.

In 2022, SAF-related trade agreements exceeded the cumulative total of the previous ten years. In the first 11 months of 2022, commercial airlines operated more than 72,000 scheduled flights fuelled partly by SAF. From the first test flight conducted in 2011 to the end of November 2022, the total number of commercial flights using SAF amounted to just over 455,000.

SAF supply agreements mainly centre around airlines operating in North America and Europe. Several airlines are collaborating with suppliers to achieve their SAF targets.

For example, companies that signed up to the Clean Skies for Tomorrow initiative launched by the World Economic Forum have committed to supporting the goal of reaching a 10% SAF blend in the global aviation fuel supply by 2030.

SAF development programmes

Player	Company/Initiative	Production target/ SAF use (%/Mt)	Target year
Airlines, airports, logistics companies, fuel manufacturers, customers, and platforms	Clean Skies for Tomorrow Initiative	10%	2030
Logistics	FedEx	30%	2030
	Deutsche Post (DHL Group)	30%	2030
	Amazon Air	5%	2030
Airlines	Alaska Air Group, Delta Air Lines, Finnair, International Airlines Group, JetBlue Airways, Malaysia Airlines, Qantas Airways, Royal Air Maroc, Sri Lankan Airlines	10%	2030
	Norwegian Air Shuttle	16-28%	2030
	Scandinavian Airlines System	17%	2030
	Ryanair	12,5%	2030
	Lufthansa Group	5-10%	2030
Fuel providers	Neste	1.5 Mt	2023
	Shell	2 Mt	2025
	OMV	0.7 Mt	2030
	Eni	0.5 Mt	2030

Source: IEA

The commercial expansion of SAF faces three main problems: volume, price, and distribution.

Firstly, the existing raw materials required to produce next-generation SAF are mostly only available on a small scale and are expensive to process. SAF production is minimal and currently accounts for less than 0.1% of global aviation fuel consumption.

According to IATA, airlines purchased every single drop of the 125 million litres of SAF available in 2021 and an estimated 150 million litres in 2022. Forecasts estimate that commercial airlines will need around five billion litres by 2025 and up to 30 billion litres by 2030 to meet their environmental targets. Solving raw material problems while ensuring that supplies meet strict environmental criteria will be critical to SAF's future success.

Secondly, SAFs come at a high cost. IATA reported that in 2021, SAF was priced at two to four times the cost of fossil-based jet fuel. However, with the surge in oil prices and refining margins in 2022 and the sustained decrease in SAF prices, the cost differential has shrunk. Finally, the use of SAF at airports remains low. At the end of October 2022, 58 airports used SAF for regular scheduled commercial flights on an ongoing basis. Of these, 32 are located in Europe, 21 in North America, four in Asia, and one in Oceania.

Policies are therefore needed to stimulate SAF consumption and the growth in demand, both of which are required to create economies of scale. Major airports have the potential to create market demand and therefore accelerate the adoption of sustainable aviation fuels (SAFs). However, ongoing innovation in sustainable production processes will require funding to reduce the financial risks.

THE CO$_2$ OFFSETTING MARKET

Voluntary carbon markets were created to allow CO$_2$ emitters to offset their unavoidable emissions (for technical and/or financial reasons) by acquiring carbon credits generated by initiatives to remove GHG emissions from the environment or prevent them. Companies generally purchase carbon credits as part of their "Net Zero" business strategies. Buying offsets is an interim solution to allows companies to become carbon neutral more quickly as they work to decarbonise their operations fully in the medium-to-long term. The offsetting market experienced a year of crisis in 2022. Environmentalists, media outlets, scientific institutions, and rating companies conducted multiple critical analyses in previous years that cast serious doubts on the real impact of carbon offsets. They raised concerns about the quality criteria employed (including additionality, permanence, baseline effectiveness, the avoidance of double counting, and social impacts) to evaluate the projects on which carbon credit transactions rely.

The role of offsetting in the aviation sector

The UN aviation agency ICAO uses offsetting as a key mechanism to decarbonise aviation. Carbon offsetting will continue to act as an important lever for the aviation industry in the years to come. Low-emission propulsion technologies - such as electric or hydrogen engines - will not start to be significantly deployed until 2035 at the earliest, and carbon capture technology has not yet been adequately developed.

Until 2030 at the earliest, by ICAO's own admission, offsetting will account for over 90% of the industry's decarbonisation strategy, through the CORSIA offsetting scheme. This initiative is based on airlines purchasing carbon credits to offset the production of emissions above a certain baseline. CORSIA is strongly contested by environmental associations and think tanks due to its inconsequential impact on airline emissions.

According to the Transport & Environment NGO, it would cost just over Euro 118 million for all airlines to offset flights from the European Economic Area (EEA) to the US under the CORSIA scheme in 2030. This represents only 0.4% of their total operating costs.

Estimated use of offsetting to reduce CO$_2$ emissions in aviation from 2025 to 2050

Year	Percentage
2025	97%
2030	93%
2035	77.5%
2040	44.5%
2045	24%
2050	8%
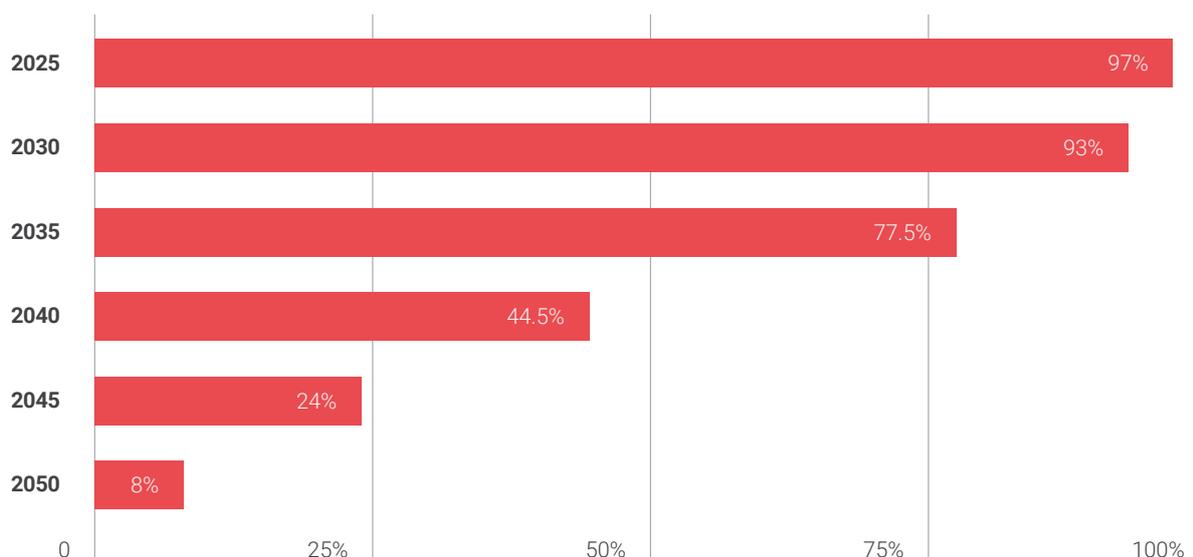
Source: IATA

Offsetting is also an increasingly relied upon "green marketing" tool for airlines, which in recent years have launched carbon offset programmes that allow air passengers to neutralise their emissions by purchasing carbon credits. In recent years, there has been a surge in digital platforms that calculate the carbon emissions generated by air travel, empowering passengers to understand the environmental impact of their journey and the financial cost of offsetting their carbon footprint.

Finally, through the Airport Carbon Accreditation (ACA) certification mechanism, airports can use offsets to achieve their voluntary goal of "carbon neutrality" as part of the "Net Zero Target" programme.

Due to the strong criticism of carbon credits, the ACA updated its Offsetting Manual in 2022, which airports must refer to when defining their offsetting investment choices. The updated manual seeks to guide airports in the direction of more reliable offsetting programmes. Based on this assessment, a list of eligible offsetting programmes was devised and offsetting projects were assigned varying degrees of confidence in compliance with the quality criteria. Airports should only select offsetting projects from a list of specific programmes in possession of adequate reliability requirements. Furthermore, airports are advised to avoid selecting projects that are associated with concerns about additionality, emissions reduction calculations and permanence, leakage risks, and negative externalities.

Finally, airports must provide a minimum amount of information on the offsets purchased.

The 2022 voluntary carbon credits market and outlook

In 2022, the Voluntary Carbon Market (VCM) revealed several weaknesses and contradictions, highlighting that it does not have the potential to succeed in its current state.

Plagued by media and investor criticism, the offset market failed to grow in 2022, as noted by Bloomberg NEF in its Long-Term Carbon Offsets Outlook. Investments in VCM projects grew to USD 10 billion in 2022 (compared to USD 7 billion in 2021) according to the report. Yet the market failed to maintain its 2021 growth. Companies purchased only 155 million offsets (down 4% on 2021) due to fears of the risk to reputation associated with buying low-quality credits. The supply of these credits grew by only 2%, with 255 million offsets

created by projects worldwide. The number of credits offered to "avoid deforestation" dropped by a third from 2021 to 2022. Some companies have been accused of greenwashing after purchasing offsets from projects with questionable environmental impacts.

According to Bloomberg NEF, the current offset market, built mainly on two-way transactions for cheap credits, is rapidly losing credibility. Buyers need transparency, clear quality definitions, and easy access to premium credit offerings, otherwise the dynamics witnessed in 2022 will be replicated in the years to come. Price developments in 2022 show how much of the value rapidly gained by carbon credits in 2021 was slowly but surely lost in 2022. The causes mainly concern:

- the start of the Russo-Ukraine War and the resulting energy crisis, which saw several market players leave their positions in VCM as they were attracted by the more volatile and profitable oil and gas markets;

- the US Federal Reserve's move to raise interest rates. In the voluntary carbon markets, higher tariffs made it too expensive for secondary market players to hold onto their VCM positions in the hope of further price increases;

- the awareness of many companies that their hopes that COP 27 would set clear rules on carbon crediting mechanisms had been disappointed. In the midst of this regulatory uncertainty, most buyers chose to delay offset purchases.

Much of what will happen in 2023 will depend on greater clarity about what counts as a good-quality carbon credit, and on when companies will be allowed to participate in voluntary carbon markets without being accused of greenwashing.

Looking ahead to 2050, Bloomberg NEF modelled supply, demand, and prices for carbon offsets in several potential scenarios. Demand will grow in each of them, but at substantially different rates and prices. In the first voluntary market scenario, companies would be able to buy any form of carbon offset to achieve their Net-Zero objectives, requiring 5.4 billion offsets in 2050. The market would be constantly oversupplied and eight billion offsets would be created in 2050, mainly related to deforestation projects. Prices would increase to only USD 12 per tonne in 2030 and USD 35 in 2050. In this scenario, the market would be valued at only USD 15 billion in 2030, compared to estimates of around USD 2 billion today.

2022-2023 price trends in voluntary carbon markets

Source: carboncredit.com

In the removal scenario, the balance between supply and demand would be much tighter as only offsets from projects that actually removed carbon from the atmosphere would count.

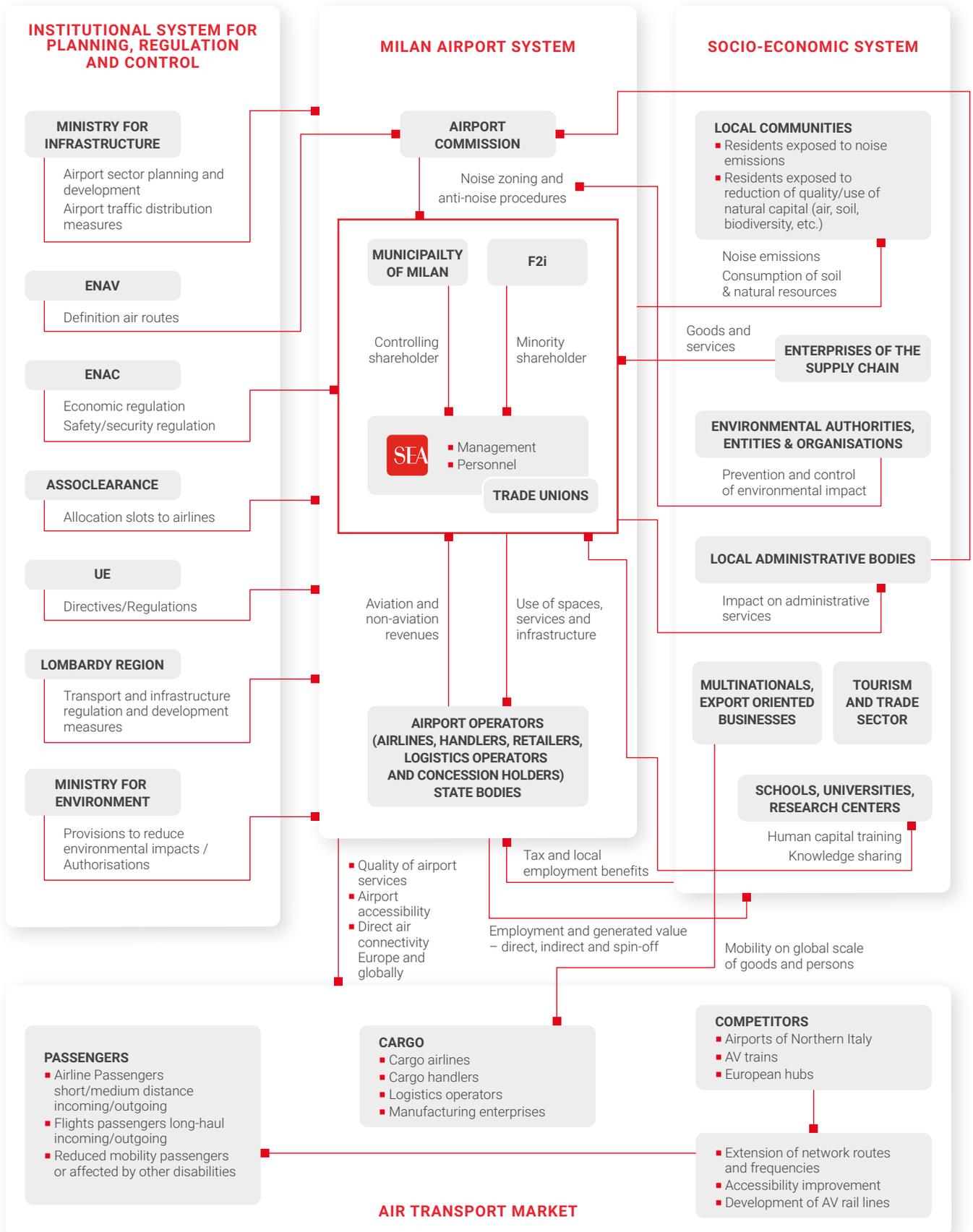Deforestation prevention and clean energy credits would no longer be purchasable.

In this scenario, the market would suffer a shortage of supply from 2037 onward as the technology required to remove carbon - direct air capture (DAC) - would remain expensive on a large scale.

Carbon offset prices would rise above USD 250 per tonne, with the annual market reaching a value of around USD 1 trillion.

A removal-only offset market would steer investments into technologies such as DAC (Direct Air Capture), helping to reduce costs. High prices might also force some companies to invest in other decarbonisation strategies that are more robust than offsets.

SUSTAINABILITY STRATEGY

SEA Group 1st level stakeholder map

INSTITUTIONAL SYSTEM FOR PLANNING, REGULATION AND CONTROL

MINISTRY FOR INFRASTRUCTURE

Airport sector planning and development
Airport traffic distribution measures

ENAV

Definition air routes

ENAC

Economic regulation
Safety/security regulation

ASSOCLEARANCE

Allocation slots to airlines

UE

Directives/Regulations

LOMBARDY REGION

Transport and infrastructure regulation and development measures

MINISTRY FOR ENVIRONMENT

Provisions to reduce environmental impacts / Authorisations

MILAN AIRPORT SYSTEM

AIRPORT COMMISSION

Noise zoning and anti-noise procedures

MUNICIPAILTY OF MILAN

Controlling shareholder

F2i

Minority shareholder

SEA
- Management
- Personnel

TRADE UNIONS

Aviation and non-aviation revenues

Use of spaces, services and infrastructure

AIRPORT OPERATORS (AIRLINES, HANDLERS, RETAILERS, LOGISTICS OPERATORS AND CONCESSION HOLDERS) STATE BODIES

- Quality of airport services
- Airport accessibility
- Direct air connectivity Europe and globally

SOCIO-ECONOMIC SYSTEM

LOCAL COMMUNITIES
- Residents exposed to noise emissions
- Residents exposed to reduction of quality/use of natural capital (air, soil, biodiversity, etc.)

Noise emissions
Consumption of soil & natural resources

Goods and services

ENTERPRISES OF THE SUPPLY CHAIN

ENVIRONMENTAL AUTHORITIES, ENTITIES & ORGANISATIONS

Prevention and control of environmental impact

LOCAL ADMINISTRATIVE BODIES

Impact on administrative services

MULTINATIONALS, EXPORT ORIENTED BUSINESSES

TOURISM AND TRADE SECTOR

SCHOOLS, UNIVERSITIES, RESEARCH CENTERS

Human capital training
Knowledge sharing

Tax and local employment benefits

Employment and generated value – direct, indirect and spin-off

Mobility on global scale of goods and persons

AIR TRANSPORT MARKET

PASSENGERS
- Airline Passengers short/medium distance incoming/outgoing
- Flights passengers long-haul incoming/outgoing
- Reduced mobility passengers or affected by other disabilities

CARGO
- Cargo airlines
- Cargo handlers
- Logistics operators
- Manufacturing enterprises

COMPETITORS
- Airports of Northern Italy
- AV trains
- European hubs

- Extension of network routes and frequencies
- Accessibility improvement
- Development of AV rail lines

Socioeconomic ecosystem

In its role as a public transport infrastructure manager, SEA is committed to acquiring the issues concerning the interests and expectations of its stakeholders in a planned and structured manner, and to correctly evaluating and including them in its decision-making process.

This is applicable to extension works at terminals, in making available spaces and services to airport operators and in ensuring the maximum synergy between all airport operators to guarantee continuous, safe and efficient flights for passengers.

The map indicates our 1st level main stakeholders, i.e. those with whom we develop the most direct and close relations.

Sustainable development vision

SEA pursues a strategy of creating value, protecting shareholders' return on capital, based on the following principles:

- prioritizing choices that help grow the Company's value in the medium to long term;

- constantly striving to align financial objectives with

the quality of the connectivity offer delivered to the region, due to the public interest role underpinning the role carried out;

- careful systematic analyses and assessments of both strategic and operational risks;

- support for systematic interaction with stakeholders for the definition and the implementation of our development plans, whilst seeking to create widespread benefits and minimizing negative externalities.

ESG strategy and sustainability governance model

SEA's ESG strategy aims to govern social and environmental business variables, enhancing relationship dynamics with stakeholders so that the latter, rather than simply receiving a share of the value generated by the Company, can become real and truly qualified contributors to the main strategic choices which significantly impact them. This objective is the most practical response to the serious and delicate interdependencies which characterise choices and decisions for Companies such as the SEA - who are required to design, realise, develop and manage airport transport infrastructure - and which significantly impact on its medium to long-term results.

Sustainability governance model

FIRST LEVEL	WHO WE WANT TO BE	HOW WE WANT TO DO IT
STRATEGIC FRAMEWORK	■ Mission ■ Business Plan	■ Ethical Vision ■ Diamond of Values ■ Principles of Stakeholder Relationships

SECOND LEVEL	HOW WE WORK	HOW WE MAKE DECISIONS

CORPORATE POLICIES & TOOLS	■ Org. Model Legs. Dec. 231/01
	■ Ethics Code
	■ Self-Governance Code of listed companies
	■ Certified Management Systems:
	  ■ ACA, ISO 14001, EMAS, ISO 50001
	  ■ OHSAS 18001/ISO45001
	  ■ DASA REGISTER
	  ■ TUV Italia Service Certification
	  ■ ISO 27001
	  ■ ISO 37001
		■ Materiality Matrix
		■ Sustainability Plan
		■ Sustainability Committee
		■ Corporate Citizenship
		■ Stakeholder Engagement

THIRD LEVEL	HOW MUCH VALUE	WHICH VALUE
VALUE ACCOUNTING	■ Financial Report	■ Non-Financial Statement ■ Airport Economic Footprint

At SEA, responsibility for dealing with ESG issues at a board level is entrusted to the Control, Risks and Sustainability Committee. A Sustainability Committee was established at a managerial level and entrusted with the following tasks:

■ to examine the trends of the main sustainability indicators, including in reference to other comparable airport operators;

■ to evaluate the effectiveness of the actions taken, and to examine potential improvement actions to be taken.

The Committee is chaired by the Chief Executive Officer/General Manager and makes use of the CSR department's technical office, which oversees technical logistics and planning matters. In addition to the CEO, the Sustainability Committee is composed of the Chief Financial and Risk Officer, the Chief Operating Officer and the Directors of the following departments: *Administration, Aviation Business Development, Cargo and Real Estate, Environment and Airport Safety, Human Resources, Infrastructures Development, Maintenance, Non-Aviation Business Development, Operations Linate, Operations Malpensa, Public Affairs and External Communication, Quality and Client Management, Security Management, Compliance and Training, Supply Chain, ICT and Innovation, Corporate Affairs and Compliance Legal Counselling, Corporate Social Responsibility, Health and Safety at Work* and by representative of the subsidiaries SEA Prime.

In 2022, ESG topics were addressed by the Management Committee and involved the definition of a 2023-2027 Sustainability Plan, which was approved by the Board of Directors on Febrary 10, 2023.

STRATEGY DRIVERS

The ESG strategy developed by SEA in the last few years is based on four principal operational pillars:

Integrated decision-making

Moving from a "set of actions and projects devoted to sustainability" to a "sustainable strategy," empowering the management team to adopt a consistent approach, with the aim of accentuating the capacity to single out the interrelationships between business dynamics and the set of contextual and scenario variables, and ultimately improve the quality of corporate decision making.

SEA aims to gradually incorporate socio-environmental sustainability issues into its Vision, strategic options, business plans, budgets, risk system, and how it measures managerial performance. The aim is to guarantee the company's ability to create long-term value while taking into account all the variables that affect it.

Listening and Stakeholder engagement

Periodically, SEA carries out sample surveys with corporate stakeholders subdivided into categories, to assess their perception of the quality of the relationships with the SEA, to assess SEA's management skills and the direct impact of its actions on them. In addition to these surveys - especially in connection with the launch of important projects such as the Master Plans - meetings were arranged to engage with the most representative corporate stakeholders. The involvement of internal and external stakeholders in recent years was of particular importance in the implementation of company projects such as the development of the Ethics Code, The Social Challenge, Mind the Future and the Family Audit.

Measuring impacts

Accountability in relation to strategies, processes and impact is not restricted to solely creating a Sustainability Report. A 11-year partnership with the Centre for Territorial and Industry Development of the LIUC Business School is in place, which measures more precisely and reliably the socioeconomic externalities created by Malpensa and Linate airports on various territorial scales. The goal, on the one hand, is to acquire in-depth knowledge of the economic role played by the airports in the local and national context and on the other, to support informed methods of engaging with the region.

Social Citizenship

A Corporate Citizenship Policy was developed in 2012 and a detailed procedure was launched in 2019 to govern the ways in which the company plans, manages and reports on its donations and sponsorships. The policy was created to define efficient and progressive strategic social and organic investment strategies in sync with the Company's business profile. The social investments realised in the last eight years have reaffirmed that SEA's role as a company is not limited to the optimal management of its airports but also entails the ability to create symbiotic relationships:

- with the region hosting its infrastructures;
- with non-profit associations which seek to respond to local communities;
- with SEA personnel, not just viewed as employees, but as citizens who, outside their work, see their involvement in good causes as an important part of their own personal development.

Ethics Code

The new Ethics Code, which was approved by the SEA Board of Directors at its meeting on December 21, 2020, is in line with the purpose, values and principles of the Ethics System, which have been promptly applied and are expressed in detail in the Ethics Code.

The document consists of three main sections:

1. Company Values and Ethical Vision.
2. The conduct rules to be followed by recipients of the Code which, in most cases, are enshrined in law.
3. Commitments to stakeholders.

A further section defines the mechanisms for distributing, implementing and monitoring the Code, listing the channels in place to report violations.

STRUCTURE OF THE ETHICS CODE

VALUES

Ethics of value
— Public utility
— Efficiency
— Innovation

Ethics of service
— Professional excellence
— Team spirit
— Meritocracy

Ethics of relationships
— Co-operation
— Transparency
— Respect

STANDARDS OF CONDUCT

— Fairness and integrity
— Impartiality
— Conflict of interests
— Corruption prevention
— Gifts, benefits or other advantages
— Fairness and transparency in accounting and internal control
— Unfair competition
— Health and safety
— Protection and use of company assets
— Protection of the moral and physical integrity of employees and collaborators
— Confidentiality and information management
— External communications
— Privacy

COMMITMENTS TO STAKEHOLDERS

— Systemic and shared value generation
— Responsible development and stakeholder centrality
— Sustainability as a strategic lever of development
— Sustainability policy reference points
— Protecting stakeholder dignity
— Stakeholder relations

The Diamond of Values

SEA's values mainly relate to the consolidation of the best practices deployed over time, which have supported the organisation in the various phases of its development.

However, they are also paradigms capable of creating desired practices, which are not yet fully implemented but which are necessary to manage the challenges that come with change.

As a whole, the values imply the concept of the Company being "part of a complex and interdependent system" within the context in which it operates.

Diamond of Values

Materiality Matrix

SEA's materiality matrix was devised in 2020 after the systematic analysis, assessment, and prioritisation of potentially material topics, conducted jointly by SEA management and stakeholders. The materiality matrix, which was approved by SEA's Board of Directors on December 21, 2020, covers 18 topics and will undergo a thorough review in 2023.

MATERIALITY REASSESSMENT

In 2022, following GRI's release of an updated version of the GRI Standards, SEA revisited its existing materiality matrix. This process comprised the following steps:

- context analysis, with particular attention paid to the evolution of sustainability topics within the aviation industry;

- comparative analysis between the priorities for action included in the 2023-2027 Sustainability Plan and the materiality matrix topics;

- evaluation of the connection between the materiality matrix and company risk matrix;

- request for the opinions of company stakeholders on SEA's sustainability priorities via a dedicated survey;

- redefinition of the level of hierarchical relevance of material topics within the matrix, based on the findings of the analysis;

- supplementation of the materiality matrix with a material topics impact matrix, which classifies material topics according to their placement within the actual-potential and positive-negative categories.

The results of this process were shared with SEA's Control, Risks and Sustainability Committee on March 7, 2023.

Please refer to the "Sustainability Scenario" of this document for more information on context analysis.

The main findings of the other analyses conducted are presented below.

Alignment of Risk Analysis, the Sustainability Plan, Stakeholder Views, and their impact on the relevance of material topics

The assessment collected significant evidence for half (nine) of the material topics in the matrix.

Materiality reassessment alignment

Material topics	Risk mapping connections	Stakeholder view (% sample listing topic as priority)	Sustainability plan	Δ
Reduction of direct /indirect CO$_2$ emissions and pollutants	Top Risk 2022 Failure to meet reductions targets	Green charges: 69% SAF incentivisation: 72%	Decarbonisation Plan in implementation phase	↑→
Actions to contain noise impact	Top Risk 2022 Limitation on night-time movements at MXP	Green charges: 69%	Green charges in implementation phase (2024)	↑→
Initiatives to reduce the gender gap	Top Risk 2022 People shortage	Gender equality: 60%	PdR 125 certification planned	↑→
Talent retention and acquisition	Top Risk 2022 People shortage	Corporate welfare: 78%	Diversity & Inclusion Plan Generational turnover	↑→
Promotion of sustainable mobility	-	Low-emission accessibility: 83%	Modal shift plan in implementation phase	↑→
Infrastructure that is compatible with biodiversity and reduced land consumption	Top Risk 2022 MXP Master Plan not approved	Ecosystem protection: 62%	Biodiversity Policy being developed	↑↓
Maximum health protection in managing the customer experience	Minor Risk 2022 Increased costs due to prolongation of measures to combat the pandemic	-	-	←↓
Minimising the impact of social downsizing	Risk eliminated in 2022 Business interruption and reduced quality of dismissals brought forward to 2022	-	-	←↓

Source: SEA, Doxa (Stakeholder Views)

Cross-analysing information from the Company's risk matrix, Sustainability Plan, and the stakeholder survey revealed that:

- the material topics deemed most relevant in SEA's materiality matrix include the "Reduction of direct CO$_2$ emissions and pollutants", "Initiatives to reduce indirect CO$_2$ emissions", "Noise containment measures", "Gender gap reduction initiatives", "Talent retention & acquisition", and the "Promotion of sustainable mobility". The relevance of these topics has increased in the matrix due to their inclusion (except for the last one) in the Company's 2022 top risks matrix, their prioritisation in the Sustainability Plan, their relevance to initiatives, and their identification as critical by several stakeholders.

- the material topic "Infrastructures compatible with biodiversity and land consumption" maintains its position of relevance in the matrix. Although it is listed as a top risk in connection with the approval of Malpensa's 2035 Master Plan, both stakeholders and management assigned the topic a lower urgency than other environmental topics;

- the relevance of the material topics "Maximising health and safety when managing customer experience" and "Minimising the social impact of downsizing" has been downgraded. The weight of expectations, potential risks, and related impacts have changed as time has passed, partly due to the easing of the COVID-19 pandemic and partly due to the completion of related activities, such as the staff downsizing process (which was concluded without significant consequences).

MATERIALITY MATRIX 2022
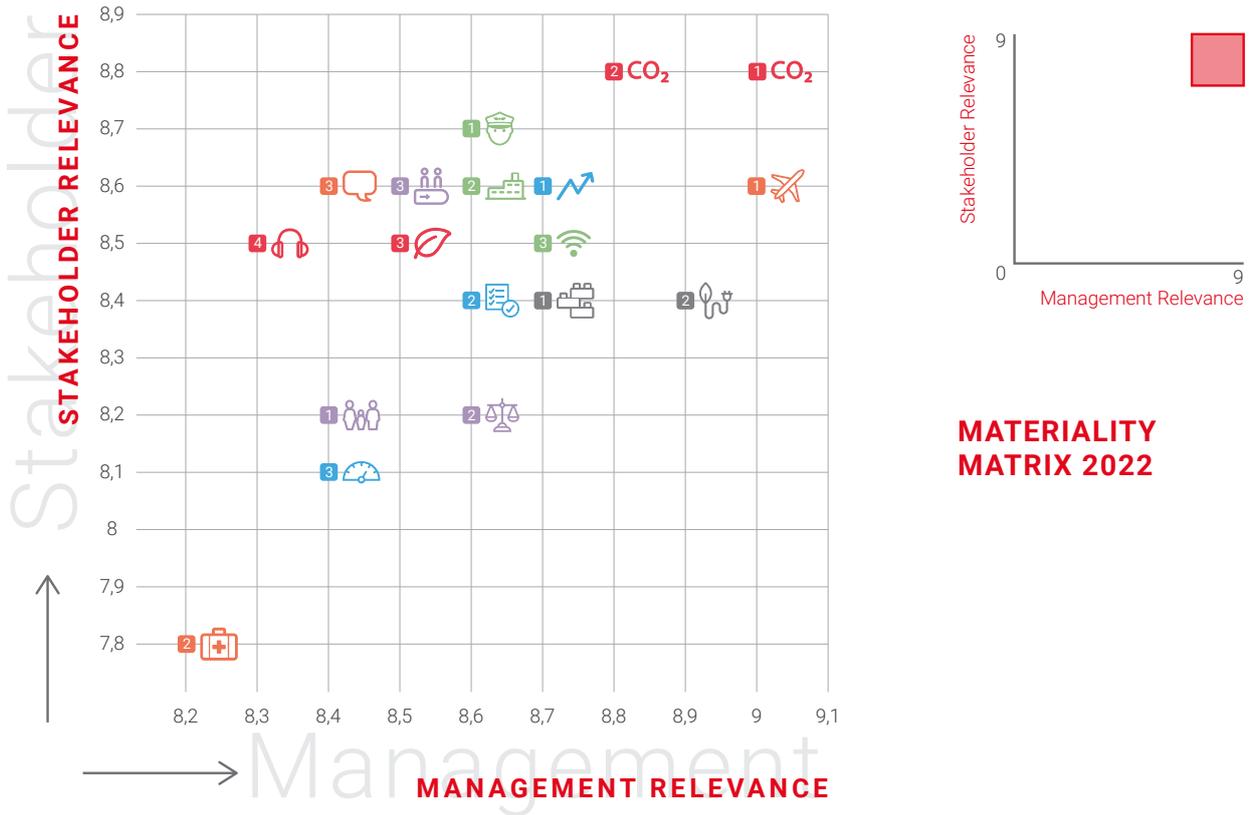
Pillars / Materiality Issues / SDGs

Integrated Governance
1. Strategic vision oriented to long-term value
2. Definition and updating of a Strategic Sustainability Plan
3. Inclusion of ESG performance in the management incentive system (MBO)

SDGs: 5 GENDER EQUALITY · 8 DECENT WORK AND ECONOMIC GROWTH · 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE · 16 PEACE, JUSTICE AND STRONG INSTITUTIONS · 17 PARTNERSHIPS FOR THE GOALS

Infrastructural Capital
1. Low-impact construction methods inspired by the circular economy
2. Promotion of sustainable mobility

SDGs: 7 AFFORDABLE AND CLEAN ENERGY · 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE · 11 SUSTAINABLE CITIES AND COMMUNITIES · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION · 13 CLIMATE ACTION

Natural Capital
1. Reduction of direct CO_2 emissions and pollutants
2. Initiatives to reduce indirect CO_2 emissions
3. Infrastructure development compatible with biodiversity and reduced land consumption
4. Actions to contain noise impact

SDGs: 7 AFFORDABLE AND CLEAN ENERGY · 11 SUSTAINABLE CITIES AND COMMUNITIES · 13 CLIMATE ACTION · 15 LIFE ON LAND

Human Capital
1. Safeguarding employment and minimising the social impact of downsizing
2. Initiatives to reduce the gender gap
3. Talent retention & acquisition

SDGs: 5 GENDER EQUALITY · 8 DECENT WORK AND ECONOMIC GROWTH

Social and Relational Capital
1. Re-launch of air connectivity to support the local area
2. Paying the utmost attention to health and safety when managing customer experiences
3. Structured methods of stakeholder communication and involvement

SDGs: 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE · 11 SUSTAINABLE CITIES AND COMMUNITIES

Intellectual Capital
1. Technological innovation in safety and security management
2. Collaborative airport ecosystem to improve quality, efficiency, and safety
3. Digitisation to improve passenger service quality

SDGs: 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE · 11 SUSTAINABLE CITIES AND COMMUNITIES

In line with the requirements of the GRI 3 guidelines, the material topics have been categorised below according to their associated impacts. The topics are divided into four categories: actual positive impact, potential positive impact, actual negative impact, and potential negative impact. Given that the labelling of topics as "material" inherently carries positive connotations, the topics categorised as having negative impacts (both actual and potential) have been evaluated based on the outcomes that could result from SEA's inadequate or passive handling of those topics.

Actual positive impact

Material topic	Description	Impact
Re-launch of air connectivity to support the local area	Gradual recovery of an adequate direct air connectivity index - once the critical phase of the pandemic is over - with the areas of the world which represent a potential source of prosperity for the region.	Resumption and expansion of the medium/long-haul flight network, with a positive impact on international trade and tourism and positive effects on employment and well-being in the surrounding area.
Technological innovation in safety and security management	Timely adoption of technological solutions to render passenger travel inside the airport safer and easier, providing them with a pleasant, touchless, and seamless experience.	Significantly improved effectiveness at security and a reduction in waiting times prior to boarding.
Collaborative airport ecosystem to improve quality, efficiency, and safety	Development of partnerships with other airport players to optimise operations, achieve efficiency, and effectively manage unforeseen events.	Improved customer experience (more punctual aircraft and operations), better management of crisis situations, and reduced impact on the environment (noise/CO_2 emissions).
Digitisation to improve passenger service quality	Development and adoption of high value-added services (ChatBot, app, digital payment services, indoor navigation, MaaS, etc.).	Comprehensive positive impacts on airport experience comfort.
Strategic vision oriented to long-term value	Adoption of the strategic planning mindset and approaches that take into account all variables capable of influencing the achievement and sustainability of medium to long term business objectives.	Contribution to society and the environment through the planning, adoption, and monitoring of sustainable development processes based on systematic engagement and collaboration with stakeholders.

Potential positive impact

Material topic	Description	Impact
Definition and updating of a Strategic Sustainability Plan	Commitment to structuring an ESG goals plan as linked to future Industrial Plans. This will form a qualitative complement and will oversee the management of non-financial capital.	The identification of specific objectives, actions, and resources to allocate to sustainability - with a view to generating systemic and long-term value - and their structured integration into the business plan, outlining intentions to make more positive impacts on society and the environment in the medium to long term.
Inclusion of ESG performance in the management incentive system (MBO)	Systematic integration of ESG variables in the management incentive system to align the contents of the business strategy and sustainability strategy with performance bonuses.	Heightened emphasis on ESG topics in managerial choices, in addition to the prioritisation of business growth initiatives that promote the creation of shared value.
Talent retention & acquisition	Render the company profile more attractive to new talent by launching professional development and empowerment initiatives that stabilise the retention index and allow the Company to effectively plan managerial promotions.	Enhanced development of young people, leading to positive spill-over effects on the whole company community, thanks to the strengthening of welfare and work-life balance measures.
Paying the utmost attention to health and safety when managing customer experiences	Ongoing actions to combat the spread of the pandemic, including the adoption of measures based on regulations and best practices with the goal of protecting passengers and operators from the COVID-19 virus.	Acceleration of seamless travel processes and overall improvement of airport security levels.

Potential negative impact

Material topic	Description	Impact
Safeguarding employment and minimising the social impact of downsizing	Adoption of labour cost containment measures that minimise social impact, maintain professionalism, and respect the fundamental prerogatives of workers.	Reduction in the employment stability of personnel involved in outsourcing operations, a reduction in operational efficiency and the quality of passenger services due to the early departure of experienced employees and a resulting "people shortage".
Initiatives to reduce the gender gap	Foster the transformation of corporate culture, giving rise to organisational processes that are more oriented towards inclusivity and gender equality.	Persisting cultural barriers blocking women's access to a traditionally male-dominated sector. A work environment that lacks inclusivity and is incapable of reconciling and recognising different forms of diversity.
Low-impact construction methods inspired by the circular economy	Commitment to the gradual introduction of sustainable infrastructure construction protocols, based on the renewability of materials, the absence of toxic or harmful substances, the potential to reduce building maintenance and operating costs, and the potential to reuse end-of-life materials.	The production of objects with low energy efficiency and a high consumption of natural resources and emissions that exacerbate climate change, leading to significant consequences for waste management when these objects reach the end of their useful life.
Structured methods of stakeholder communication and involvement	A commitment to promote effective communication processes with internal and external stakeholders to promote discussions, team work and create a collective knowledge-base. The cultivation of a development process in consultation with relevant stakeholders (carriers, retailers, regulatory authorities, institutions, businesses, municipalities), making it possible to identify sustainable solutions to combat challenges to the business and to share the benefits, the costs and the risks in managing the airports fairly and efficiently.	Deterioration of stakeholder trust and misalignment of the Company's objectives with sector needs, to the point of compromising or losing out on development opportunities.

Actual negative impact

Material topic	Description	Impact
Promotion of sustainable mobility	Commitment to the development of sustainable mobility solutions (public transport, electric vehicles, etc.) adequate in terms of times and ease of use.	The Company's failure to foster collaborations with transport companies and public entities to enhance the accessibility of airports via public transportation, and to introduce and employ facilities that promote the use of low-impact private and public transportation (such as electric vehicle charging stations). A failure that results in an inability to reduce CO_2 emissions and atmospheric pollution. At the same time, the accelerated building of infrastructure to connect railways to airports could reduce the natural integrity of corridors used in some instances.
Reduction of direct CO_2 emissions and pollutants	Commitment to a series of actions - from reducing energy consumption, to introducing an electric airport vehicle fleet, to acquiring energy from renewable sources - to contain and reduce CO_2 emissions at the airport.	The Company's increasing contribution to climate change could keep the airport sector at the bottom of the list of industries dedicated to transitioning towards cleaner energy and climate practices.
Initiatives to reduce indirect CO_2 emissions	Activation of partnerships with airport stakeholders to initiate or accelerate processes to reduce the overall carbon footprint of the airport grounds generated by sources other than those directly controlled by the operator.	Slowdown of climate transition initiatives by airport ecosystem operators.

Material topic	Description	Impact
Infrastructure development compatible with biodiversity and reduced land consumption	Commitment to evaluate all technological and process innovations (both air-side and land-side) that allow the operational capacity of infrastructures to be increased without physical expansion and to study - through dedicated partnerships - the most effective solutions to safeguard the integrity of the eco-interested systems, where the physical expansion of the airport grounds is unavoidable.	Reduction of ecological integrity and increased soil sealing in natural areas affected by the expansion of the airport site.
Actions to contain noise impact	Constant and efficient monitoring of aircraft noise at the airports and implementation of mitigation solutions for the benefit of the territory, collaborating with ARPA (the Regional Protection Environmental Agency) and under its close supervision, in order to reduce the inconvenience resulting from the future increase of all types of aviation activities.	Creation of inconvenience for residents living near to airports, especially at night.

Corporate Citizenship

The main points of our "Corporate citizenship" policy are:

- the value of the Company's corporate citizenship is defined more by the robustness of its link with the company's strategy than by the quantity of resources invested;

- the corporate citizen activities are carried out in order to protect the interests of:

  - shareholders, in relation to the most correct, efficient and beneficial use of employees by management;

  - the non-profit stakeholders, in relation to the need for transparency and objectivity in terms of the criteria under which the company chooses its partners for social investment;

  - it is defined by the Company itself in terms of its own credibility and reputation to act transparently in accepting requests for contributions from non-profit organizations;

- the touchstone of our corporate citizenship activities revolves around the financed project, whose credentials (completeness, endorsement by national and international institutions, scalability, clarity of objectives, measurability and accountability) are added to those of its proponents;

- projects in line with the identity, features and distinctive characteristics of SEA are preferred, which carries out an active role (not simply a donator, but rather a partner) in the management of initiatives, considering therefore, as important factors for the choice of the project the possibility to mobilise the involvement of employees, in addition to the opportunity to reconcile the needs within the region of the airports with international dimension initiatives.

Main non-financial risks

The most significant risks inherent to ESG issues are shown below.

Risk categories	Risk description	Prevention/mitigation measures
The risk of temporary or prolonged interruptions to business processes caused by strikes, natural events, or faults, etc.	Interruptions in activities and services may be generated by a wide range of events of more or less prolonged duration, giving rise to various impacts on airport operations and Group economics. Critical impacts on the Group's business may be caused by exceptional events, such as pandemics, wars, volcanic eruptions, which may lead to a collapse in the demand for air transport. Company activities could also be interrupted by a strike by third-party employees working at the airport, by personnel dedicated to air traffic control services, or by public emergency service operators, or by the incorrect provision of services by third parties.	Operational back-up plans and investments in training have been made by operating departments. External contracts could also be activated.
Risks associated with the design and/or execution of investments in the maintenance/ construction of airport infrastructures	The new Malpensa Master Plan, currently undergoing approval by the competent bodies, constitutes the Group's main long-term infrastructure development planning tool. To date, the Environmental Impact Assessment (EIA) procedure is still in progress. The Master Plan envisages expanding the current site to the south to build new infrastructure for the cargo sector. A negative outcome would make it impossible for the Group to pursue the infrastructure developments necessary to support growth.	SEA pays great attention to its relations with neighbouring communities, participating in roundtables with institutions and directly supporting regional compensation interventions and social initiatives to support local communities.
Risks associated with the amount of noise produced by aircraft taking off and landing, the management of noise compensation/ reduction initiatives, and relations with local communities	If not properly managed, the levels of noise pollution generated by Malpensa due to the traffic growth foreseen in the Master Plan (which is currently being approved) could impact the airport's sustainability and growth in the short-to-medium term and generate higher compensation costs for the Company.	SEA is committed to noise mitigation initiatives on various fronts, such as the introduction of penalising tariffs for the noisiest aircraft and the optimisation of runway usage scenarios in agreement with ENAV.
Risks associated with a failure to meet CO_2 emissions reduction targets	Together with other airports belonging to the ACI Europe network, SEA has committed to the Net Zero 2030 target of zero CO_2 emissions by 2030. Regulations and industry trends on Net Zero are constantly evolving. The roadmap for decarbonisation is driven by the EU Climate Law, which must be monitored closely to comply with regulations and to maintain a suitable stance with respect to stakeholder expectations and competitors.	Linate and Malpensa participate in the Airport Carbon Accreditation (ACA) certification programme. In addition, a Sustainability Plan has been defined and contains the relevant targets. During 2022, major energy efficiency investments were approved. Further investments required for the transition to sustainability could qualify for public funding in the future (e.g. the Recovery Fund/Horizon 2020/Green Deal).
Risks associated with air, water and soil pollution	These risks are generated by Group activities and have potential environmental effects that could significantly affect Group operations.	These risks are managed and constantly monitored by the Environmental Management System. For further information, refer to the paragraph on our environmental and energy policies.
Risks related to extreme weather events that affect airport assets	Potential storms, cloudbursts, and very heavy snowfall could cause significant damage to airport assets and disrupt airport operations as a consequence. In turn, said disruption could result in the deterioration and/or interruption of customer services, which could have serious consequences for the airport's reputation and business.	In recent years, work has been carried out to improve infrastructure (e.g., whitewater disposal systems at stands, overflow for roof covers, and disposal wells on roundabouts). Further work is planned to improve the resilience of airport assets, part of which is the subject of a European co-financing programme.

Risk categories	Risk description	Prevention/mitigation measures
ESG legislation developments: sectoral and non-sectoral legislation on social, environmental, and governance topics	The introduction of mandatory supply chain analysis using ESG criteria is being studied at EU level. Some uncertainty still surrounds the extent of the obligations that will be imposed, as well as the responsibilities and related penalties that may be introduced. There is a risk that these requirements will overburden the Company's supply chain procedures.	Despite the uncertain scope of the regulation, research is already underway to integrate ESG topics into existing supplier qualification and assessment processes.
	Both European and national institutions have been paying more attention to the commitments undertaken with regard to climate change (the Paris Agreement, COP26) in recent years, including a reduction of greenhouse gas emissions. Current trends could lead to the introduction of measures that negatively impact the competitiveness of air transportation, including: ■ the introduction of fiscal and economic policies to compensate for pollution, which would result in higher ticket prices and a potential drop in demand; ■ the allocation of public resources to support sectors that compete with air transport (e.g., rail).	SEA has set up a permanent internal working group (Net Zero Team) to oversee the matter. SEA is committed to reducing emissions through partnership agreements with third parties. Initiatives include the provision of SAF at airports and the development of a hydrogen supply chain as part of its Net Zero 2030 pathway.
Risks associated with the management and development of the necessary skills/resources for carrying out business activities (e.g., selection, training, retention, internal communications, engagement) and the management of relations with trade unions	An ageing Company population could affect operations due to reduced efficiency/productivity, increased absenteeism, and/or health problems.	A Retention Plan to mitigate this risk has been put in place.
	This difficult period for the air transport sector could result in the loss of key personnel, which would impact Company operations.	A Retention Plan to mitigate this risk is in place.
	Planned staff development initiatives may not achieve the expected engagement results.	The Company has adopted communication initiatives to improve engagement and transparency.
	The air transport sector has been experiencing a shortage of skilled labour, making it increasingly difficult to find qualified professionals. This trend is aggravated by factors typically involved in hiring and training airport workers.	The Company has estimated its workforce needs for 2023 and has taken action well in advance by entering into partnerships with third-party companies and ramping up its hiring and placement processes for specific operational areas.
Risks associated with the management and disposal of waste generated by airport operators, retail establishments in the terminals, and employees, etc.	Increasing the rate of separate waste collection is one of the objectives the Group has set itself with a view to reducing waste and pollution. These objectives refer to all waste generated on the premises by the activities of the airport manager, contractors, and airport operators, excluding waste generated by airlines. If difficulties were encountered when involving third parties, it would not be possible to achieve the waste sorting targets defined in the Sustainability Plan.	A comparison with other airports to identify the best operating practices is underway. Improvement actions cover areas in which contractor and tenant processes are managed by SEA.
Risks related to higher costs for initiatives to reduce/offset CO_2 emissions	ACA 4+ Certification - recently obtained by Linate and Malpensa airports - requires the airport manager to purchase green energy certificates and carbon credits to offset emissions that cannot be reduced. The hard market environment, caused primarily by an increase in demand for these certificates, means that there is a significant risk of incurring higher costs to meet emissions reduction targets.	A dedicated working group (Net Zero Team) was set up to oversee the matter. Key indicators and price curves for certificates of origin and carbon credits are closely monitored. Industry scenarios are incorporated into the Business Plan.

Other considerations

Considering the nature and the geographical location of the activities carried out by the Group, there are no significant risks in terms of violation of human rights, for employees and collaborators including those of suppliers operating on the airport grounds. With reference to this, it should be noted that SEA carries out the preparatory checks for obtaining the obligatory airport pass for anyone working at the airport, to guarantee a continuous commitment also in the field of airport health and safety. For other suppliers, see the paragraph "Classification of suppliers based on CSR criteria". Legal and compliance risks are related to compliance with internal policies and regulations (e.g. personnel conduct not in line with the company's ethical values, failure to respect delegated powers), and applicable general laws and regulations (e.g. failure to comply with privacy and data protection legislation). The potential risks of corruption offences are managed by the Group through the adoption of its 231 Model and ISO 37001. For further information, please see the "Internal control system" paragraph.

RESOURCES

INFRASTRUCTURAL CAPITAL

SEA's Infrastructural Capital covers all forms of physical capital that define SEA's operational capacity and how it carries out its business.

This includes both physical assets managed directly by the company (terminals, runways, warehouses, car parks, etc.) and those not managed by the company but that form part of its airports' "value proposition" (roads, railway access to airports, etc.).

Airport infrastructure development

The investments in the development of the airport infrastructure are enacted in compliance with the specific programming instruments, subject to the control and approval of ENAC, which governs operations within the two airports.

MASTER PLAN

The Master Plan is a long-term planning tool based on a prediction of how the airport will develop over time (in terms of role, traffic, types of flights served, the needs expressed by the region, etc.). It identifies and describes the general situation, analyses the use of different airport areas, and identifies the main work to be carried out, assigning different priority levels and quantifying the extent of the investment required.

The Master Plan prepared by the Airport Manager is approved by the Ministry of Environment and Energy Security through an Environmental Impact Assessment (EIA), while the technical-aviation aspects are approved by ENAC. The authorisation process concludes with an urban compatibility check on the proposed work, the results of which are disclosed during a Services Conference attended by all of the bodies involved in the airport's development.

INVESTMENTS PLAN

Short- and medium-term work is carried out based on the Investment Plan, which was produced as part of the Regulatory Agreement. A 2022-2023 Investment Plan was formalised in 2022, in line with the plans shared with ENAC and the Transport Regulatory Authority. SEA has prepared a Five-Year Action Programme for the period from 2023 to 2027 to support the growth of Malpensa and Linate airports in the medium-term. The programme outlines specific projects that SEA plans to adopt at the airport, aligned with the guidelines specified in the Master Plan, but with a shorter time frame. The Investment Plan and Five-Year 2023-2027 Action Programme also includes necessary works that are not expressly defined in the Master Plan but are consistent with the general development forecasts contained therein.

All of the documents define work directly carried out by the Manager, other SEA Group companies, or third parties operating at the airport (ENAV, airlines, government agencies, commercial operators, handlers, etc.).

OTHER PLANNING TOOLS

Other planning tools devised in compliance with ENAC regulations include the Terminal Functional Development Plan - which replaces the Terminal Use Plan and describes work that could affect the operational characteristics of passenger terminals in the medium term (over the next four to five years) - and the Extraordinary Maintenance Plan (EMP), which describes all upgrade, renovation, and development work carried out on existing buildings, installations and infrastructures.

The EMP is prepared once a year. In 2022, SEA submitted its Extraordinary Maintenance Plans for Malpensa and Linate to ENAC, in accordance with the new "Guidelines for the standardised preparation and presentation of Extraordinary Maintenance Plans", issued on November 23, 2021. The Terminal Functional Development Plans (TFDPs) for Malpensa Terminals 1 and 2 and the Linate Passenger Terminal were also submitted to ENAC, which approved all three plans.

In December 2022, ENAC was presented with a draft modification to the structure of the TFDP, known as Pi.Ter, which will be included in the Investment Plan as an attachment to the Regulatory Agreement. It provides for the re-establishment of the Terminal Use Plan on a yearly or two-yearly basis. SEA is waiting for ENAC to formalise this proposal before preparing new documentation in 2023.

DEVELOPMENT OF INFRASTRUCTURE INVESTMENTS

In the 2020-2022 three-year period investments were carried out for a total value of Euro 191.6 million, principally focused on the development of infrastructure, in order to improve the service offered to passengers and the cargo transport service, guaranteeing high quality, security and operational efficiency levels and protecting the environment to an even greater degree.

Infrastructural investments (Euro millions)

	2022	2021	2020	Total 2020-2022
Malpensa Terminal 1	27.6	11.2	10.5	49.3
Malpensa Terminal 2	2.3	0.1	6.5	8.9
Malpensa Cargo	4.2	1.5	0.6	6.3
Linate	6.6	9.5	20.5	36.6
Flight infrastructure	12.3	16.2	3.5	32.0
Various actions	15.5	7.6	16.2	39.3
Plant & Equipment	7.8	4.2	7.2	19.2
Total	**76.4**	**50.3**	**64.9**	**191.6**

Note: The total does not include the "IFRS 16 fixed assets" account amounting to Euro 2.9 million for 2020, Euro 4.7 million for 2021, and Euro 3.9 for 2022; in addition, the 2020 value includes Euro 6.7 million relating to SEA Energia, which no longer belongs to the SEA Group.
Source: SEA

INVESTMENTS AT MALPENSA AIRPORT

Despite facing significant challenges such as the global pandemic and subsequent delays in planned investments in 2020 and 2021, SEA was able to partially restart works in 2022 due to a recovery in air traffic. However, the Company also faced new challenges such as the ongoing war in Ukraine and rising commodity prices. As a result, the Group redefined its framework for short-to-medium-term investments.

The works carried out on the airport's airside infrastructures mainly involved:

- upgrading existing areas and projects related to the objectives of maintaining/increasing the levels of safety and operational functionality at the airport;

- the completion of upgrades to surfaces and civil works on LVA systems located where runway 17R/35L intersects with taxiways "EM" and "EW". In addition, the bases of runway centreline lights have been strengthened, and resurfacing has been carried out on some drainage channel sections in other areas.

- continued adoption of an advanced surface movement guidance and control system (ASMGCS) for aircraft and vehicles in manoeuvring and movement areas;

- installation of a CCTV system on the aircraft apron, which will be expanded in 2023. The system will improve apron safety by continuously monitoring aircraft and vehicle movements. The system will also be able to make recordings, which could prove useful to potential analysis/investigations into the operations carried out in operating areas.

Works continued to improve functionality, safety, and the level of comfort offered to passengers at Terminal 1. These included:

- the roll-out of self-service bag drop desks at check-in desks;

- plans to upgrade and standardise all public toilets were completed;

- the installation of new equipment for checking in hold baggage, bringing the BHS system into line with ECAC (European Civil Aviation Conference) Standard 3;

- the start of works related to the Smart Security Project, with the installation of new automated lines and EDS devices that ensure the system's higher operational capacity;

- self-enrolment devices to properly manage the new Entry/Exit System (EES) to be applied in 2023;

- works to modify the layout, with an increase in spaces for passengers waiting to board and improvement of the circulation routes in the departure area;

- creation of new pre-boarding areas at the central satellite gates;

- continued unification and technological upgrading of the fire detection system, in addition to works to improve safety levels in the BHS area during maintenance activities.

Minor redevelopment and extraordinary maintenance works were carried out on existing cargo buildings and warehouses in 2022.

Following the resumption of air traffic in 2022, and with the intention of reopening Terminal 2 in the upcoming 2023 summer season, SEA has taken several measures, such as reactivating self-bag drop devices in the check-in area and upgrading the HBS system to meet the ECAC Standard 3.

Several additional development and upgrade projects have also been planned, including but not limited to the improvement of the departing passenger security checks area, the installation of Entry-Exit System controls at arrivals and departures, the renovation of the route taken by arriving passengers to the baggage claim area, the replacement of passenger transport equipment, and the enhancement of the Duty Free Shop area and adjacent spaces.

INVESTMENTS AT LINATE AIRPORT

After completing the "F-body" demo-reconstruction project in 2021 and making several functional upgrades, the primary functional terminal upgrades carried out in 2022 concerned:

- the continued redevelopment and standardisation of public toilets;

- the completion of work on the Smart Security Project (new automated lines and new EDS equipment);

- the start of works related to the upcoming entry into operation of Entry Exit System procedures. This included the development of projects to install new self-enrolment equipment in the arrivals and departures areas.

The most significant work involving airside infrastructures concerned:

- upgrades to the CCTV system on the aircraft apron, which will improve apron safety by continuously monitoring aircraft and vehicle movements. The system will also be able to make recordings, which could prove useful to potential analysis/investigations into the operations carried out in operating areas.

- plans to expand the apron in the western area of the site, dedicated to parking general aviation aircraft, are expected to be completed in 2023. This expansion will increase aircraft parking capacity and will also accommodate the new hangar 10. The layout of the existing parking areas will need to be modified to facilitate the aircraft's entry and exit to/from the building.

Linate's Master Plan

Linate's new Master Plan, which was drawn up in 2016, covers the period up to 2030 and defines several projects to improve the airport's operational functionality and the quality of service it provides. The Plan also intends to diversify the types of services on offer to the local area, without, however, intervening significantly on the capacity of subsystems due to the fact that traffic volumes are expected to remain largely unchanged and the high levels of urbanisation expected.

After receiving approval from ENAC in January 2017, the Environmental Impact Assessment procedure was launched and positively concluded in 2019 with the issue of a Ministerial Decree.

In 2020, ENAC requested that the procedure begin to assess compliance with urban planning regulations. This final approval phase also concluded successfully, and the measure was issued by the Ministry for Infrastructure and Sustainable Mobility in July 2021.

The "Malpensa 2035" Master Plan

The current Malpensa Master Plan dates back to 1985. In 2009, SEA presented a new Master Plan to ENAC, which described the airport's expected development up until 2026, based on traffic forecasts, and envisaged a gradual increase in the capacity of the airport's various infrastructures.

After obtaining a positive technical opinion from ENAC, the Master Plan was withdrawn before the Environmental Impact Assessment procedure was completed, as the framework of referenced had substantially changed in the meantime (due to the de-hubbing of Alitalia).

In 2015, SEA launched a new research phase based on an updated assessment of the airport's operational features (paying particular attention to the runway system's capacity), the definition of a new operating environment, new traffic forecasts, a precise and updated analysis of the environmental characteristics of the area surrounding Malpensa, and a new definition of the development needs of the airport's various subsystems. Specific stakeholder information and engagement activities were also conducted during this period.

The new Master Plan, which covers the years up to 2035, obtained technical approval from ENAC in 2019.

At the same time, the drafting of the new Environmental Impact Study was completed and the EIA procedure started in July 2020. In 2021, after taking note of the observations expressed by local bodies, associations, and the general public, the EIA Technical Commission tasked with analysing the Master Plan asked SEA to submit new documents in addition to those already drafted, submitted and published in November 2021, launching a new phase for the presentation of potential observations. The changes made did not prevent negative opinions from being submitted by the CUV consortium and Ticino Park municipalities. The most pertinent point of opposition related to excessive land consumption for the southerly expansion of the cargo warehouses (a total of 60 hectares). To overcome this impasse, in Q1 2022, the Lombardy Region launched an initiative to prepare a Memorandum of Understanding to facilitate the successful conclusion of the Environmental Impact Assessment (EIA) procedure at regional level. This was done ahead of the publication of the regional opinion (in December 2022). In June 2022, SEA signed a Memorandum of Understanding with the Lombardy Region, ENAC, CUV Municipalities, and the Province of Varese (ENAC is responsible for the EIA procedure at the Ministry of the Environment and Energy Security). This came after lengthy discussions and consultations with stakeholders regarding the 2035 Master Plan project.

Based on the information shared with the Protocol's signatories, further additions to the Environmental Impact Study were made in July 2022, and a new scaled-down development to the south (occupying 44 hectares of land) was presented. Following these latest additions, in addition to the positive opinion received from the Lombardy Region and CUV municipalities, other stakeholders submitted their comments and/or opinions for consideration by the EIA Technical Commission, which will express its opinion in 2023. SEA is therefore waiting for the Ministry of Environment and Energy Security to complete its assessments and, if a positive conclusion is reached, the Group will begin the procedure to verify urban compliance by convening a Services Conference.

# Catchment area of the airport system

The Milan airport system's catchment area principally comprises, in declining order of attractiveness, the Milan metropolitan area, the Region of Lombardy and north-western Italy. It also extends - albeit with a lesser ability to capture demand - to the regions of north-eastern Italy, Emilia Romagna, Tuscany, and the Swiss Canton of Ticino.

Malpensa airport's catchment area
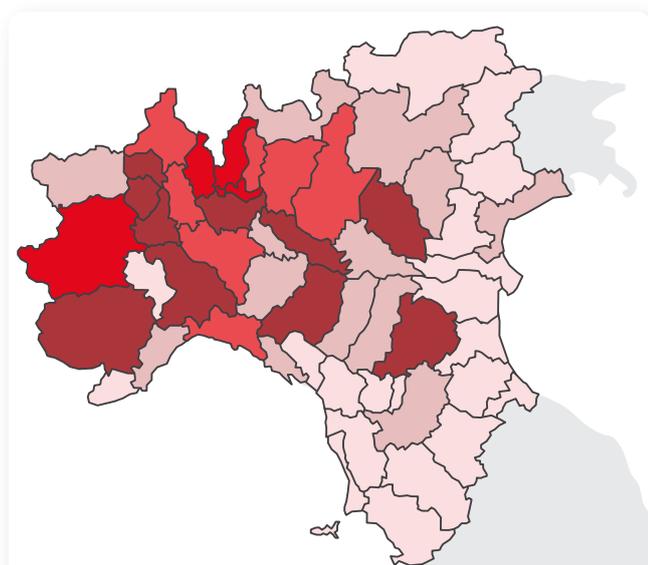
Source: Prepared by SEA using CLAS 2016 and ISTAT survey data

Linate airport's catchment area
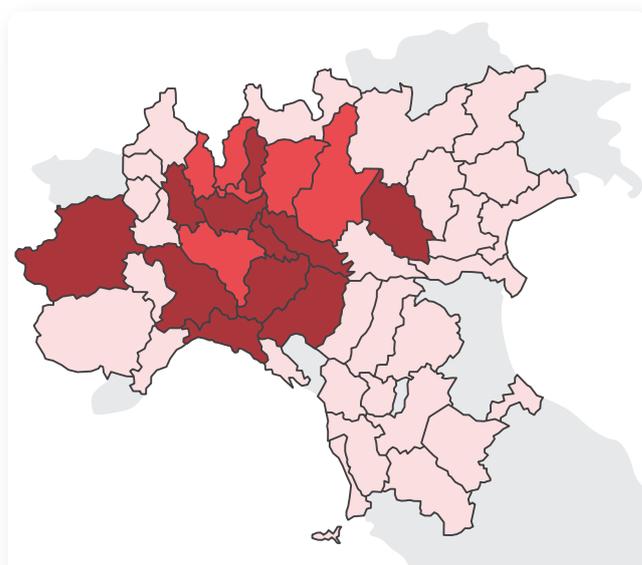
Source: Prepared by SEA using CLAS 2016 and ISTAT survey data

Capacity

The capacity of an airport, which in Italy is established by ENAC with the involvement of the interested parties, is established based on the capabilities of the individual airport, which in turn depend on:

- the air navigation sector plan, which concerns the operating and control capacity of the air traffic overseen by ENAV;

- the runway system and related infrastructure, in particular aprons and terminals;

- traffic demand factors;

- environmental restrictions, such as anti-noise procedures and the suspension of flights during hours of darkness.

The airport capacity is expressed by a certain number of movements per hour (with a "movement" concerning the take-off or landing of an aircraft, independently of the type of traffic). The capacity of the Milan airports has been established by ENAC as 88 movements/hour - as follows:

- Malpensa airport: 70 movements/hour (considering jointly take-offs and landings);

- Linate airport: 18 movements/hour (considering jointly take-offs and landings).

This breakdown of the movements per hour between Malpensa and Linate was established within the re-organization project of the Milan airport system, drawn up to facilitate the development of Malpensa.

CAPACITY OF MALPENSA AIRPORT

The capacity of Malpensa airport is subject to further limitations concerning:

- 39 similar movements (therefore movements of the same type, take-off or landings separately) and 31 opposing movements (therefore movements of a differing type, take-offs or landings jointly) every hour;

- 6/7 similar movements every 10 minutes, 6/7 similar movements in the subsequent 10 minutes (for a maximum of 13 similar movements every 20 minutes) and 5 opposing movements every 10 minutes.

The available time slots may be further developed in the future by airlines already operating out of the airport or by new airlines.

CAPACITY OF LINATE AIRPORT

The Linate airport infrastructure is capable of managing a capacity of approx. 32 movements/hour, although traffic limitation is imposed by the "Bersani" and "Bersani bis" Decrees which establish a cap of 18 movements/hour. This capacity was fixed for commercial flights, without including regional continuity agreement flights (therefore flights to and from particular regions located off the Italian mainland, such as Sicily and Sardinia, which guarantee flights with the main peninsular airports) and General Aviation flights.

Air transport supply

The urban area of Milan recorded a recovery in air connectivity in 2021, after its total collapse in 2020 due to the pandemic (-64% of ASKs - Available Seat Kilometres - offered compared to the previous year). ASKs correspond to the total seats available on each flight, multiplied by the number of kilometres flown: a measure of an airport's capacity in terms of passenger transport supply. The number of ASKs generated in 2021 by the airport system comprising Malpensa, Linate, and Orio al Serio increased by 15.2% compared to 2020, while the number of seats on offer increased by 21.8%. However, these figures still sit well below 2019 levels (-58.8% and -49.4% respectively). Since 2020, the urban area of Milan has maintained its seventh position in the European rankings, ahead of metropolitan regions such as Zurich, Rome, and Barcelona.

Air transport supply in the Milan metropolitan area (ASK thousands)

	2021	2020	2019
ASK	20,473,143	17,773,753	49,672,601
Seats offered	15,583,175	12,788,223	30,821,037

Source: ICCSAI Fact Book 2020, 2021, 2022
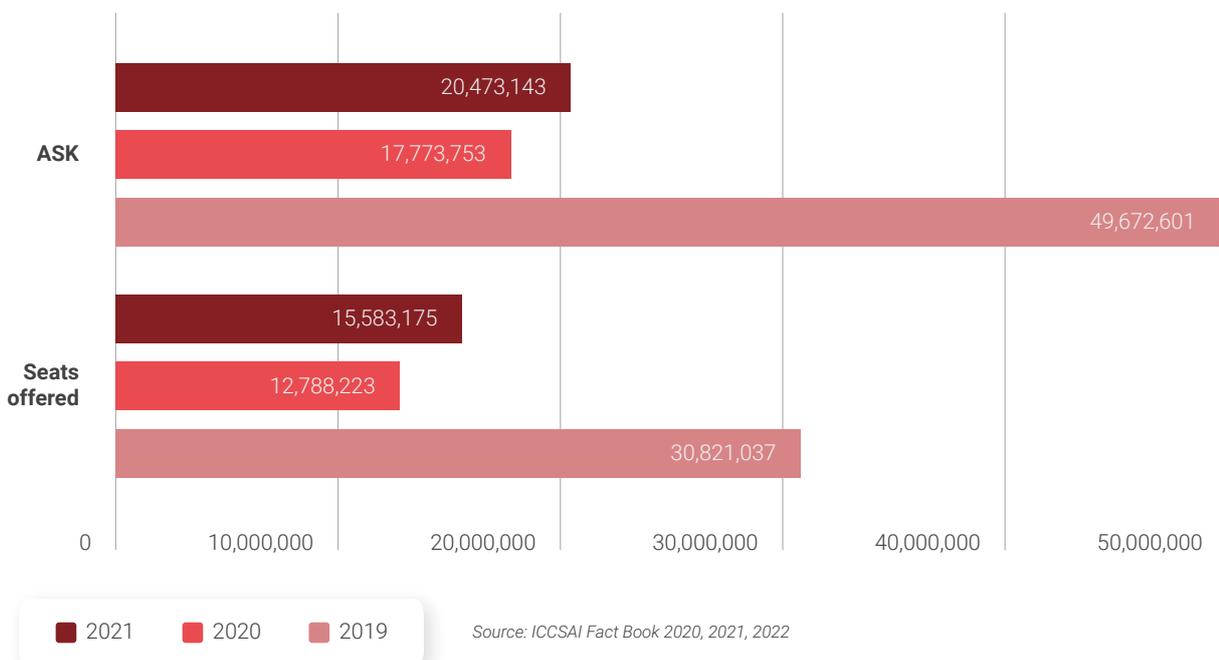
In 2020, Malpensa recorded a devastating drop in both absolute ASKs offered (-69% vs. 2019) and the proportion of ASKs relating to non-EU destinations on the total ASKs offered, which had traditionally been around 70% but dropped by 10 percentage points compared to the previous year. However, in 2021, Malpensa saw a reversal of this trend, with an increase in overall available ASKs by 9.2%.

This growth has enabled the airport to gain two positions and place fifteenth among European airports in terms of supply volume. The number of seats on offer also increased 12.3% compared to 2020, allowing Malpensa to take sixteenth place (+3 positions) in the continental rankings.

On the other hand, the share of non-EU ASKs offered by Malpensa continued its downward trajectory, due to a rise in air traffic concentrated mainly in the resumption of continental connections.

Air transport supply at Malpensa airport (.000)

	2021	2020	2019
ASK	12,651,925	11,579,831	37,344,826
ASK intra-EU	5,525,581	4,599,419	11,528,158
ASK non-EU	7,126,345	6,980,412	26,816,668
ASK non-EU/ASK total	56.3%	60.3%	71.8%

Source: ICCSAI Fact Book 2020, 2021, 2022

The resilience of Milan's airport system during the pandemic correlates with the growth in cargo activity. Malpensa Airport - which in 2020 had entered the top ten of the busiest airports in Europe in terms of Work Load Units (WLU - transport unit covering both passengers and cargo), ranking 9th with 12.3 million WLU - in 2021, further consolidated its positioning and climbed to 7th place, with over 17 million WLU, just behind the biggest continental hubs.

Ranking of European airports with the highest total traffic volume in 2021

Airport	WLU
Frankfurt	47,100,809
Paris CDG	46,010,638
Schiphol	42,165,673
Heathrow	33,424,263
Madrid	29,368,919
Barcelona	20,236,531
Milan Malpensa	**17,040,203**
Paris Orly	16,531,446
Leipzig	16,234,007
Brussels	15,928,478

Source: ICCSAI Fact Book 2022

Accessibility to airports in the European, national and regional project framework

Milan Linate and Malpensa are the two leading airports in Lombardy and in the areas surrounding Milan, but also in a larger macro-region extending from central and northern Italy to Switzerland. Improving the connectivity of both airports within this large area - through a system of services and infrastructures that guarantees safe, efficient, and innovative accessibility for all - is an enabling factor in the competitive and sustainable growth of the airports themselves.

TEN-T:CORE NETWORK MAPS - RAILWAYS AND AIRPORTS

Core network

✈ Core airports

— Conventional railway complete

····· Conventional railway in need of upgrade

▪▪▪▪ Conventional railway planned

— High-speed railway complete

····· Railway to be upgraded to high-speed

▪▪▪▪ High-speed railway planned
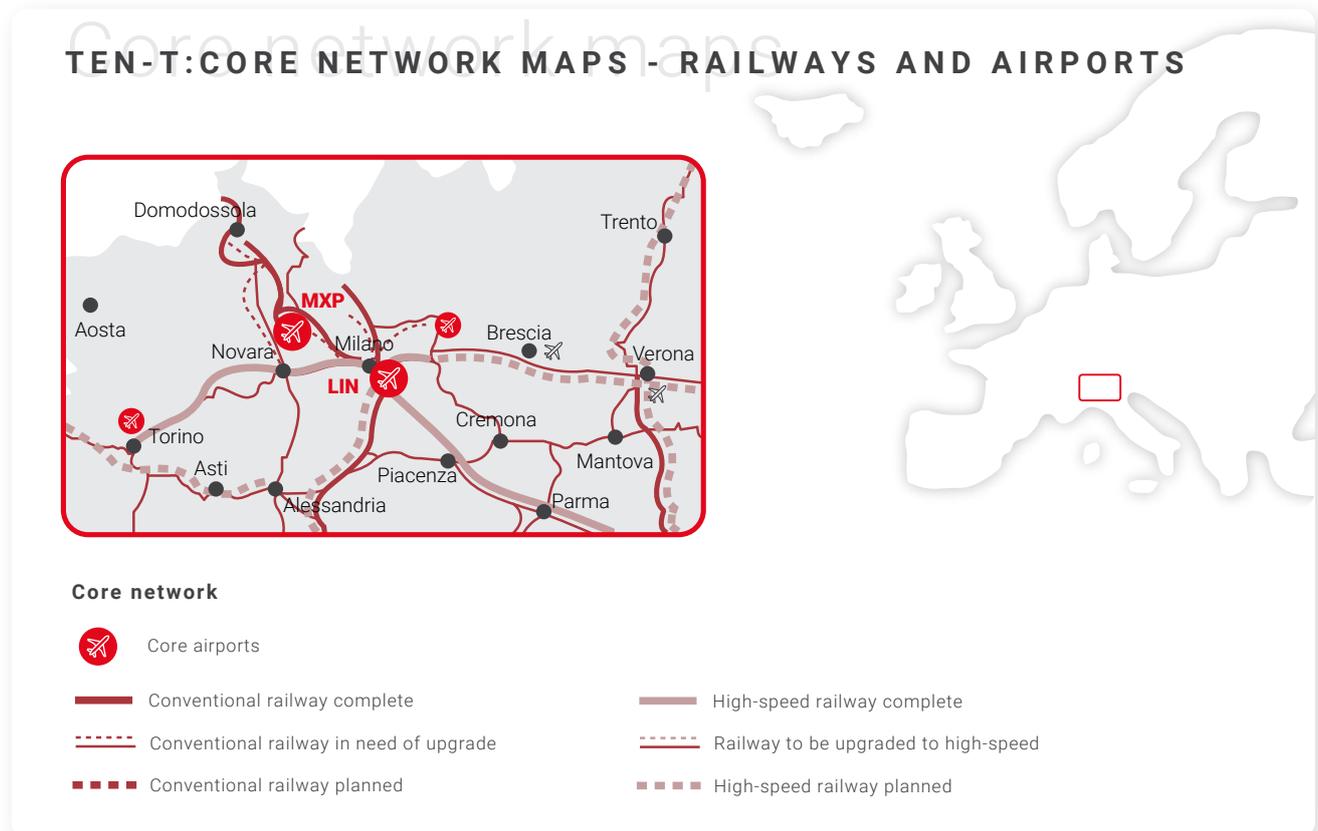
Source: Elaboration by SEA on maps issued with EU Regulation No. 1315/2013 of the European Parliament and Council

The plan to improve road and rail accessibility at Linate and Malpensa is included in the regional, national and European connectivity development strategies. In fact, both airports are viewed as core hubs in the Trans European Transport Network (TEN-T) and are connected to other network elements through multi-modal links. Improving these inter-modal connections between airports and other transport infrastructures is a priority of the European strategy [6] to promote the competitiveness and sustainable development of EU countries.

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[6] *Regulation (EU) No. 1315/2013 of the European Parliament and Council of December 11, 2013, on the EU guidelines for Trans European Transport Network developments.*

Accessibility in the National Airport Plan

The accessibility of airports and their integration with other transport networks are topics covered by national guidelines for the development of air transport and the airport system outlined by ENAC in the new National Airport Plan (NAP, also hereinafter the "Plan"). For the full intermodal integration of airports, the Plan establishes minimum targets for sustainable accessibility, to be achieved not only by facilitating and boosting access by rail transport, but also by electric and hydrogen vehicles. The Plan introduces the concept of the "con-accessibility" of airport systems, relating the air service connectivity of individual airports to their accessibility, and, accordingly, their ability to respond to local and national demands and needs.

DOMESTIC/INTERNATIONAL/INTERCONTINENTAL CON-ACCESSIBILITY
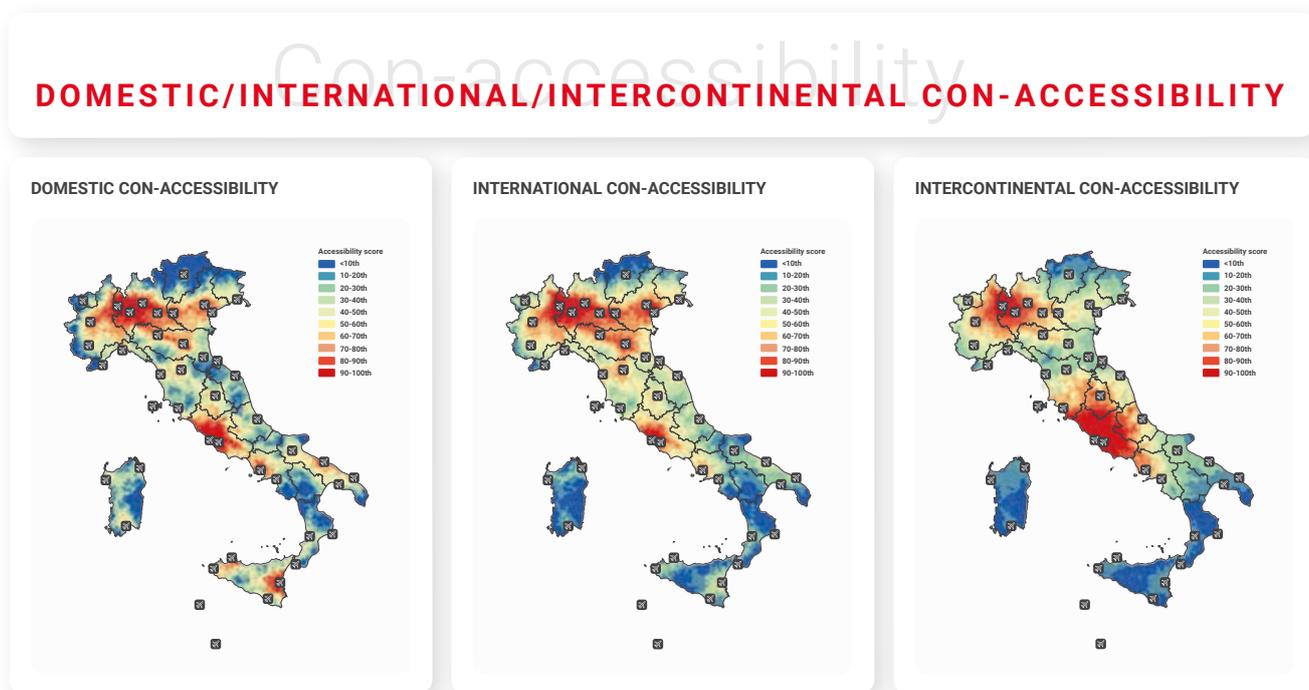
Source: National Airport Plan - Plan Proposal, October 2022

Interventions identified by the Ministry of Infrastructure and Sustainable Mobility (MIMS) to improve the accessibility of airports

The Infrastructure Annex to the Italian Government's 2022 Economic and Financial Document (DEF) describes the Government's infrastructure, mobility and logistics policies in a new conceptual framework that sets certain objectives for the Ministry for Sustainable Infrastructure and Mobility (MIMS), in relation to both the National Recovery and Resilience Plan (NRRP) and the National Plan for Complementary Investments (PNC).

The document confirms the placement of Linate and Malpensa airports at National Integrated Transport System (SNIT) Airport Network Level 1 (see Table I.3.2.3 Annex definition of the SNIT Airport Network Levels 1 and 2), referring to projects to improve accessibility by better integrating the airport network with rail and metro networks in particular, in order to boost the public transport modal share.

Rail accessibility improvement initiatives involving Milan's airports

Description	Aeroporto	2021 EFD Annex Table
Connections to airports in some main urban hubs via the RFI network (Venice AV, Bergamo AV, Catania, Brindisi) or metropolitan network (Naples, Milan Linate, Florence), also through the creation of interchange stops or improvements to their accessibility or integration (Genoa, Lamezia Terme)	Milan Linate	Priority Programmes - Airport Mode (Table III.5.1) Programmes to be submitted to Feasibility Projects - Airport Mode (Table III.5.3)
Strengthening of railway services connected to Malpensa (Rho-Gallarate, South connection, North connection)	Milan Malpensa	Programmes to be submitted to Review Projects - Airport Mode (Table III.5.2)

Source: 2022 Economic and Financial Document, Annex "Ten years to transform Italy - Strategies for sustainable and resilient infrastructure, mobility, and logistics".

Lombardy Regional Mobility and Transport Programme

At a regional level, the specific objective of improving the airport's supra-regional integration and international competitiveness - identified in Lombardy's Regional Mobility and Transport Programme - is a response to the more general goal of improving connectivity in Lombardy in order to strengthen its competitiveness and socio-economic development. This objective is expressed through two separate strategies for Milan's airports:

- to foster Malpensa's development as a primary airport serving Northern Italy in its role as an international and intercontinental gateway
- to strengthen Linate's role as a city airport, taking advantage of its strategic location in the metropolitan area.

Both strategies foresee the completion of works to provide efficient and multi-modal accessibility and to optimise road and rail connections and shared transport services.

System of actions defined in the PRMT

	Actions
Railway infrastructure and regional railway service	F6 - Accessibility to Malpensa
	F9 - Rho-Gallarate expansion
Car-metro-tram service, cableways and complementary mobility	T2 - New Milan metro lines M4 Lorenteggio/San Cristoforo-Linate

Source: The Lombardy Region's 2016 Regional Mobility and Transport Plan (PRMT)

MEANS OF PASSENGER GROUND TRANSPORT TO MILAN'S AIRPORTS

In 2022, there was increase in the number of passengers reaching airports by public transport. Indeed, both airports saw a significant decrease in the modal share of access by private motor vehicle, down 12% at Linate and 15% at Malpensa, compared to 2021, resulting in a shift to buses, up 13% at Linate and 2% at Malpensa, and taxis, up 3% at Malpensa, though down 1% at Linate.
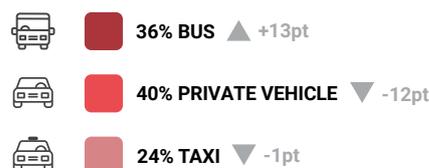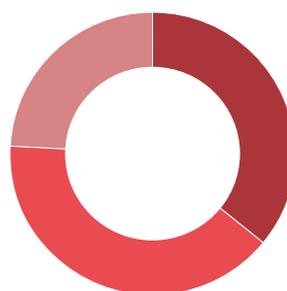
Moreover, the use of trains for journeys to and from Malpensa recorded significant growth of 11 percentage points, up from 21% to 32%.

Means of passenger ground transport to Milan's airports

MALPENSA

🚌	9% BUS	▲ +2pt
🚗	52% PRIVATE VEHICLE	▼ -15pt
🚕	7% TAXI	▲ +3pt
🚆	32% TRAIN	▲ +11pt

LINATE

|		
🚌	36% BUS	▲ +13pt
🚗	40% PRIVATE VEHICLE	▼ -12pt
🚕	24% TAXI	▼ -1pt
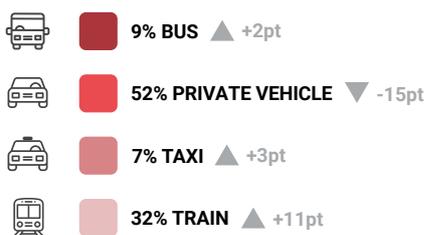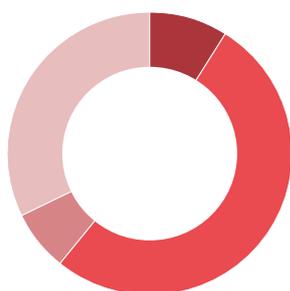
Source: profile of passengers using the Milan system in 2022 vs 2021, processed by SEA using CFI Group data

CURRENT AND FUTURE ACCESSIBILITY TO THE AIRPORTS

Linate Airport

Linate Airport is one of Italy's main city airports and is being called upon to respond to new challenges and opportunities within a context of continuous evolution, both with reference to accessibility to the Milan and regional metropolitan areas, and with reference to new production and commercial hubs, which will be built in the area adjacent to the airport. As such, Linate will become a gateway for public transport travel thanks to the new M4 metro line, and the new network and services defined in the Milan, Monza, Brianza, Lodi and Pavia Local Public Transport Agency's Catchment Area Plan.

Main access infrastructure network to Linate and Malpensa

MAIN ACCESS INFRASTRUCTURE NETWORK TO LINATE AND MALPENSA
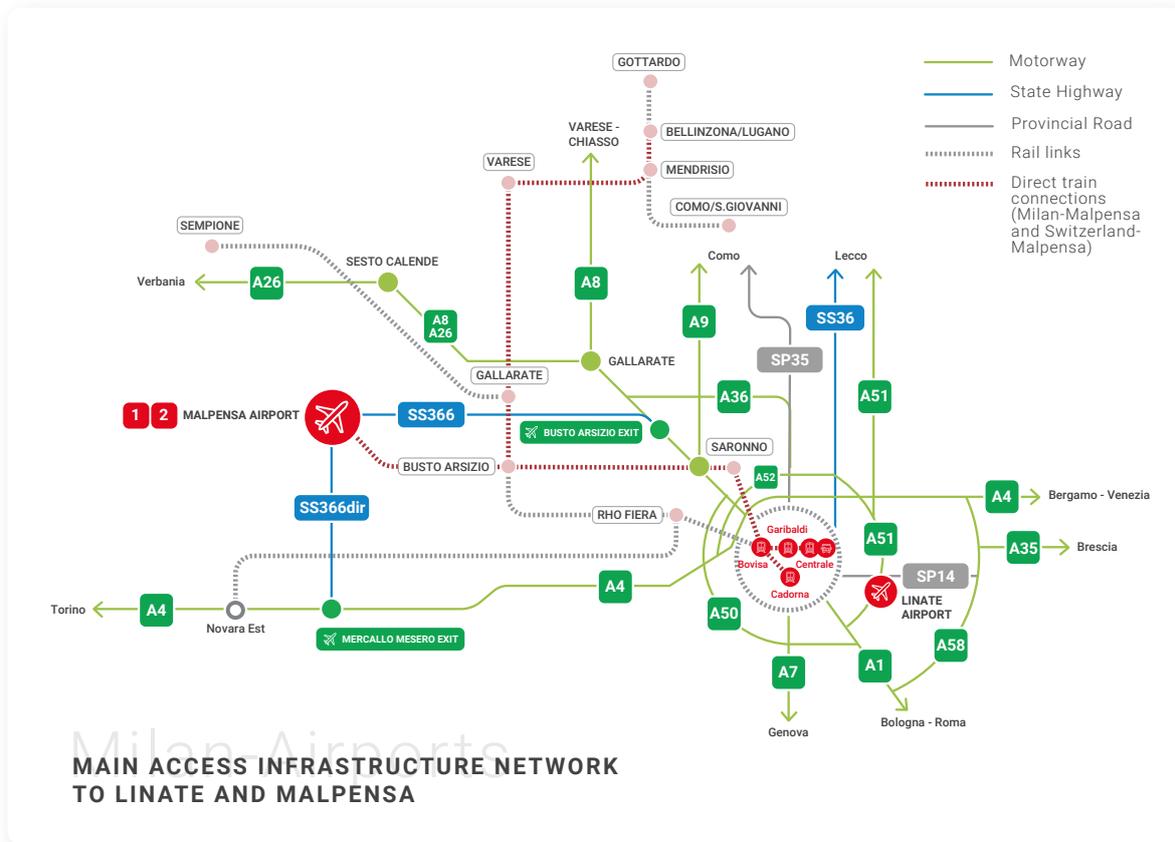
New local public transport network in the area surrounding Linate, as defined in the LPT Agency's Basin Plan for the Milan, Monza-Brianza, Lodi, and Pavia basins

Line	Developments
Route 38: Linate Airport - Dateo S.	Extension
Route 73: Linate Airport - Duomo M1-M3	Cancelled, with the entry into operation of M4
Route 73/: S. Felicino - Duomo	Number changed to 973, the route will link Pioltello Limito FS to Linate M4
Route Z409: Rodano - Limito - Segrate S. Felice	The direct route to Linate airport has been cancelled and will now involve an interchange with Route 973. Route 409 will connect Rodano - Pioltello Limito - Pioltello Malaspina
Route 183: Linate Airport - Hydroscalo	Still in operation (unchanged)
Route 923: S. Raffaele Hospital - Linate Airport	Urban route in the City of Segrate (confirmed)
Route 901: Linate M4 - Peschiera Borromeo - Milano San Donato M3	Extension
Route 927: Vimodrone - Segrate - Linate M4	New route

Source: SEA data based on the LPT Agency's Basin Plan for the Milan, Monza-Brianza, Lodi and Pavia basin (2018)

Road Accessibility

The main road infrastructure linking the airport to the city centre is the roadway of Viale Forlanini. Linate is also accessible from the outlying areas through the Milan ring road system - the foundation for all major road infrastructure serving the local area and connecting to the national motorway system.

The airport is connected to the city via a metropolitan public transport route and two shuttle services departing from Milan Central Station. Additional urban and suburban public transport routes connect the airport to neighbouring municipalities. Other public transport services connect Linate to other cities.

Main bus connections with Linate airport

Line
Route 73: Linate - Duomo M1/M3
Route 73/: S. Felicino - Duomo M1/M3
Route Z409: Rodano - Limito - Segrate S. Felice
Route 183: Linate - Idroscalo
Route 923: Linate - S. Raffaele Hospital
Linate - Milan Lambrate - Milano Centrale
Linate - Milan Dateo - Milano Centrale
Linate - Monza
Linate - Bergamo - Siena
Linate - Bergamo - Savona
Linate - Bolzano - Genoa

The user base for Linate airport primarily consists of the entire central portion of the region of Lombardy. This area is characterised by significant road congestion due to the central role played by Milan in the regional economic system. Accordingly, various efforts to develop and enhance the existing infrastructure system have been planned.

Developments envisaged for road accessibility to Milan Linate: main road works

Road segment	Description of work
SP415 Paullese	Upgrading and improvement of the section between Peschiera Borromeo and Crema - lots 3 and 4
Cassanese Bis	Creation of a new link to the town of Segrate (as an alternative to SP103 Cassanese) by means of a dual carriageway with two lanes in each direction of travel between the transport hub and Pioltello
SP15b	Upgrading of SP15b, including the multi-level junction near Linate airport and the Idroscalo-Tribune multi-level junction
Pedemontana Lombarda Motorway	Completion of sections B2 and C
	Completion of section D
Pedemontana - BreBeMi inter-connection	Construction of a four-lane motorway and five motorway junctions to connect the two road networks
A4 Milan - urban section	Creation of fourth dynamic lane
A51-SS415 ring road	"Olympics Decree": adaptation of the Mecenate junction on the Milan East Ring Road (A51)

Sources: Updated transport study attached to the Linate Master Plan, 2021; "Infrastructural works planned for Lombardy" by the Lombardy Region (https://www.infrastrutturetracciati.servizirl.it/)

Linate Airport can also benefit from this network scheme because a significant quota of passing traffic, currently concentrated in Milan, would use these new routes, thereby reducing the congestion that Milan's road system suffers from now. Additional capacity would be released on the current road system, improving the level of service on the access routes to the city centre in addition to access to the immediate and surrounding areas (particularly Linate).

Accessibility by rail

The Milan M4 Metro Line

On November 26, 2022, the first section of the Milan M4 Metro Line went into operation, connecting Linate Airport to the Dateo stop in the City of Milan, with the intermediate stops Repetti, Forlanini FS, Argonne, and Susa. The interchange with suburban railway lines at the Forlanini and Dateo stations thus integrates Linate into the regional railway transport network.

The arrival of the line up to San Babila (scheduled for summer 2023) and the completion of the line up to the terminus of San Cristoforo (2024) will connect Linate directly and more rapidly along the east-west axis of Milan.
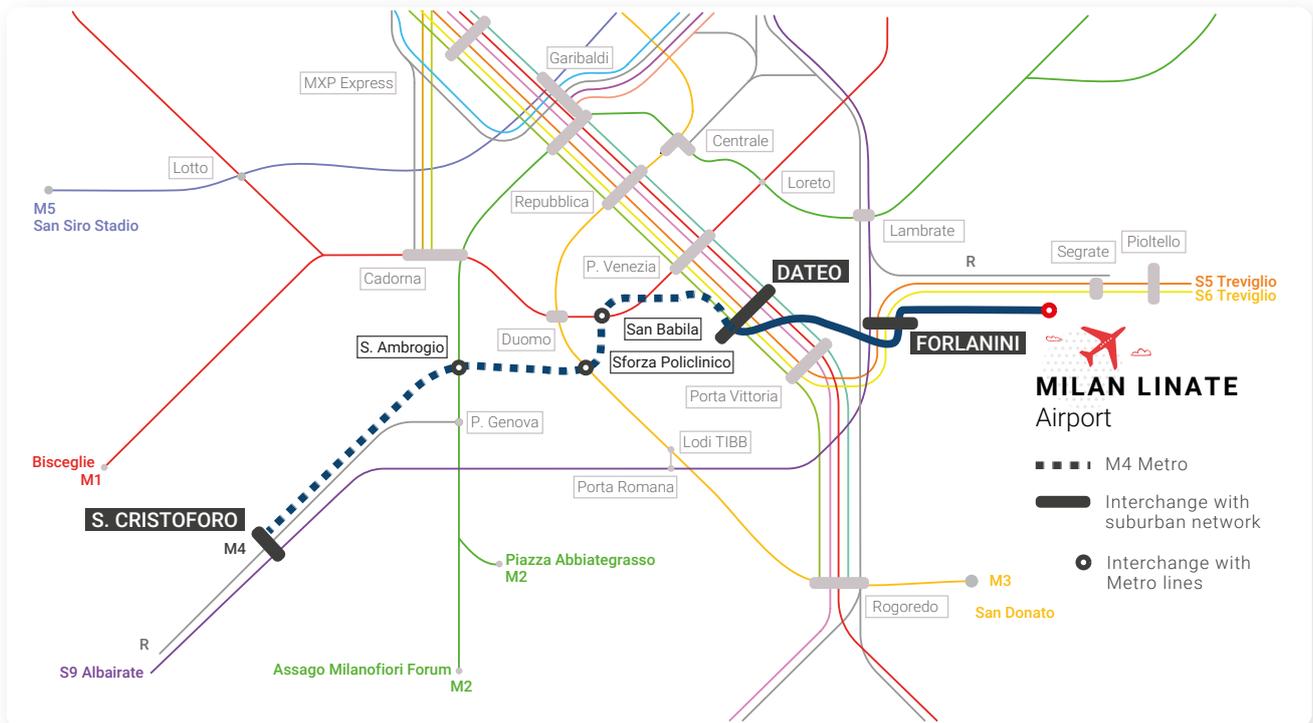
The entry into operation of the M4 line is expected to significantly reduce the number of passengers and employees travelling to the airport by car. It will also reduce the amount of traffic on the airport's access roads - and the related polluting atmospheric emissions - limiting congestion and reducing travel times for vehicles not travelling to/from the airport.

From the results of a Stated Preferences[7] survey campaign investigating the propensity of passengers to use the Metro to travel to and from the airport, it was estimated that the completion of the entire length of the Milan M4 Line would cause a 15% modal shift from private motor vehicles to collective public transport.

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[7] Transport Study to profile Linate users and analyse their propensity to use the Metro; REDAS Engineering, 2018

Extension of the Milan M4 Metro Line and the Milan East Gate Hub Project

Among the infrastructural developments affecting areas adjacent to the airport is the Milan East Gate Hub Project to extend the Milan M4 Metro Line from Linate to the planned Porta Est high-speed rail terminal at Segrate, serving Milan's eastwards rail axis. The extension will connect Linate to the high-speed Milan-Venice rail lines, facilitating the interchange between suburban, long-distance, high-speed rail and local public transport services, and expanding the catchment area of the airport to the east.

DEVELOPMENTS ENVISAGED FOR RAIL ACCESSIBILITY FOR MILAN LINATE

Following the conclusion of the Feasibility Project in September 2022, SEA submitted a European Commission co-financing request, under the Mega2 Call of the Connecting Europe Facility (CEF), for the definitive design phase of the works.

Developments envisaged for rail accessibility for Milan Linate

Section	Description of work
Completion of Milan metro line M4 (San Cristoforo FS-Linate) or the "Blue Line"	The line will extend across the city for approx. 15 KM from west to east, optimising not only the airport connection but, more generally, also that with the entire metro and urban rail system. Construction work on the Linate stop and the Forlanini FS-Repetti-Linate section has been completed
Milan East Gate Hub	The project involves the construction of a new intermodal "Segrate Porta Est" rail-to-road station, which will be connected to Linate airport via the extended M4 metro line
Rogoredo FN/M3 station - Forlanini station	Olympics Decree: new tram service between Rogoredo FN/M3 station and Forlanini station in Milan
Brescia-Verona HS/HC line	Olympics Decree: new railway works in progress. Length: 47.6 km, maximum speed: 250 km/h, maximum gradient: 12/mile, power supply: 3000 V DC, signalling: ERTMS-L2

Sources: Updated transport study attached to the Linate Master Plan, 2021; "Infrastructural works planned for Lombardy" by the Lombardy Region (https://www.infrastrutturetracciati.servizirl.it/)

Accessibility to Malpensa

Malpensa is a strategically important airport and boasts the most significant long-haul destination network in Northern Italy's airport system. The medium-long term will see Malpensa strengthen its role as a point-to-point intercontinental airport able to attract leading international airlines, especially for long-haul flights. This move is mainly the result of two factors. Firstly, international routes are expected to experience the highest growth rates in the coming years, for which Malpensa will become the leading airport in the "macro-region" of Northern Italy. Secondly, Malpensa offers airlines the ideal conditions to introduce more advanced business models, allowing them to significantly expand their catchment areas by implementing new organisational strategies, such as the improvement of operational bases for low-cost airlines, and the implementation of various forms of alliance, code-sharing, and transit support. These traffic trends will also result in changes to the passenger mix. In terms of outgoing trips, the share of passengers travelling from further afield to Malpensa is expected to increase, due to the growing international and intercontinental role played by the airport, which serves the northern macro-region. Similarly, there is expected to be an increase in the number of incoming international passengers needing to use services and modes of transport other than their own cars to leave Malpensa Airport once they arrive. For these reasons, it will be necessary to develop a modern and efficient airport connection system comprising a network of rapid, integrated and resilient road infrastructures, and an integrated railway network at a regional, supra-regional and inter-national level, thereby strengthening shared rail transport services.

Road Accessibility

The main access road network to Malpensa comprises the A8 and A4 motorways, which join the SS336 state road leading directly to the airport.

The road system is used both by private vehicles - such as cars, hotel shuttles, and tourist buses - and by a plethora of collective public transport systems and individual transport systems: bus services, taxis, NCC (chauffeured car-hire), and car-sharing options.

Main bus connections with Malpensa Airport

Line
Malpensa - Linate
Malpensa - Bergamo/Orio al Serio
Malpensa - Milano Centrale
Malpensa - Turin
Malpensa - Novara
Malpensa - Domodossola
Malpensa - Lake Maggiore
Malpensa - Genoa
Malpensa - Gallarate/Castelnovate
Malpensa - various cities (Bologna, Livorno, Rome, Frankfurt, Lugano, Zurich, etc.)

In the coming years extensive infrastructural investments are scheduled for the Lombardy rail network - a priority for the development and competitiveness of Malpensa - whose conclusion should have a positive impact on the quality of connec-tions with airport, both in terms of journey time reduction and ease of access. Some works will be financed by the Olympics Decree to render mobility along roads connecting the Olympic sites safer and more efficient.

Furthermore, once the Malpensa Airport Master Plan approval process has been completed, with a view to further pursuing the balanced and sustainable development of the airport system, in accordance with the Memorandum of Understanding signed with the Lombardy Region, the Province of Varese, the Municipalities of the Voluntary Urban Planning Consortium (Somma, Lonate, Ferno, Golasecca, Vizzola, Arsago, Golasecca, Cardano, and Casorate) and ENAC, and in the context of the Master Plan's Environmental Impact Assessment, SEA will contribute to the design of certain road infrastructures con-sidered essential for the area.

Developments envisaged for road accessibility for Milan Malpensa

Road segment	Description of work
SS336: Upgrades to Busto Arsizio - Gallarate-Cardano	Olympics Decree: upgrades to the road between Busto Arsizio and Gallarate-Cardano
SS341 bypass and Gallarate link road	The project involves creating a bypass to the SS341 Gallarate road, which will comprise a two-lane section in each direction between the A8 motorway and the SS336 road (the Gallarate link road), in addition to a single-lane section between the SS336 road and the Municipality of Vanzaghello. The Malpensa development works included in the Framework Regulatory Agreement are critical in guaranteeing the flow of traffic from the A36 (Pedemontana) motorway to Malpensa. ICEP must approve the Gallarate road link section
Pedemontana Lombarda Motorway	Completion of sections B2, C, D, VA 13+14, and the Varese 2 and Como 2 bypasses
Sempione SS33 bypass between Rho and Gallarate	Creation of a bypass to the west of the residential areas along Sempione Regional Road 33, which comes off the Milan Western Ring Road at the Rho junction, and will eventually join the future bypass to Regional Road 341
SS336dir	A southward extension of the SS 336 section, beyond the Magenta link road to the A4 Milan-Turin motorway, towards the Tangenziale Ovest (West Ring Road) with branching to Vigevano
A4 Turin-Venice	Upgrading of the A4 Turin - Venice urban segment and creation of a flexible fourth lane
Somma Lombardo ring road and Besnate-Malpensa connection	The project aims to create a road that bypasses Somma Lombardo and connects the SS33, SS336 and SP49 through the construction of an additional segment called the "Besnate-Malpensa connection"
Milan-Rho-Monza A52 North Ring Road	Motorway Development of the existing Rho-Monza road link at the A8 (Baranzate)-A52 (Paderno, Dugnano) segment, with the construction of a two-lane roadway in both directions, plus emergency hard shoulders and a parallel road for local traffic
SP40 bypass	SP40 bypass (from SP14, to Via Aspesi in Samarate, to the new SS341)
"Milano Laghi" A8	Creation of a fifth lane on the "Milano Laghi" A8 motorway

Source: Updated transport study attached to the Malpensa Master Plan, 2021; "Infrastructural works planned for Lombardy" by the Lombardy Region (https://www.infrastrutturetracciati.servizirl.it/)

Accessibility by rail

As for rail accessibility, Malpensa airport is currently accessible via two direct connections:

- from Milan via the Malpensa Express operated by Trenord, consisting of 146 daily return trips, of which 68 are to/from Milan's Centrale Station, and 48 to/from its Cadorna Station, for an overall frequency of 4 trains per hour from two stations, or one train every 15 minutes. The minimum travel time from Milan Cadorna to Terminal 1 is 37 minutes. All the routes will operate with new rolling stock designed specifically for an airport service, with good services and high levels of comfort

- from Ticino via the Tilo S50, operated by Trenord and the Swiss Federal Railways (FFS), with 38 daily round trips on the Bellinzona-Lugano-Mendrisio-Varese-Malpensa route and a train every hour. The travel time between Biasca and Malpensa is 2 hours and 16 minutes. When the Ceneri Base Tunnel comes into operation in April 2021, the journey time between Lugano and Bellinzona will be reduced by around 15 minutes.

The infrastructure measures deemed crucial by SEA to encourage the integration of Malpensa into the local and medium/long-distance transport network include the construction of the Malpensa T2-Gallarate railway connection (work on which began in December 2022) and the development of the Rho - Gallarate line.

Developments envisaged for rail accessibility at Milan Malpensa

Section	Description of work
Upgrades to the RHO-Gallarate Line	Quadrupling of the Rho-Parabiago section, junction "Y" between the FNM line and the RFI line, and upgrading of the section up to Gallarate. The works will directly connect two of the Lombardy economic system's most significant points: the new Rho-Pero Events centre and Milan Malpensa airport. Development of the section between Parabiago and Gallarate, with the quadrupling of the line, will follow
Malpensa Terminal 2 national rail network connection	Olympics Decree: completion of works to extend the electrified double track at Malpensa Terminal 2 by approximately 4.6 km in the direction of the Gallarate junction and 1.1 km in the direction of Casorate Sempione

Source: "Railway accessibility at Malpensa - In-depth evaluation of the scenarios in 2024, 2026 and 2030", Bocconi University - GREEN; December 2020; "Planned infrastructure works in Lombardy" - Lombardy Region (https://www.infrastrutturetracciati.servizirl.it/)

The development of a railway network is an enabling factor that will help reduce the bottlenecks limiting current operations, while the consequent reconfiguration of the service as a whole will make it possible to exploit the new infrastructure network to its full capacity. The funding allocated by the Italian government and the European Union for the construction of new railway connections between Lombardy's three main airports and the RFI and FNM networks, highlights an important functional and organisational integration strategy to link the two modes of transport, accelerated by a desire to optimise the network in time for the 2026 Winter Olympics.

In fact, improvements to Malpensa's railway accessibility - and to the new rail link between Terminal 2 and the Sempione RFI Line in particular - will play a strategic role in the transport connections planned for the Milan-Cortina 2026 Winter Olympics and have been added to the list of essential works. The works will extend the airport's catchment area and will provide certain services that rail access from the south to Milan Malpensa alone would not be able to support. Integrating the RFI and FNM lines will also provide an opportunity to connect the Mediterranean TEN-T to the Reno-Alps corridor, with the intention of enhancing the role played by Milan Malpensa's railway station as a potential interchange hub for medium and long-term services.

NATURAL CAPITAL

All environmental resources that are involved in the airport processes, both in terms of input and as receptors of polluting emissions (climate, water, soil, air, biodiversity, and waste), and that are therefore subject to potential degradation or a decrease in stock, with a knock-on effect on the ecological balance. This includes noise emissions, which also involve a strong socio-relational component.

Environmental and energy policy

The SEA Group is committed to combining the fundamental value of protecting our environmental heritage with development. The Group's environmental and energy policy is based specifically on the following principles:

- unwavering belief in the importance - for the sustainable development of its airports - of all environmental issues, above and beyond mere regulatory compliance, in order to reduce social-economic impacts and further the sharing of value with local areas and communities;

- an ongoing commitment to improving the environmental and energy performance;

- development and promotion, in collaboration with competent regulatory bodies and aviation partners, of regulatory, technical and commercial solutions that favour the use of latest-generation aircraft at its airports and the adoption of operating procedures that are consistent with sector sustainability goals and effective at limiting local area socio-environmental impacts;

- education and active involvement of all parties involved in the airport system for a commitment towards respecting and protecting our common environmental heritage;

- progressive implementation of creation and maintenance solutions to improve the energy efficiency and environmental sustainability of airport infrastructures;

- prioritising the procurement of products and services that adopt environmental sustainability criteria in line with SEA's policies, particularly regarding energy savings, atmospheric and acoustic emissions, water consumption, and waste production and disposal;

- the SEA Group's commitment to reducing both direct and indirect emissions, with a view to becoming "Carbon Net Zero" by 2030, in line with the goals of aeronautical sector organisations and international agreements and programmes, and on par with the best practices of European airports. Furthermore, the Group is committed to actively guiding third parties operating at its airports in reducing their emissions;

- a constant level of monitoring and verification of the processes related to the energy, atmospheric emission, noise and water cycle aspects, and in general the various phenomena concerning interaction with the ecosystem;

- high levels of listening, communication and interaction with a wide spectrum of external stakeholders, designed to ensure transparency, sharing and collaboration in identifying actions that guarantee the environmental sustainability of airport activities;

- proactive participation of national and international development bodies and programmes in order to make useful and opportune contributions to technological solutions and regulations that create the right conditions for the sustainable development of air transport.

The Environmental and Energy Management System is subjected to periodic internal and external checks as part of SEA's commitment to providing stakeholders with detailed reporting on the Milan airports' environmental and energy processes, with a view to progressively improving ecological, environmental and energy governance in relation to the Group's activities, and as part of a strategic approach geared towards achieving maximum sustainability.

Environmental externalities

CO$_2$ EMISSIONS

SEA has been committed for over a decade to reducing its carbon footprint through a series of measures and interventions for the control and reduction of direct and indirect CO$_2$ emissions at the airport, and in particular those deriving from direct activities.

Airport Carbon Accreditation

Since 2009 SEA has been a member of the Airport Carbon Accreditation initiative launched by ACI Europe (Airport Council International) to promote airport contribution to the fight against climate change. The project required the introduction of a series of actions for the control and reduction of direct and indirect CO$_2$ emissions by Airport Managers, operators, aircraft and by all those working within the airport system. In November 2020 the Airport Carbon Accreditation programme added an additional level of accreditation to expand the opportunities for airport operators to demonstrate their commitment to reducing absolute greenhouse gas emissions. The programme now includes the following levels:

- 1 Mapping - checking of emissions under the direct control of the Airport Manager (Scopes 1 and 2);

- 2 Reduction - creation of an emission reduction plan (Scopes 1 and 2);

- 3 Optimisation - calculation of the emissions produced by the airport stakeholders and their involvement in the reduction plans (Scope 3);

- 3+ Neutrality - the achievement of Carbon Neutrality in terms of emissions under the direct control of the Airport Manager (Scopes 1 and 2), with the purchase of offsets;

- 4 Transformation - The additional level has been introduced to commit member airports to the absolute reduction of Scope 1 and 2 emissions according to a trajectory that must still achieve the "net zero" objective by 2050. Commitments relating to Scope 3 have also been strengthened through the adoption of a specific Stakeholder Partnership Plan;

- 4+ Transition - As with level 3+, this level is achieved by neutralising residual emissions through the purchase of offsets.

In 2021 both SEA airports were awarded Airport Carbon Accreditation Level 4+, having devised a plan to reduce absolute Scope 1 and 2 carbon emissions. In line with its ACA accreditation, SEA is committed to reducing its direct emissions and achieving Net Zero by 2030. To plan and execute initiatives to achieve this goal, a multidisciplinary Net Zero Team was established on July 25, 2022, under the supervision and guidance of the Sustainability Committee and the Management Committee.

Net Zero 2050

In June 2019, SEA committed to the "Net Zero 2050" resolution promoted by ACI Europe, which requires its 500 members to reach "net zero" CO$_2$ emissions by 2050.

This commitment is accompanied by a need for the aviation sector to develop a shared long-term goal and vision towards achieving zero carbon emissions.

Operators at zero emissions airports will not be able to purchase offset credits to achieve neutrality. Offsetting is considered a temporary measure to deal with residual emissions, which airports will gradually have to replace with the use of renewable energy as new technologies and decarbonisation opportunities arise.

Net Zero 2050 has been signed by over 200 airports managed by more than 47 airport operators in 42 European countries. As such, SEA and the European airport industry are aligning themselves with the Paris Agreement and the latest reports from the IPCC, which reaffirm the need to guarantee a temperature rise of no more than 1.5°C.

CO$_2$ emissions trend

Carbon dioxide emissions are subdivided as follows:

Scope 1 - Direct emissions associated with sources owned or controlled by the Group's companies, such as fuels used for heating and operational means necessary for airport activities.

Scope 2 - Indirect emissions associated with the generation of electricity or thermal energy acquired and consumed by the Group's companies.

Scope 3 - Other indirect emissions deriving from the activities of the Group's companies but produced by sources not belonging to or not controlled by the companies themselves. Scope 3 emissions include:

- the LTO (Landing Take Off) cycle of aircraft - emissions from aircraft owned/operated by carriers;

- emissions from machinery for ground handling activities and handler management;

- emissions from vehicles used by passengers and cargo for access to the airport;

- emissions from employee business trips.

CO$_2$ emissions of the SEA Group (tons)

	2022		2021		2020	
	Malpensa	**Linate**	**Malpensa**	**Linate**	**Malpensa**	**Linate**
Scope 1	92,160	36,477	124,644	65,401	107,830	56,730
Scope 2 Location-based	18,210	3,556	391	49	199	33
Scope 2 Market-based	22,933	4,802	690	87	335	55
Scope 3	543,829	132,380	461,749	115,240	259,426	50,350

Note: the data relating to scope 1 e scope 2 emissions include SEA Energia up to 30/09/2022. The "Table of national standard parameters: coefficients used for the inventory of CO$_2$ emissions in the UNFCCC national inventory" (average values for years 2019-2021) emission factors were used for Scope 1 emissions in 2022. This data can be used for the calculation of emissions from January 1, 2022 to December 31, 2022 for natural gas and heating oil and, in line with previous years, the emission factors of the "GHG Protocol: Transport Tool V2_6" for transport diesel and petrol, while urea emissions have been calculated specifically. The reporting standard used (GRI sustainability reporting standards 2016) establishes two different calculation methods for Scope 2 emissions, "Location-based" and "Market-based." The "location-based" method requires the use of average national emission factors related to the specific energy mix used to produce electricity. The emission factor used for electricity was updated for 2022 [259.8g CO$_2$/kWh. Source: "Efficiency and decarbonisation indicators for Italy's energy system and electricity sector" ISPRA 363/2022] compared to the one used for 2021 [263.4 gCO$_2$/kWh. Source: "Atmospheric emission factors for gases in Italy's electricity sector and the main European countries" ISPRA 343/2021]. The market-based approach uses emission factors based on the contractual agreement for the provision of electricity. Given the absence of specific electricity agreements between the companies of the Group and the suppliers (e.g., a guarantee of origin purchase), for this calculation an emission factor related to the national "residual mix" was used, which for Italy in 2022 was 456.57 gCO$_2$/kWh, Source: AIB's European Residual Mixes 2021 (Ver. 1.0, May 31, 2022); in 2021 equal to 458.57 gCO$_2$/kWh, Source: European Residual Mixes 2020, AIB). From 2020, the total for Scope 3 emissions will comprise the following items and will be calculated as follows: employee business trips, fuel consumption of third-party vehicles (Source: Transport Tool, V2_6), LTO cycles (Sources: EMEP/EEA Air Pollutant Emission Inventory Guidebook, 2016 1.A.3.a Aviation, Annex 5, Master Emission Calculator 2016; ICAO Aircraft Engine Emissions Databank), employee access to the workplace, passenger access to airports. For Scope 3 emissions relating to employee business and commuter travel, it should be noted that the data used for the calculation have been estimated. The aforementioned Scope 3 emissions are those calculated to obtain Airport Carbon Accreditation using methods recognised and verified by the accreditation system. It should be noted, however, that due to the pandemic, the ACA Programme Manager (WSP) will not consider carbon emissions for the year 2020. It should also be noted that both Linate and Malpensa airports have been accredited to the new top level (4+ - Transition) of the Airport Carbon Accreditation Programme since 2021. With the introduction of this new level, the ACA has overhauled the methodology for calculating the carbon footprint of airports (including new sources of scope 3 emissions) and has devised a plan to substantially reduce the direct carbon emissions of Airport Managers. The 2021 Scope 3 emissions reported in this NFS have been calculated using ACA Level 3+ methodology so that the figures can be compared with previous years, and as a result, they are not certified by WSP. Scope 3 emissions calculated by the ACA 4+ method are equal to 532,089 tonnes for Linate and 3,433,037 tonnes for Malpensa. Finally, we note that Scope 1, 2 and 3 emissions are expressed in tonnes of CO$_2$.

Source: SEA

The ongoing reduction in the Group's total CO$_2$ emissions is evident in the 21% reduction in Scope 1 and 2 emissions (Location Based) in 2022 compared to the previous year. There was also a further decrease in Scope 1 emissions, offset by an increase in the Scope 2 emissions. This was due to the exit from the corporate reporting perimeter, on September 29, 2022, of the subsidiary SEA Energia, for which the energy supply takes place through an external supplier.

GHG intensity of the SEA Group (tons/turnover Euro millions*)

	2022			2021			2020		
	Malpensa	**Linate**	**Total**	**Malpensa**	**Linate**	**Total**	**Malpensa**	**Linate**	**Total**
Scope 1	182.2	159.2	**175.1**	574.0	605.2	**584.3**	579.2	800.7	**640.3**
Scope 2 Location-based	36.0	15.5	**29.6**	1.8	0.5	**1.4**	1.1	0.5	**0.9**
Scope 1 + Scope 2 Location-based	218.2	174.8	**204.7**	575.8	605.6	**585.7**	580.3	801.2	**641.2**
Scope 3	1,075.3	577.9	**920.2**	2,126.3	1,066.4	**1,774.1**	1,393.6	710.6	**1,205.3**

(*) Group turnover net of IFRIC. The turnover data for 2022 and 2021 do not include SEA Energia.
Source: SEA

With the recovery of traffic and revenues, compared to previous years, the Scope 1 emissions to turnover ratio was considerably lower, since electricity is acquired from an external supplier and therefore falls under Scope 2.

The table below, on the other hand, shows the emissions produced by the Airport Manager (SEA S.p.A.) in order to highlight that the greater share of emissions in airport activities derives mainly from indirect Scope 3 emissions, on which SEA may only exercise influence and increase awareness as a consequence of its governance and control profile.

CO_2 emissions of SEA SpA (tons)

	2022			2021			2020		
	Malpensa	Linate	Total	Malpensa	Linate	Total	Malpensa	Linate	Total
Scope 1 and 2	85,383	15,299	**100,682**	96,329	18,295	**114,624**	86,107	15,937	**102,044**
Scope 3	543,829	132,380	**676,209**	461,749	115,240	**576,988**	259,426	50,350	**309,776**

Note: the 2022 data were calculated using the ACA method and have not yet been certified by WSP. In the 2020 and 2021 scope 1 and 2 emissions are categorised as methane gas consumption for energy production. Scope 3 data also includes data relating to SEA Energia employees and are therefore equal to the Group's scope 3 emissions.
Source: SEA

The largest share of total CO_2 emissions resulting from airport activities falls into the scope 3 category and primarily relates to the landing/take-off (LTO) cycle of aircraft, the transportation of passengers and employees to/from airports, and the travel of handlers across the airport grounds.

GHG intensity of SEA SpA (kg/unit of traffic)

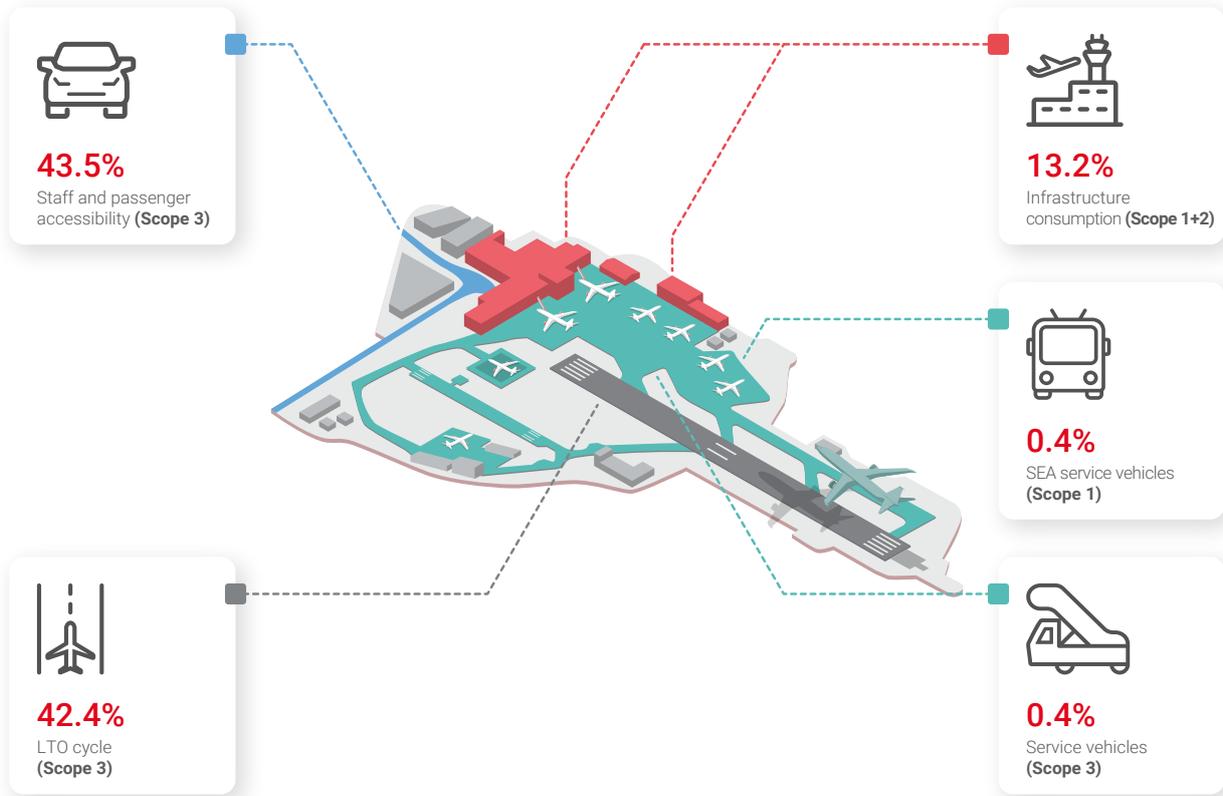|	2022			2021			2020		
	Malpensa	Linate	Total	Malpensa	Linate	Total	Malpensa	Linate	Total
Scope 1 and 2	3.0	2.0	**2.8**	5.7	4.2	**5.4**	7.0	7.1	**7.0**
Scope 3	19.2	17.2	**18.8**	27.2	26.7	**27.1**	21.1	22.3	**21.3**

Note: per traffic unit means the number of passengers plus goods transported (where 1 pax is equivalent to 100 kg of goods).
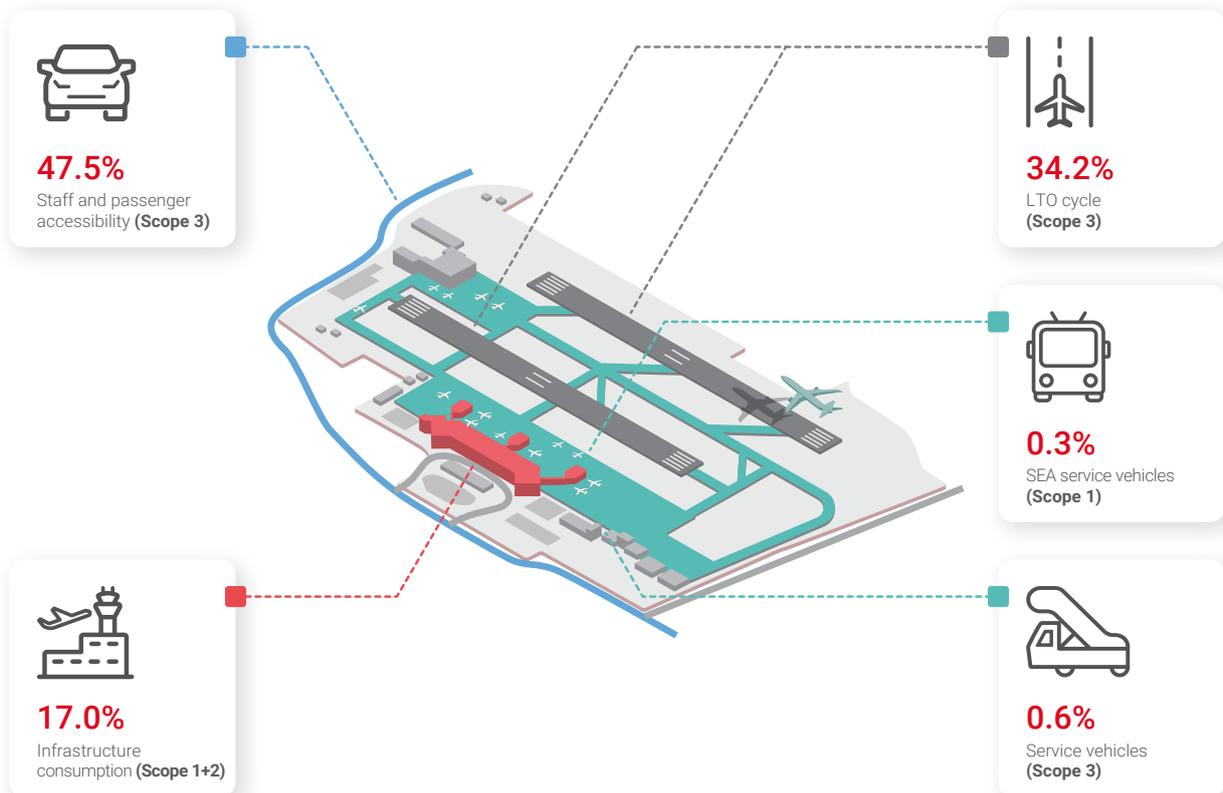*Source: SEA*

Scope 3 accounts for 86.1% of emissions at Malpensa and 89.4% at Linate. The emissions produced under the responsibility of the Airport Manager (scope 1 and 2 - airport energy consumption and use of vehicles for airport activities) account for 13.3% of the total at Malpensa and 9.9% at Linate (in 2019 these figures were 9% at Malpensa and 12% at Linate).

Breakdown of SEA SpA CO_2 emissions into Scope 1, 2 and 3 (% of total emissions)

LINATE AIRPORT 2021

43.5%
Staff and passenger
accessibility **(Scope 3)**

13.2%
Infrastructure
consumption **(Scope 1+2)**

0.4%
SEA service vehicles
(Scope 1)

42.4%
LTO cycle
(Scope 3)

0.4%
Service vehicles
(Scope 3)

MALPENSA AIRPORT 2021

47.5%
Staff and passenger
accessibility **(Scope 3)**

34.2%
LTO cycle
(Scope 3)

0.3%
SEA service vehicles
(Scope 1)

17.0%
Infrastructure
consumption **(Scope 1+2)**

0.6%
Service vehicles
(Scope 3)

LINATE AIRPORT 2022

25.8%
Staff and passenger accessibility **(Scope 3)**

9.9%
Infrastructure consumption **(Scope 1+2)**

0.5%
SEA service vehicles **(Scope 1)**

63.1%
LTO cycle **(Scope 3)**

0.5%
Service vehicles **(Scope 3)**

MALPENSA AIRPORT 2022

36.2%
Staff and passenger accessibility **(Scope 3)**

49.3%
LTO cycle **(Scope 3)**

0.3%
SEA service vehicles **(Scope 1)**

13.3%
Infrastructure consumption **(Scope 1+2)**

0.3%
Service vehicles **(Scope 3)**

*Source: SEA*

AIR QUALITY IN THE MALPENSA AREA

The atmospheric impact of airport activities relates to a series of main emission sources, including vehicular traffic inside and outside of the airport grounds, means used for loading, unloading and ground handling operations and aircraft movements and their LTO cycles.

Malpensa surrounding area monitoring - Average nitrogen dioxide (NO$_2$) monthly values

µg/m³

Legend:
- Ferno
- Busto Arsizio
- Turbigo
- Varese
- Annual limit: 40 µg/m³ annual average
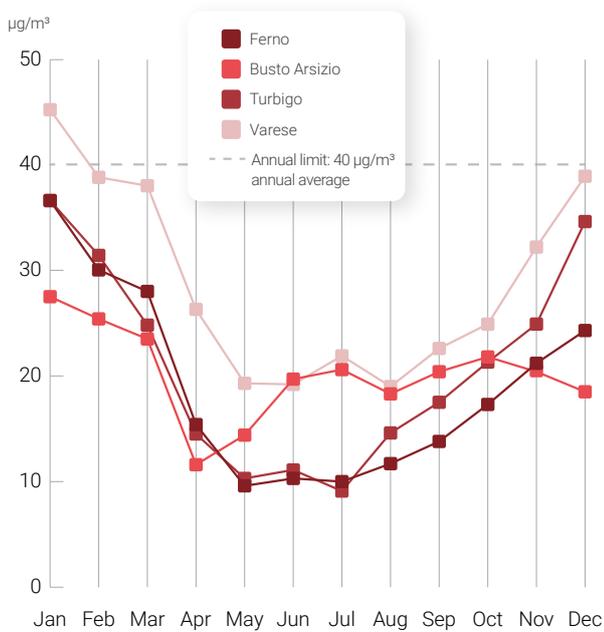
Source: Arpa Lombardia, 2022

Malpensa surrounding area monitoring - Average particle (PM10) monthly values

µg/m³

Legend:
- Ferno
- Busto Arsizio
- Turbigo
- Varese
- Annual limit: 40 µg/m³ annual average
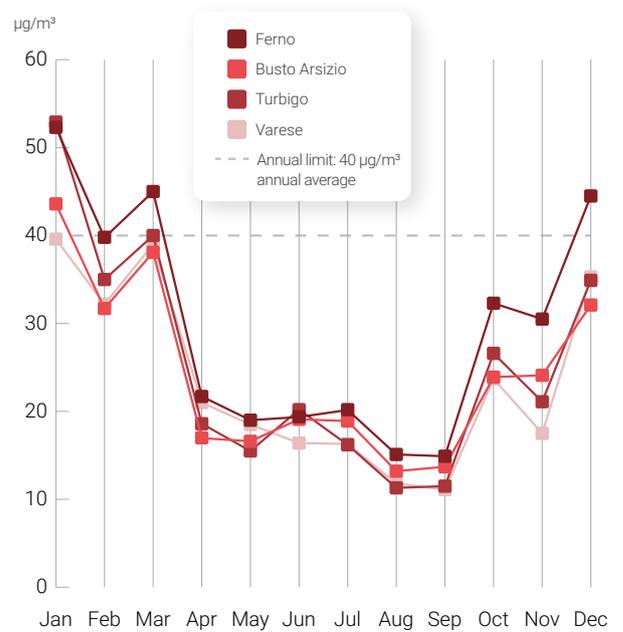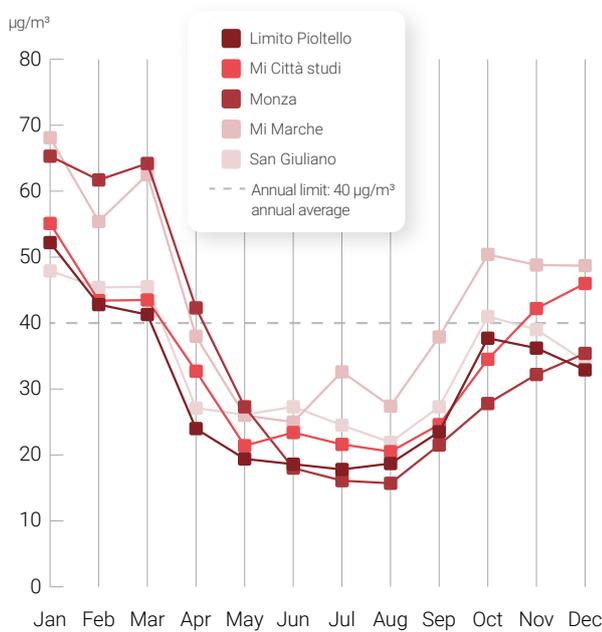
Source: Arpa Lombardia, 2022

To ensure effective air quality control the Regional environmental protection agency of Lombardy (ARPA) monitors on a daily basis the presence of atmospheric pollutants across the entire region through a network of permanent monitoring stations using automatic analysers, constantly providing data at regular intervals. The average figures, established by the daily results published by ARPA for the Malpensa area, are collected from a monitoring station in the immediate vicinity of the airport (Ferno) and from the other stations located in urbanised areas (Busto Arsizio and Varese), while the Turbigo station provides information on air quality in the areas south of Malpensa. Ignoring monthly variability, among the stations analysed, the lowest average pollutant concentrations came from the Ferno monitoring station located near Malpensa.

AIR QUALITY IN THE LINATE AREA

For Linate the average monthly values are considered, established by monitoring stations in the immediate vicinity of the airport (Limito-Pioltello and San Giuliano) and of other stations in urban areas (Milan-Città Studi, Milan-Marche, Monza). Overall, although airports are a significant source of emissions, various data collected in areas adjacent to the two Milanese airports have not shown any significant difference in air quality compared to other areas in the provincial territory. NO2 and PM10 data were substantially similar across all monitoring stations, demonstrating fairly uniform air quality and pollutant concentrations throughout the Lombardy Region, although with greater criticality at the stations near to Linate.

In response to the Environmental Impact Assessment (EIA) Decree issued by the Ministry of the Environment, and the positive opinion of the EIA Technical Commission, SEA is introducing further air quality monitoring campaigns in consultation with the relevant regulatory bodies. In 2022, the first campaign was carried out in consultation with the Lombardy Regional Environmental Protection Agency (ARPA), in order to identify a particulate size specific to the aeronautical source. In February 2023, the second campaign will be launched to collect data on the winter period.

Monitoring of the areas surrounding Linate - Average nitrogen dioxide (NO$_2$) monthly values

Source: Arpa Lombardia, 2022

Monitoring of the areas surrounding Linate - Average particle (PM10) monthly values
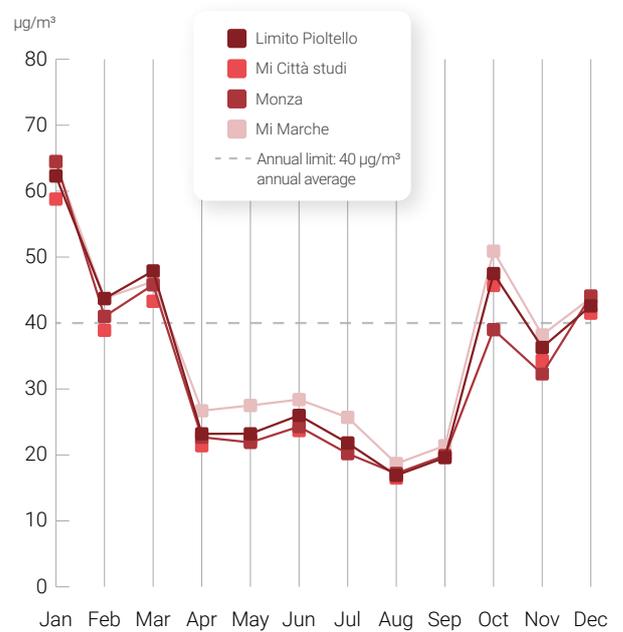
Source: Arpa Lombardia, 2022

NOISE EMISSIONS

Since 2001, SEA has guaranteed the monitoring of aeronautical noise origin at the airports of Linate and Malpensa, in compliance with current national legislation. The monitoring system is equipped with 15 permanent field stations (11 at Malpensa and 4 at Linate) and 4 mobile stations, the latter used for specific studies. In 2022, a new monitoring station was installed in Turbigo, to the south of Malpensa, to measure the noise impact of aircraft landing on the runways numbered 35. SEA operates in collaboration and under the strict control of ARPA (Environmental Regional Protection Agency) in order to improve the monitoring actions and protect the areas which surround its airports. Italian Ministerial Decree of October 31, 1997 defined the index to be used for the measurement of airport noise as the Level of Assessment of Airport Noise, or '*Livello di Valutazione del Rumore Aeroportuale* (LVA)'. Furthermore, it classified three zones around each airport by maximum thresholds of admitted noise, varying according to human settlement types:

- **ZONE A:** The LVA index is set from 60 to 65 dB(A). There are no limits on this category.
- **ZONE B:** The LVA index is set from 65 to 75 dB(A). This category may contain areas of agricultural, livestock breeding, industrial, commercial, office, tertiary and similar activities.
- **ZONE C:** The LVA index may exceed the value of 75 dB(A) produced exclusively by activities functionally connected to the airport infrastructure.

Exposure to Linate airport noise emissions

In consideration of landing and take-off routes, the municipalities affected by aeronautical noise are Milan, Peschiera Borromeo, Segrate, San Donato Milanese, San Giuliano Milanese, Pioltello, and, partially, Vimodrone. The following data (as of 2021) represents the fourth update cycle regarding Linate's noise mapping in relation to population and buildings within the various noise zones in terms of day-evening-night noise exposure (LDEN), measuring the overall nuisance over a 24-hour period, and of night-time noise exposure (LNIGHT).

Linate - LDEN and LNIGHT exposure

db LDEN bracket	Population	Buildings	db LNIGHT bracket	Population	Buildings
55-59	24,667	755	50-54	7,969	186
60-64	4,410	141	55-59	166	13
65-69	50	12	60-64	0	0
70-74	0	0	65-69	0	0
Over 75	0	0	Over 75	0	0

Source: SEA

Based on population exposure data for each of the neighbouring municipalities in relation to 60-65 dB and 60-75 dB airport noise assessment level (LVA) zoning, it emerges that the greater impact is on populations in the municipalities of Segrate, San Donato and San Giuliano. However, the new reference scenario features lower noise volumes than in 2017, except during the night for the population near Linate, as the former calculation method underestimated landing volumes that have been re-calibrated with the new model used for the current mapping.

Exposure to Malpensa airport noise emissions

The Malpensa Airport grounds are located in the municipalities of Cardano al Campo, Casorate Sempione, Ferno, Lonate Pozzolo, Samarate, Somma Lombardo and Vizzola Ticino. However, considering landing and take-off routes, other municipalities in the provinces of Varese, Novara and Milan are also affected by aeronautic noise.

The following data represents the 2021 update to Malpensa's noise mapping in relation to population and buildings within the various noise zones in terms of day-evening-night noise exposure (LDEN), measuring the overall nuisance over a 24-hour period, and of night-time noise exposure (LNIGHT).

Malpensa - LDEN and LNIGHT exposure

db LDEN bracket	Population	Buildings	db LNIGHT bracket	Population	Buildings
55-59	26,655	7,967	50-54	12,089	3,646
60-64	2,325	847	55-59	395	272
65-69	90	90	60-64	12	21
70-74	0	0	65-69	0	0
Over 75	0	0	Over 75	0	0

Source: SEA

Based on population exposure data for each of the neighbouring municipalities in relation to 60-65 dB and 60-75 dB airport noise assessment level (LVA) zoning, it emerges that the greater impact is on populations in the municipalities of Somma Lombardo and Lonate Pozzolo. In the case of Malpensa, the new reference scenario once again features lower volumes than in 2017.

The boundaries of each zone are identified by the Airport Commissions, according to Italian Ministerial Decree of October 31, 1997. The Linate Commission approved the Noise Zoning in 2009.

The Malpensa Commission has yet to conclude the process. In 2022, the borders of Zone A were adapted and re-evaluated on the basis of the territorial planning (PGT) and collaboration agreements (PCA) with the municipalities concerned. On a technical level, the Noise Zoning has, in any case, been approved by all the municipalities surrounding the airport. Following technical approval, the procedure for verifying compliance with the Strategic Environmental Assessment will begin on submission of the final report of the Commission to the Ministry of the Environment.

Alongside this process, an experiment was also carried out to modify runway night operations, the effects of which, quantified by ARPA, reduced the population exposed to 60 dB LVA, and led to the establishment of a technical roundtable for the definition of new Standard Instrument Departure (SID) routes to mitigate the exposure in areas to the north, due to the runways time shift inversion.

The 2022 monitoring data confirm the post-Covid traffic recovery trend. Noise volumes were higher than in 2021, yet still lower than in 2019 at the majority of the monitoring stations. The acoustic data detected by the monitoring stations is analysed with the aid of a special information system. By using the radar paths of individual flights provided by the Italian National Flight Assistance Agency (ENAV), it is possible to distinguish aircraft noise from background noise. Detailed information on the noise emissions and operations of SEA airports may be consulted in a specific section of the website www.seamilano.eu.

Malpensa - noise monitoring LVA dB(A) (*)
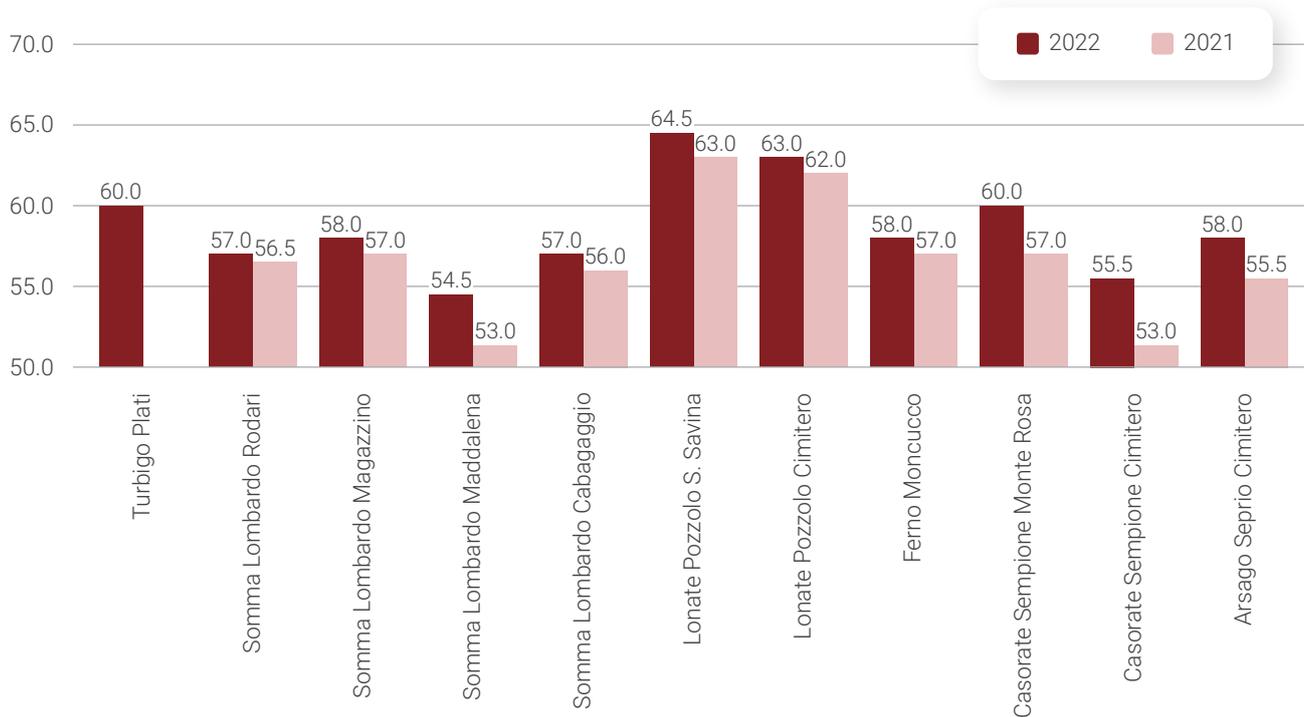
Linate - noise monitoring LVA dB(A) (*)
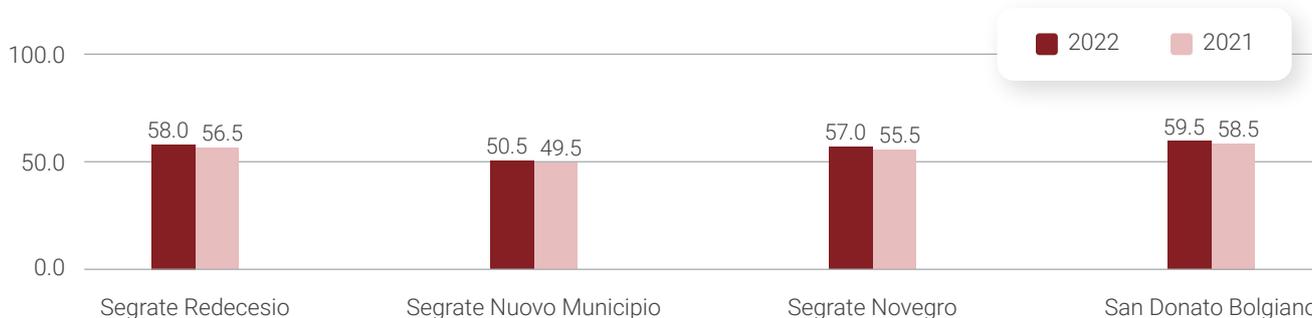
Note: LVA - Livello di Valutazione Aeroportuale: calculated, in accordance with Ministerial Decree 31/10/1997 - Airport noise measurement methodology, based on the AEL data relating to the three weeks with highest traffic identified in 2022.

(*) The data shown in the figures are awaiting validation by the Lombardia Regional Agency for the Protection of the Environment (ARPA), which controls the airport noise monitoring network according to national legislation.

Source: SEA

DISCHARGES AND SPILLS

Management of discharges

The management of water discharge is principally related to the civil sewage filtering and collection systems (or related systems) from the airport infrastructure and from the meteorological wash away of impermeable areas. The collection and separation of domestic sewage from all buildings present at the airport is assured at Malpensa by the sewage network which delivers sewage to the San Antonio consortium filter system, while the Linate sewage network is linked to the Peschiera Borromeo filter system. Waters discharged into the sewer system (sewage and treated first rain waters) are subjected to systematic quality controls. At both airports the quality of the sewage is within the limits established by environmental regulations, as indicated in the tables reporting the parameters monitored.

Linate - Sewer discharge data

Parameter	Measurement unit	Average annual value			Parameter values Legs. Decree 152/06
		2022	2021	2020	
COD	mg/l	<20	61.1	92.0	500
BOD5	mg/l	<20	28.2	49.5	250
Total phosphorus	mg/l	0.3	2.8	1.7	10

Source: SEA

Malpensa - Sewer discharge data

Parameter	Measurement unit	Average annual value			Parameter values Legs. Decree 152/06
		2022	2021	2020	
COD	mg/l	143.5	87.0	118.7	500
BOD5	mg/l	65.5	38.3	49.0	250
Total phosphorus	mg/l	3.2	2.6	2.3	10

Source: SEA

The following table reports the waste water disposed of through sewerage, with the remaining quantities disposed of.

Water discharge into the sewer system (MI)

■ Linate ■ Malpensa

Note: The discharges were estimated as equal to the total withdrawals from wells, net of estimated losses from the water transport network.
Source: SEA
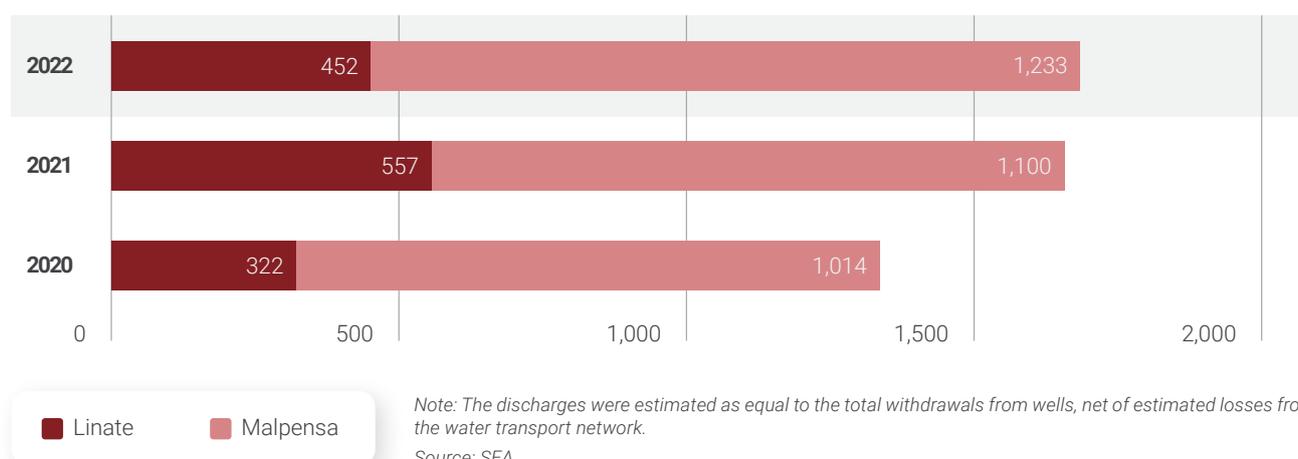
The de-icing of aircraft in winter (and when requested by airlines) is carried out in dedicated apron areas equipped with a waste collection system. At Linate, the collected waste is treated as special waste, while at Malpensa the collected waste is treated before being discharged into the sewer system. The reduction in de-icing fluid disposed of at Linate airport, compared to 2021, is attributable to milder winter temperatures reducing the demand for de-icing.

De-icing liquid drained (tons)

	2022	2021	2020
Malpensa	0	0	0
Linate	216	304	235

Source: SEA

Meteorological water from the airports is collected in service water vessels (Linate) and in the underground area (Malpensa), before, for the areas covered by the regional regulations, the separation of the first flush water (treated with oil removal systems and collected in public drainage collectors).

Linate - Characteristics of the surface water discharge

Parameter	Measurement unit	Average annual value			Parameter values Legs. Decree 152/06
		2022	2021	2020	
Chromium VI	mg/l	<0.1	0.01	0.01	0.2
Copper	mg/l	<0.01	0.01	0.01	0.1
Lead	mg/l	0.001	0.01	0.01	0.2
Zinc	mg/l	0.05	0.11	0.06	0.5
Total hydrocarbons	mg/l	<4	0.3	0.1	5.0

Source: SEA

Malpensa - Characteristics of the surface water discharge

Parametro	Measurement unit	Average annual value			Parameter values Legs. Decree 152/06
		2022	2021	2020	
Ph	pH Unit	7.2	7.35	7.1	8.0
COD	mg/l	<20	14.7	17.8	100.0
BOD5	mg/l	<20	10.7	10.4	20.0
Total suspended solids	mg/l	<10	6.9	6.3	25.0
Total phosphorus	mg/l	0.05	0.1	0.1	2.0
Lead	mg/l	n.d.	n.d.	0.01	0.2
Chromium VI	mg/l	<0.1	0.01	0.01	0.2
Copper	mg/l	<0.01	0.01	0.01	0.1
Total hydrocarbons	mg/l	<4 *	0.0	0.1	5.0
Zinc	mg/l	0.11	0.08	0.04	0.5
Total surfactants	mg/l	0.2	0.2	0.3	0.5

* Minimum limit readable by the instrument, on the basis of the analytical method
Source: SEA

Before final deliveries, meteoric waters are subjected to periodic quality checks for the parameters shown in the following tables, with qualitative characteristics amply compliant with relevant environmental regulations. Currently, water re-usage systems are not in place at the airports. Together with other major European operators, we are exploring many aspects related to Water Saving systems and the possible re-usage of meteorological water, in order to save water and rationalise consumption.

Management of spillages

We commit to closely considering and ensuring the correct management of potential spillages. In the case of the accidental spillage of fuel or oil in operational areas, runways and stands, procedures are in placed to intercept fluids before they reach the meteorological water drainage systems. A specific procedure applicable to the terminal movement areas is in place at the airports in compliance with environmental protection regulations.

Significant spills (No.)

Legend: ■ Kerosene ■ Others[*]

2022 — MXP: Kerosene 7, Others 53; LIN: Kerosene 5, Others 9
2021 — MXP: Kerosene 3, Others 37; LIN: Kerosene 2, Others 1
2020 — MXP: Kerosene 9, Others 29; LIN: Kerosene 1, Others 1
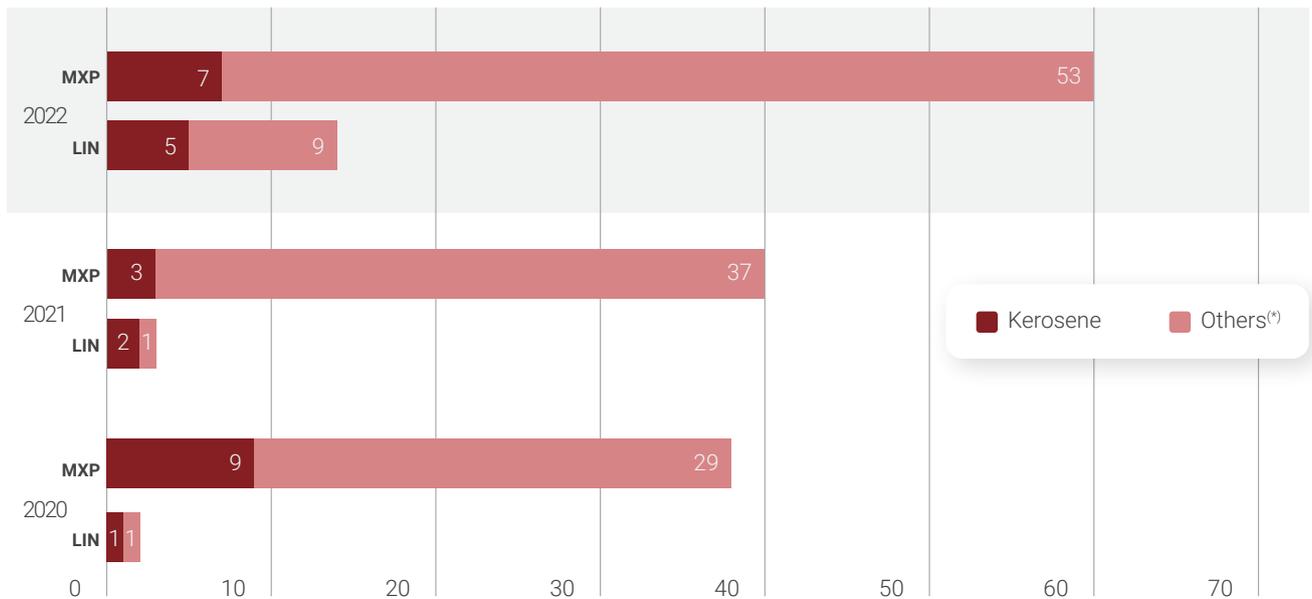
(*) Spillages of hydraulic oil from aircraft, of hydraulic oil from operating vehicles and spillages of gasoline from operating vehicles.
Source: SEA

In these conditions, SEA departments are deployed to co-ordinate the cleaning, reclamation and restoration actions in the affected areas, and the compliance and security conditions after any containment in the affected area of spreading by the laying of a sufficient number of oil absorbent panels by the Fire Services. The waste generated by the cleaning operation for each airport is transported to specific airport ecological islands, as established by company procedures, in compliance with environmental protection, safety and workplace hygiene rules. The spillages taken into consideration were those considered significant, in particular those which involved areas equal to or greater than 20 m^2. The trend is in line with traffic recovery levels in 2022. It is important to underline that these are absolute values unrelated to the number of movements, making the phenomenon frequency almost insignificant. None of these events had any impact on airport safety.

Consumption of natural resources

ENERGY CONSUMPTION

As part of SEA's Energy Management System and ISO 50001 certification, SEA Group's energy consumption management is based on the following principles:

ENERGY MANAGEMENT SYSTEM

| Energy must be produced in respect and protection of the environment | Reduction of the environmental impact | Awareness of employees, partners, suppliers, contractors and all stakeholders |

- Continuation of efforts to make lighting more energy efficient in buildings, on stands, and on external roads by installing energy-saving/LED light bulbs to replace obsolete technologies or as part of new system installations, through the addition of timers and disconnectors on lighting circuits in areas of low occupancy or use

- Research into the widespread elimination of decentralised production centres (boilers, refrigeration units, direct methane use) with consequent further improvements in terms of environmental impact

- Continuation of the project to optimise the air conditioning units (reduction of the 'minimum external air flow rate' as a function of the presence of passengers, addition of high-efficiency motors and inverters at thermal substations, optimisation of AHUs and mixing chambers, optimisation of microclimate)

- Adjustment of the air-conditioning systems in line with the Cingolani Energy Saving Decree

SEA Group energy consumption

Unit	2022		2021		2020	
	Malpensa	**Linate**	**Malpensa**	**Linate**	**Malpensa**	**Linate**
Petrol (GJ)	3,293	1,443	3,202	1,151	3,208	1,064
Diesel for heating (GJ)	2,216	-	2,436	-	2,449	-
Methane (GJ)	1,604,026	633,953	2,188,162	1,151,822	1,888,748	997,283
Diesel for motor vehicles (GJ)	18,755	8,109	16,517	6,337	16,234	6,548
Electricity purchased (GJ)	86,422	22,793	5,418	680	2,586	427
Thermal energy purchased (GJ)	186,623	30,042	-	-	-	-
Refrigeration energy sold (GJ)	2,171	-	14,606	-	12,684	-
Thermal energy sold (GJ)	3,760	186,674	9,262	407,516	8,413	393,508
Electricity sold (GJ)	268,328	116,580	387,893	234,813	239,077	180,673
Total (GJ)	**1,627,076**	**393,086**	**1,803,973**	**517,661**	**1,653,050**	**431,140**

Note: Conversion co-efficient sources used: Table of national standard parameters: coefficients used for the inventory of CO_2 emissions in the UNFCCC national inventory (average values for years 2019-2021). This data can be used for the calculation of emissions from January 1, 2022 to December 31, 2022 for natural gas and heating oil and, in line with previous years, the emission factors of the "GHG Protocol: Transport Tool V2_6" for transport diesel and petrol. For electricity and thermal energy, the translation coefficient utilised is equivalent to 0.0036 GJ/kWh (Source: GRI Sustainability Reporting Guidelines, Version 3.1). SEA Energia's motor vehicle diesel consumption was estimated on the basis of the amount spent on diesel during the year.

Source: SEA

Energy intensity (GJ/unit of traffic)

Internal energy consumption	Malpensa	Linate	Total
2020	0.13	0.19	0.14
2021	0.11	0.12	0.11
2022	0.06	0.05	0.06

Note: per traffic unit means the number of passengers plus goods transported (where 1 pax is equivalent to 100 kg of goods).
*Source: SEA*

Energy consumption in 2022 fell by 13.5% compared to the previous year (-9.8% Malpensa, -24.0% Linate). The reduction is partly attributable to the effects of the aforementioned energy saving measures. However, it mostly derives from entry into force, from January 1, 2022, of the Closed Distribution System (SDC) at Linate and Malpensa airports, by virtue of which SEA no longer counts the energy consumption of other airport operators (e.g. commercial operators). Following the sale of SEA Energia, there was an increase in the amount of purchased electricity and thermal energy, against a fall in that of methane.

WATER CONSUMPTION

SEA has full autonomy over its water supply following the construction of a series of artesian wells within the airport grounds. The principal water sources utilised are aquifers, to which seven wells located at Malpensa and eight wells located at Linate are linked. For Malpensa, the aquifer has a depth of approx. 55 metres (water table measurements carried out using piezometers), while for Linate the aquifer has a depth of approx. 4 metres for wells with a depth of about 35 metres, while drinking wells have a depth of about 100 metres. The water drawn from wells at the airport sites of Malpensa and Linate are distributed for consumption through internal aqueducts. The chemical/physical and quantitative control, in addition to the consumption rationalisation activities, ensure the highest level of attention to resource management. Increased water requirements registered at Linate pertain to higher low-value water consumption (superficial aquifer) used for the "cooling and conditioning" requirements of the airport infrastructure. The quality of the water distributed through the airport aqueducts was subject, in addition to inspections by the Sanitary Board, to an internal programme of bi-monthly checks, which includes the evaluation of the numerous chemical/physical and microbiological parameters. The parameters analysed are significantly lower than the maximum levels permitted by law and highlight the good quality of the water distributed at both airports, both from a chemical and micro-biological viewpoint.

### Water consumption (Ml)

Source: SEA
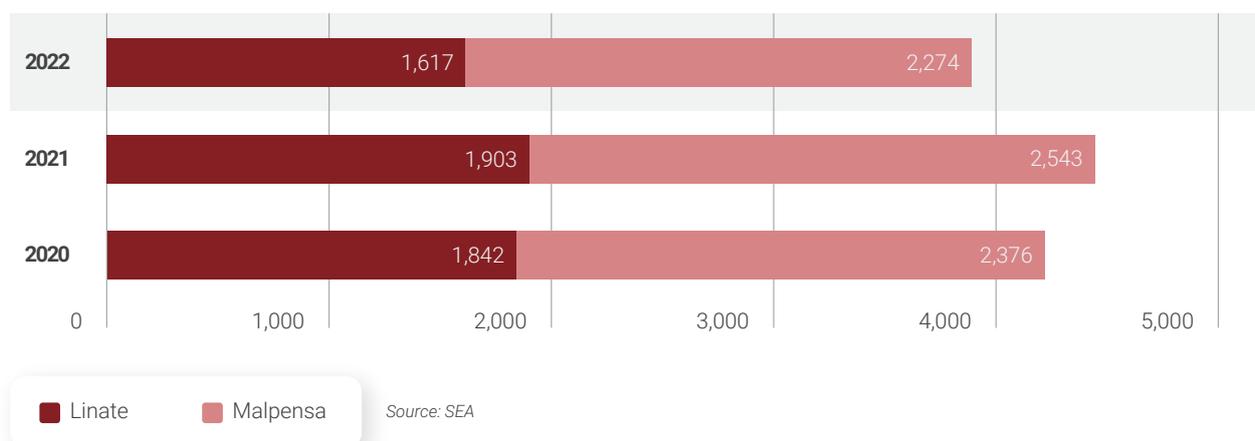
In 2022, at Linate, water consumption fell by 15.1%, due to less water used in heat exchangers for office air-conditioning. At Malpensa, it fell by 10.6%, due to heat exchangers being off-line for maintenance.

WASTE MANAGEMENT

Waste produced through airport office management, aircraft cleaning, infrastructure maintenance and commercial and catering activity are largely in line with that produced in general urban areas and are broken down into:

- Municipal solid waste and similar from cleaning and waste collection activities in air terminals, auxiliary buildings and aircraft. This waste is collected in dumpsters and bins, appropriately distributed across the airport and disposed of by companies appointed by the relevant regional administrations. Municipal solid waste concerns the dry portion and the separated portions;

- Hazardous special waste (waste oil, oily emulsions, oil and diesel filters, sanitary waste, etc.) and non-hazardous waste (ferrous scrap metal, expired drugs, alkaline batteries, etc.) from SEA maintenance activities;

- Waste from meals consumed by passengers on board aircraft which are managed and disposed of directly by the catering companies and not handled by the airport manager.

Waste produced by type (tons)

Source: SEA

Legend:
- Municipal solid
- Non-Hazardous
- Hazardous
- Dry
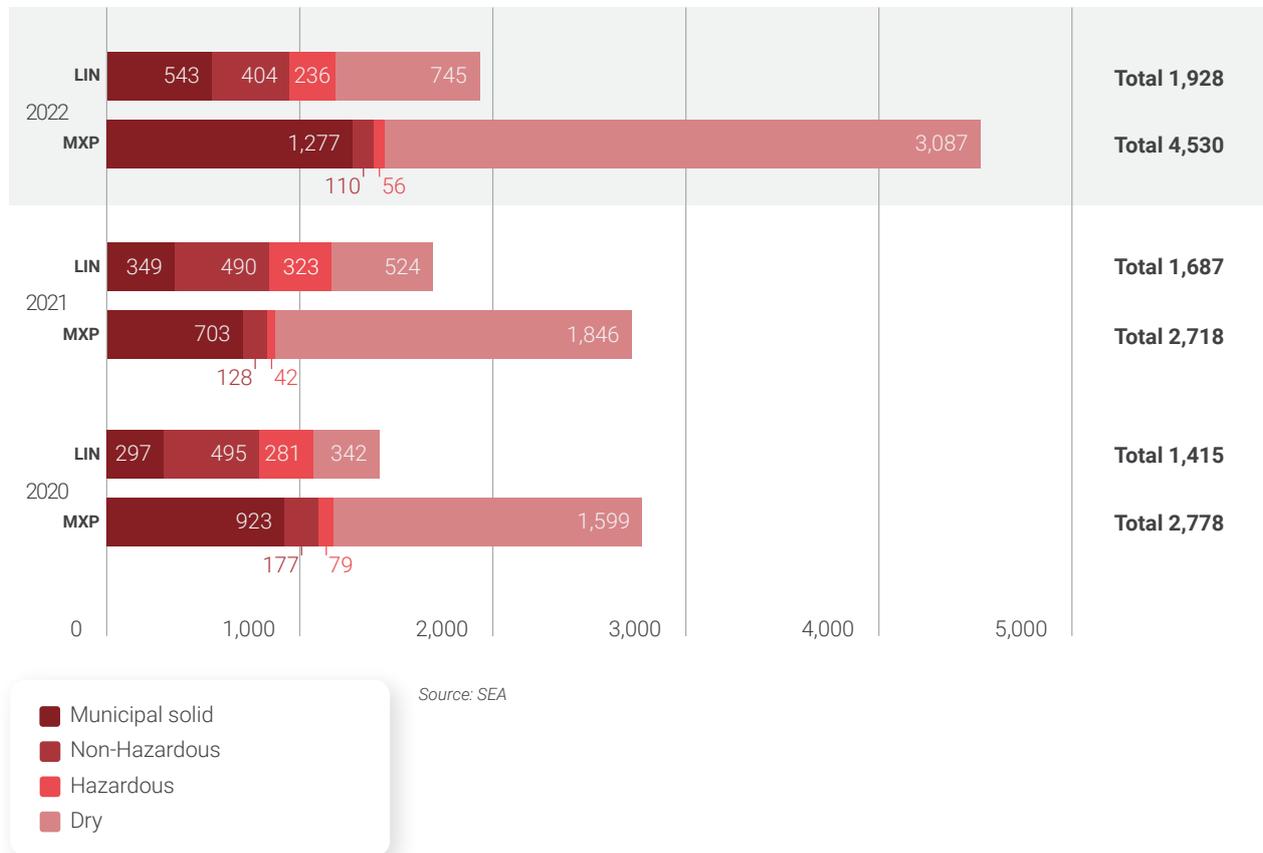
In 2022, Malpensa produced 4,530 tonnes and Linate produced 1,928 tonnes of waste, up on the previous year following the recovery in air traffic. Again in 2022, SEA confirmed its commitment to the separated collection of municipal urban waste; currently, separated collection is implemented for paper, cardboard, wood, glass, plastic, metal, toner, organic waste and batteries at the areas of the terminal open to the public. More checks at waste delivery points led to a growth in separate waste collection at Linate airport.

% Separated collection

	2022	**2021**	**2020**
Malpensa	41.9	43.5	49.7
Linate	49.1	39.5	53.6

Source: SEA

All special waste produced is separated by type, with specific contracts with companies authorised for the management of such (for example: IT equipment, oils, emulsions, irons, paints, etc.). It is therefore entirely separated by type and disposed of, recycled according to the applicable regulations and the technological standards of the treatment plant to which it is conferred.

Municipal solid waste produced at both airports is sent to energy recovery incineration plants. Separated waste is allocated to recovery and recycling plants, with collection, transport, disposal or recovery managed by the municipality in question.

Special waste is predominantly transferred, depending on its specific characteristics, to recovery plants. In case of waste with unsuitable properties (e.g. sewage purging), the waste is transferred to final disposal plants for collection, transport and disposal or recovery by specialized or authorized companies.

BIODIVERSITY AND SOIL CONSUMPTION

One of the key factors in the sustainable development of airports managed by SEA (and Malpensa, in particular) consists of conservation measures for the biodiversity present in natural areas adjacent to the airports themselves and land use efficiency, which translates into a commitment to assess and implement technological solutions and processes that allow an increase in the operational capacity of our airports without physically expanding the infrastructure beyond the currently occupied area.

The biodiversity features of areas surrounding the Malpensa and Linate airport infrastructures have been assessed. The results are detailed below, taking into account the following elements:

IUCN Red List of Threatened Species

The IUCN Red List of Threatened Species (also known as the IUCN Red List) is a comprehensive inventory of information on the threats, ecological requirements and habitats of more than 128,918 species and the conservation actions that can be taken to reduce or prevent extinction. It is based on an objective system for assessing the extinction risk of a species based on past, present and anticipated threats.

The IUCN Red List of Threatened Species recognises several categories of species status:

- Extinct (EX): species for which the last individual has died or for which systematic and time-appropriate investigations have not been able to record a single individual;

- Extinct in the Wild (EW): species whose members only survive in captivity or as artificially sustained populations well outside their historical geographic area;

- Critically Endangered (CR): species that have an extremely high risk of extinction following a rapid population decline of 80% to +90% in the last 10 years;

- Endangered (EN): species that have a very high risk of extinction in the wild due to rapid population decline of 50% to +70% in the last 10 years;

- Vulnerable (VU): species that have a high risk of extinction due to rapid population decline of 30% to +50% in the last 10 years;

- Near Threatened (NT): species that are close to qualifying as threatened or that could meet the criteria for threatened status in the near future;

- Least Concern (LC): species that are categorised as "pervasive" and abundant after careful consideration;

- Data Deficient (DD): species for which there is a lack of available data on the risk of extinction.

Worldwide Database on Protected Areas

The World Database on Protected Areas (WDPAs) is a joint project between UN Environment and the International Union for Conservation of Nature (IUCN), managed by the UN's Environment World Conservation Monitoring Centre. Data for WDPA are collected by international convention secretariats, governments, and collaborating NGOs. WDPA uses the IUCN definition of a protected area as the primary criterion for its database entries.

Worldwide Database of Key Biodiversity Areas

Key Biodiversity Areas (KBAs) are "sites contributing significantly to the global persistence of biodiversity", in terrestrial, freshwater and marine ecosystems. Sites qualify as global KBAs if they meet one or more of 11 criteria, grouped into five categories: threatened biodiversity, geographically restricted biodiversity, ecological integrity, biological processes, and irreplaceability.

Airport biodiversity assessment

Because of its location within Ticino Park, Malpensa Airport must manage a more significant biodiversity situation. As emerges from the Environmental Impact Study carried out in relation to the 2035 Master Plan, there are three types of habitats classified by Directive 92/43/EEC in the area affected by the proposed airport expansion: European dry heaths, old Acidophilus oakwood of sandy plains with *Quercus robor*, and semi-natural dry grasslands. Studies show that the presence of these elements - and the moorland in particular - give the area a high value in terms of conservation and the environment, and that a lack of management activities is causing their gradual degradation. The work proposed in the 2035 Master Plan would lead to a reduction of these habitats, with repercussions on the local fauna (about 40 species). Most severely impacted would be a species of bird *(Anthus campestris)* and three lepidoptera *(Coenonympha oedippus, Maculinea arion, Zerynthia polyxena)*, which are at risk of extinction. A particularly complex aspect is the presence of the Brugo moorland in this area. The proposed airport expansion involves two additional elements: the moorland's protected habitat status, and the presence of woodland. The first element represents a criticality in terms of the Environmental Impact Assessment, while the second relates to the need to draw up a Landscaping Report and implement mitigation measures pursuant to Regional Law 31/2008 (compensation for lost specimens in agreement with the Park Association - e.g. replanting on a ratio of 1:3).

Biodiversity indicators 2022

	Malpensa area	Linate area
IUCN Red List (species that are potentially present within 50km of the airport grounds)	1,218 (=) of which: ■ 7 (+1) critically endangered ■ 22 (=) endangered ■ 62 (+1) vulnerable ■ 81 (+4) near threatened ■ 986 (-4) least concern ■ 60 (-2) data deficient	1,183 (-3) of which: ■ 6 (=) critically endangered ■ 18 (=) endangered ■ 52 (+1) vulnerable ■ 79 (+3) near threatened ■ 968 (-5) least concern ■ 60 (-2) data deficient
Protected Areas (WDPAs)	173 (+3)	94 (+2)
Key Biodiversity Areas (KBAs)	9 (=)	6 (=)

Source: Integrated Biodiversity Assessment Tool (IBAT); www.ibat-alliance.org

SEA has identified four action areas in response to the comments made by the authorities on the EIA procedure for the 2035 Master Plan:

- limitation of the expansion area to areas strictly necessary for technical-operational functionality;

- optimisation and modification of SP14, which must remain in place to provide road continuity in the local area;

- maintenance of biodiverse areas and their enhancement within the future airport grounds;

- restitution (compensation) of lost woodland, reintroduction of moorland and redevelopment of wooded areas adjacent to the new airport grounds.

Regardless of the authorisation process for SEA's 2035 Master Plan, it has launched the experimental "Recovery, Redevelopment and Conservation of the Linate Heath" project with a view to strengthening constructive relationships with the region and confirming its concern for biodiversity. This project seeks to define a technical protocol for the heath's recovery, with the potential to replicate it in other areas. During 2019, an agreement was finalised with the Defence Ministry and the State Property Agency to intervene in the areas affected by field testing with the necessary vegetation maintenance works. The agreement was signed in the first half of 2020 and work subsequently began and proceeded smoothly again in 2022, despite the delays caused by the pandemic. This activity has been reconfirmed for 2023, which will be the fourth and final year of the field testing, before the outcome of the project is finalised and reported. Within this context of collaboration, SEA has made an agreement with Ticino Park to set up a technical roundtable on sustainable management issues at Malpensa airport. The agreement was approved by the Park Management Board in December 2020 and was formalised in January 2021. Three roundtable meetings were held, primarily to identify the topics currently most conducive to the development of joint projects. Since soil subtraction and biodiversity impacts were confirmed as critical in the Environmental Impact Assessment (EIA) of the Master Plan 2035, the positions of the proponent ENAC/SEA and Ticino Park were particularly distant and currently not reconcilable. Therefore, pending the conclusion of the EIA procedure (expected in the first half of 2023), the activities of the Technical Roundtable have been suspended. However, SEA and Ticino Park are collaborating, under project OLGA, on the development of Work Plan 4.3 which aims to replicate, at Malpensa, the advanced biodiversity monitoring project developed by the partner airport Paris Charles de Gaulle.

HUMAN CAPITAL

Size and characteristics of the workforce, and the policies put in place for its empowerment (training, growth, health and safety, diversity) and engagement (welfare, communication, benefits).

Organisational management

Personnel management was significantly affected by the COVID-19 pandemic again in 2022, which heavily impacted both operations and staff activities. Traffic and the activities directly or indirectly related to it varied considerably, with further drops recorded in the first few months of the pandemic, followed by a strong recovery in the summer months. These factors made it necessary to carefully modify use of the Temporary Lay-off Scheme, which proved to be an effective and indispensable means of containing personnel costs and protecting employment. The Extraordinary Temporary Lay-off Scheme applied to the entire company population, together with other cost containment measures. A range of initiatives was introduced depending on the type of employee (shift workers and non-shift workers). As the pandemic progressed, the Company devised specific policies on the use of remote work. This approach was applied more extensively early in the year. In-office work has always been governed by protocols to protect employees.

Efforts to contain personnel costs and find new ways of working were - where appropriate - accompanied by the need to devise plans to keep employees engaged, despite the critical situation. In 2022, training initiatives addressed various segments of the corporate population. Furthermore, a SEA Summer Award was introduced by which Operations staff could nominate hard-working colleagues.

STAFF MANAGEMENT PLAN AS A CONSEQUENCE OF THE PANDEMIC

In 2022, SEA continued to implement the Staff Management Plan under the Framework Agreement signed at the beginning of 2021 and revised in October 2021. The Plan, inspired by the desire to protect people in the best possible way, was based on three levers of action:

- temporary lay-off schemes
- accelerated retirement
- incentivised voluntary redundancies.

Simultaneously, a hiring plan was launched to bring in and retain young people with new core area skills, according to identified operational needs.

Temporary lay-off schemes

Once again in 2022, furlough, using the Extraordinary Temporary Lay-off Scheme CIGS fund, was used from January until September, applied differently according to different work activities. In particular, Operations made much less use of furlough in the second half of the year as traffic began to recover.

Accelerated retirement

Beginning in October 2022 - and until early 2025 - a new "accelerated" retirement plan was rolled out and will involve the termination of employment relationships earlier than the pension window, up to a maximum of 32 months in advance. This "acceleration" will be achieved thanks to the NASpI (New Social Insurance for Employment) period, which guarantees the continuity of contributions to help align with the pension window and the contractual notice period. SEA will offer an economic incentive to those who take up this early retirement opportunity.

Incentivised voluntary redundancies

In October 2022, an incentivised voluntary redundancy plan was rolled out for a maximum of 30 administrative staff without access to the aforementioned accelerated early retirement plan, subject to individual evaluation by management.

Turnover

With all due prudence in the constantly evolving business scenario, SEA confirmed its commitment to pursuing a generational mix renewal process, focusing recruitment on young people and new skills and qualifications. An integration plan is also envisaged for outsourced personnel who have been working for 36 months or more, subject to a positive management assessment and effective operational needs.

People management policies

SEA interacts with its employees in full compliance with legislation protecting workers and working conditions, guaranteeing the right to working conditions that fully respect the dignity of individuals. In this regard, measures are actively employed to prevent all conduct that may be discriminatory or damaging to individuals, safeguarding personnel from acts of physical and psychological abuse, sexual harassment, intimidation and hostile attitudes in work relations, both internally and externally.

SEA is also committed to opposing all forms of illicit work and requires that employees and contractors report any behaviour or action in violation of the principles of legitimate employment, for the protection of themselves, their colleagues and the company. It also promotes actions aimed at supporting the growth and professional development of personnel, with particular attention to issues of gender, age and disability.

SEA applies an organisational model combining the traditional model of roles and responsibilities, formalised by organisational charts and documented procedures, with informal project-based and collaborative cross-company organisational methods. The managerial style is therefore necessarily based on building mutual trust, the transparency of intentions, and openness to dialogue.

Group employees

As of December 31, 2022, the total human resources of the Group amounted to 2,362 employees (2,570 including temporary staff), down by 270 employees since December 31, 2021 (-10.3%), excluding SEA Energia. Women represented almost 30% of employees, predominately concentrated in administrative and front-end roles, and distributed among total staff as follows: 36% executives and managers (110 out of 306), 38% white-collar workers (569 out of 1,507), and 7% blue-collar workers (37 out of 549).

The predominance of men in manual roles is motivated by specific legislation on airport operations, which penalises women over men.

Personnel by role classification and gender as at December 31 (No.)

	2022			2021				
	Female	**Male**	**Total**	**Female**	**Male**	**Total**	**SEA Energia**	**Total Group**
Executives	6	40	46	5	39	44	1	**45**
Managers	104	156	260	103	169	272	2	**274**
White-collar	569	938	1,507	612	1,074	1,686	22	**1,708**
Blue-collar	37	512	549	44	586	630	2	**632**
Total	**716**	**1,646**	**2,362**	**764**	**1,868**	**2,632**		**2,659**
SEA Energia	-	-	-	5	22	27	27	
Total Group	**716**	**1,646**	**2,362**	**769**	**1,890**	**2,659**		**2,659**

Note: SEA Energia's staff are broken down by role classification and gender. as follows: 1 male Executive. 2 male managers. 22 office staff (5 women and 17 men in 2021) and 2 male workers.
Source: SEA

Personnel and external collaborators by location and gender as at 31 December (No.)

	2022			2021				
	Female	**Male**	**Total Group**	**Female**	**Male**	**Total**	**SEA Energia**	**Total Group**
Linate	333	723	**1,056**	340	786	1,126	9	**1,135**
Malpensa	483	1,031	**1,514**	433	1,123	1,556	18	**1,574**
Total	**816**	**1,754**	**2,570**	**773**	**1,909**	**2,682**		**2,682**
SEA Energia	-	-	**-**	5	22	27	27	
Total Group	**816**	**1,754**	**2,570**	**778**	**1,931**	**2,709**		**2,709**

Note: SEA Energia's staff are all employees and are broken down by office and gender as follows: 9 at Linate (1 woman and 8 men) and 18 at Malpensa (4 women, 14 men in 2021).
Source: SEA

Empowerment policies

TRAINING

2022 saw the easing of the health emergency that had severely impacted the methods used to provide training and implement development projects, hindering the option of participating in person. Especially in the second half of the year, training continuity was ensured by online and remote methods.

In 2022, a total of 60,000 training hours were provided to the SEA Group, of which 13,257 of non-mandatory training. Mandatory training (including training relating to work and airport safety) constituted approximately 81% of total training provided by the SEA Group in 2022. Among the most significant non-mandatory training and development initiatives in 2022 were:

- Operational Management - a course for Operational Shift Scheduling staff, to help them identify positive ways to manage relationships and conflicts through communication and sharing common operational efficiency rules and approaches. The initiative was designed using the Design Thinking approach;

- Language training - using a blended learning platform for the online learning of English;

- "Building the good habit of training" project - getting people to take more responsibility for their own training and development through the Good Habitz platform. The training platform dedicated above all to cross-cutting skills saw over 2,000 registered users, with excellent results (1,187 in terms of training hours and certificates issued);

- Mentoring - to foster relations between young SEA staff and management. After a training course in which Mentors were provided with the necessary skills for effectively managing sessions with their Mentees, a kick-off event was held in November involving 46 Mentors and Mentees.

The Diversity & Inclusion project initiatives continued with a training course on the innovative Forth approach, concluding with the presentation of seven inclusion projects regarding age, gender, culture, diversity and sexual orientation. Work has begun and working group members have been selected on the basis of participation and work skills for the first 3 projects:

- *SEA For Equality*, to support and develop gender equality;

- *SEA Friendly*, to open minds to inclusion and against prejudice and discrimination towards the LGBTQ+ community;

- *SEA Sprint*, an agile workshop exploring new ways of working that can help SEA employees better manage their time.

Average number of per capita training hours by gender & category

	2022			2021			2020		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Executives	15.9	17.0	**16.9**	18.7	23.6	**23.0**	1.9	15.9	**14.2**
Managers	14.8	12.9	**13.6**	13.4	10.7	**11.7**	8.3	9.8	**9.3**
White-collar	5.1	5.4	**5.3**	4.3	3.5	**3.8**	2.4	2.4	**2.4**
Blue-collar	0.1	1.9	**1.8**	0.2	2.1	**1.9**	1.0	2.1	**2.1**
Total	**6.3**	**5.3**	**5.6**	**5.4**	**4.1**	**4.5**	**3.1**	**3.3**	**3.3**

Note: The data does not include mandatory training hours.
Source: SEA

GROWTH

In 2022, the systematic approach to performance appraisal coverage was limited to staff covered by the MBO system (executives and some managers). New eligibility criteria geared towards transparency and objectivity were defined for 2022 incentives. In 2022, the "Smart Assessment" initiative was defined, with plans for its adoption in 2023. The project will evaluate administrative staff belonging to departments involved in the pilot project (approximately 50% of administrative staff) across multiple dimensions (results, skills, and behaviour). When fully operational, the project will apply to all administrative staff at SEA. No performance management/incentive systems were adopted in 2020-2021 due to the COVID-19 pandemic.

However, skills assessments are still widespread for all SEA staff.

Employees involved in formalised performance evaluation processes by gender and category (%)

	2022			2021			2020		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Executives	100	100	**100**	0	0	**0**	0	0	**0**
Managers	33	32	**32**	0	0	**0**	0	0	**0**

Note: Percentages refer to Executives and managers involved in formalised assessment processes on the basis of the Group MBO process.
Source: SEA

TALENT MANAGEMENT

SEA's talent management process has been adopted to support projects that entail succession planning, talent scouting, and appointment to positions of high responsibility in line with the Company's future challenges.

The approach adopted is to render the talent identification process more transparent and meritocratic, assigning the role of talent-promoters to those responsible and ensuring the talent management process is shared.

At SEA, talent management is intended for "exclusive", business-driven talent, with the goal of identifying, within a limited segment of the company population, those who fit SEA's talent model, be they:

- management personnel with performance management;
- specialists as a pipeline for middle management positions;
- middle managers as a pipeline for management positions.

In 2022, the process of reviewing, analysing, and updating SEA's talent concept pillars was initiated. SEA set up four focus groups to redefine and update the key skills used in the talent assessment and management processes. These groups used the key skills and behaviours outlined in the Talent Manifesto drafted in 2018 as a starting point, which will be used as the point of reference for all SEA personnel.

DIVERSITY

In 2022, the gender pay gap remained consistent with the previous year for both men and women. However, there was a notable reduction in the total pay ratio (annual income), as the negative impact of the lay-off period, which disproportionately affected female staff in 2021, came to an end. The gap in the Executive and manager categories is partly due to the lower presence of women in senior management positions. In the white-collar category, the pay gap is reduced by a base salary, which tends to be higher for women staff, while in the blue-collar category, it is affected by the greater percentage of male shift workers and bonuses linked to inconvenient shift patterns.

Ratio of average salary and female/male income by category

	GAS 2022 [a]	Income 2022 [b]	GAS 2021 [a]	Income 2021 [b]
Executives & Managers	83%	79%	84%	73%
White-collar	102%	94%	102%	91%
Blue-collar	98%	90%	96%	85%

Note: The new methodology envisaged the weighting of the GAS and income on the weekly working hours provided for each employee.

[a] Ratio between average gross annual salary of women and men. Annual remuneration is considered to be the gross annual salary (GAS) paid to the employee on the basis of his/her specific duties or tasks.

[b] Ratio of Average annual income between women and men Gross annual income (GAI) is considered to be the gross annual salary plus annually variable amounts, such as bonuses related to individual performance, company productivity, night work supplements, overtime, paid holidays, attendance allowances, etc.

Source: SEA

Diversity & Inclusion activities continued with the presentation of seven diversity and inclusion projects. Three projects were chosen as the first ones to be adopted after an evaluation of their feasibility and attractiveness. Specifically:

- *SEA For Equality,* an initiative aimed at promoting and advancing gender equality. To this end, the group has enlisted the help of a specialised consulting firm to pursue Gender Equality certification (UNI PdR 125:2022) and develop a roadmap for fostering a cultural shift towards a more inclusive work environment that values diversity. This initiative aligns with the changes occurring in the context in which SEA operates;

- *SEA Friendly,* to open minds to inclusion and tackle prejudice and discrimination towards the LGBTQ+ community; SEA has signed a partnership agreement with an association that champions LGBTQ+ rights and has distributed a survey to all SEA employees to measure their level of awareness of gender and orientation issues;

- *SEA Sprint,* an agile workshop exploring new ways of working that can help SEA employees better manage their time.

Participation in managerial development and training courses organised by Valore D continued.

In 2021, SEA launched the Your Gate for Your Job project to promote inclusion, particularly among younger generations. This initiative includes an orientation and training programme for vocational colleges, which commenced during the 2021-2022 school year and is ongoing. During 2022, a programme involving approximately 300 students from three vocational colleges located in the Varese area and surrounding province was adopted. The initiative included interaction with expert teachers, project work, and guided tours of Malpensa Airport.

SEA also devised an additional project to raise awareness of the inclusion of future generations in conjunction with the Generazione Industria project promoted by Confindustria Varese. The project was created with the intention of fostering cultural exchange between companies and schools, thus enhancing the value of students. SEA helped organise a Teachers Day, where the Company hosted some 30 teachers from 17 high schools in the Varese area and surrounding province. Company representatives from Dufry, DHL, and Areas spoke at the event about jobs in the airport district and skills that are in demand within the context of school education and training. The Teachers Day project, which also saw companies working in the airport grounds collaborate for the first time, will continue during 2023.

OCCUPATIONAL SAFETY

The corporate policy in relation to occupational health and safety for its employees and third parties (operators, users and passengers) present in the workplace environment is based on a number of principles:

- compliance with national, local and European legislation on occupational health and safety, and with SEA's requirements for the achievement of company objectives, including voluntary models, where applicable;

- the carrying out of prevention activities aimed at reducing workplace accidents, injuries and diseases, through the identification and elimination of hazards, the reduction of risks, the implementation of corrective measures and the management of potential emergencies, to the benefit of workers, third parties and the community in which SEA operates;

- information for all those present in the corporate environment on individual risks and the relative prevention and protection regulations adopted, as well as details on the organization responsible for safety and emergency management;

- employee development through information/training activities aimed at developing specific skills, which are key to making workers aware of their responsibilities and the need to operate in compliance with legislation and in-house operational regulations;

- the constant involvement of employees in activities implemented by SEA and its corporate health and safety objectives, encouraging their consultation and participation, while also making use of the support of Workers' Safety Representatives;

- the availability of economic and financial resources to search for new technical, organizational and procedural solutions that reduce risks and allow for greater efficiency when managing prevention activities;

- selection and monitoring of suppliers, also considering occupational health and safety aspects and promoting co-ordination activities for the management and resolution of any risk situations, with a view to mutual collaboration;

- promotion by the management team of initiatives aimed at spreading a culture of health and safety throughout the company, with the aim of encouraging interaction and collaboration between various actors to make business processes more efficient and the SGSSL more effective.

The SEA Group's role as an airport manager involves also a particular commitment towards workplace safety, which has benefited all operators, bodies and handlers, which in various roles are present at the airport.

UNI ISO 45001 certification

In November 2022, SEA was awarded Workplace Health and Safety Management System (SGSSL) certification according to the UNI ISO 45001:2018 standard. SEA constantly monitored the system through:

- 11 internal audits, including one at the Malpensa arrivals elevated walkway redevelopment site, and three follow-up audits to verify the adoption of corrective measures from previous internal audits;

- one unannounced audit;

- 18 concessionaire audits (retail/non-retail);

- One Hygiene Risk Assessment follow-up to assess the effectiveness and adequacy of the anti-COVID-19 measures adopted by SEA.

Critical issues were analysed and corrective actions were shared with managers to reduce and control OHS risks.

To enhance on-site surveillance and operational monitoring activities, SEA revised its Safety Walk programme, introducing check-lists for individual verification topics. These topics include work environments, PPE, contracted activities, machinery and equipment, human-vehicle interaction, and fire-fighting. 952 Safety Walks were conducted. In line with 2020-2021, COVID-19 safety walks were also performed to verify the correct adoption of health emergency measures defined in the Company's Health and Safety Operating Protocols.

Employee participation in safety

Workers are involved in company health and safety activities through various channels:

- the institutional channel governing relations with Worker' Safety Representatives. In addition to the annual safety meeting, SEA promotes participation and involvement in the event of significant changes to the workplace organisation, spaces, machines and equipment and more in general following requests put forward by the Worker's Safety Representatives or, in certain circumstances, directly by workers;

- the Company's intranet site, which allows all workers to report near misses by filling in and submitting an online form complete with suggestions;

- the e-mail address sicurezza.lavoro@seamilano.eu, to which all workers can write to report critical issues relating to health and/or safety in their workplace or in any other company environment, and to receive clarification or ask questions regarding safety;

- interviews of workers performed during Workplace Health and Safety Management System audits.

In accordance with the regulation, the Worker's Safety Representatives of the SEA Group companies are elected and fully operational.

Number of Worker Safety Representatives (WSR)

Company	Linate	Malpensa	Note
SEA	5	5	No. 6 for production units with over 1,000 employees
SEA Prime	1		No. 1 representative in companies or production units up to 200 workers
Airport ICT Services	1		No. 1 representative in companies or production units up to 200 workers

Source: SEA

Safety activities carried out

Among the many activities carried out in 2022 we highlight in particular:

- update to the Work-Related Stress Assessment, with an analysis of the final 2021 data in accordance with the INAIL guidelines. The risk level is not significant for any professionals;

- updates to the potential exposure to biological "SARS-CoV-2" agents evaluation, with the adoption of a set of specific measures;

- updates to the Professional Profile Risk Assessment Reports based on evidence gathered from audits, analysis of accidents and near misses, in addition to reports from workers and/or employee health and safety representatives (RLSs). This has resulted in the revision and updating of information handouts provided to employees;

- updates to risk assessment reports for certain operating vehicles and equipment;

- provision of technical support to company departments that manage contracted activities in the preparation and updating of the Combined Interference Risk Assessment Report (DUVRI) pursuant to Article 26 of Legislative Decree No. 81/08;

- conclusion of the air quality assessment campaign at Linate and Malpensa, which monitored external airborne micro-pollutants. All detected parameters were present at very low levels, thus excluding risks related to the potential development of adverse short- and long-term health effects;

- updates to the online health safety protection course for remote workers;

- relations with public entities on issues of occupational health and safety (ATS (Health and Safety Authority), INAIL, (National Institute for the prevention of workplace accidents), and from time to time, support for the corporate functions involved;

- monitoring of employee safety, in collaboration with radiation protection experts, through the use of specific environmental and personal dosimeters measuring ionising radiation related to the transit of radioactive packages, and through instrumental testing of the x-ray equipment present and in use by SEA personnel;

- performance of 46 emergency drills at the Company's airports. New evacuation tests were introduced to complement regular emergency and evacuation drills, which involve both company and external personnel at the airports. These tests incorporate streamlined procedures with focused briefings and exclusively involve the Local Emergency Team. The tests yielded positive results in terms of knowledge of the Emergency Management Plan, the related procedures in place, and timing and responsiveness;

- updates to the Fire Risk Assessment document for the Linate terminal;

- updates to the Emergency and Evacuation Plan for the Linate terminal in conjunction with the opening of the M4 metro line, bringing it into line with the Coordination Protocol stipulated between SEA and ATM;

- continuation of activities to counter COVID-19 risks, adapting prevention and protection measures as the pandemic and regulatory scenario evolves.

Workplace Health and Safety Training

In 2022, SEA continued to develop specific programmes and organise training activities, in line with risk types and the various associated tasks. Overall, 2,143 people participated in 11,248 hours of compulsory occupational health and safety training.

The most significant courses by number of participants were:

- updates to Workplace Safety per Legislative Decree No. 81/08 and the State-Regions Agreement of December 21, 2011;

- anti-fire training to maintain Workers' Safety Representative certification;

- updates to radioprotection training for security staff per Legislative Decree No. 101/20;

- introductory and refresher course for Safety Coordinators - Legislative Decree No. 81/08, Title IV;

- course on CEI 11/27 Standards prior to the appointment of PES and PAV personnel;

- refresher training for employee health and safety representatives, dedicated to workers' representatives;

- introductory and refresher courses for new safety officers and managers.

In addition, further training and information initiatives were organised to promote risk awareness and injury prevention:

- SEA joined the *Break Formativo* trial project organised by UNIVA and ATS Insubria, which is scheduled to take place in 2023. This training programme does not take place in a typical classroom setting or through e-learning. Instead, it is conducted at workstations and actively involves workers. The initiative seeks to improve the effectiveness of safety training by providing detailed information, ongoing updates on job-related risks, workplace hazards, and equipment usage, maintaining a high level of risk awareness. During the year, three Safety Flash Breaks were organised and delivered on a trial basis in the operational and maintenance departments. Following SEA's official participation in the project, UNIVA lecturers were invited to the airports to conduct two specific training sessions for the SPP, employee health and safety representatives (RLSs),

and Training Shared Services Trainers;

- in collaboration with Internal Communications, a Safety Flash/Safe Behaviour communication campaign was promoted on Seanet. The campaign focuses on general safety issues and includes videos and downloadable flyers.

Occupational health services

Occupational medicine services are managed as follows:

1. **Advanced health examinations upon hiring.** Depending on the type of role for which the hiring process has been undertaken, checks are carried out to ascertain whether there are any working risks for which the law mandates health supervision. If this is the case, the individuals in question and the relevant documentation are sent to the health facility where the Company Doctors operate, where advanced health checks are carried out to establish whether the individual assigned is in any way unsuitable to the role. The same process applies when a worker is transferred to new duties.

2. **Periodic health examinations.** Every year, up-to-date lists are prepared of the workers who, within the framework of the duties performed and on the basis of the assessments conducted in the risk assessment document, are exposed to significant levels of particular risks for which the applicable legislation requires periodic health checks. The Company's occupational medicine service prepares the annual calendar of check-ups and performs periodic health examinations of the workers on the list. These seek to establish the absence of contraindications to the performance of the duties in question.

3. **Health examinations on request.** At the worker's request and where it may be correlated to the professional risks of the duties performed, health examinations are conducted to determine that there are no reasons that the worker cannot perform their role.

4. **Annual inspection by the Company-Appointed Doctor of work environments.** In view of improving worker protection measures and the participation of worker representatives in such initiatives, it has been decided to conduct two annual inspections of work environments, with the participation not only of the company-appointed doctors and RSPP (Health and Safety Officer), but also the RLS (Employees' Health and Safety representative).

Prevention and mitigation of impacts on business relationships

The Company implemented the following initiatives in this area:

- **General Technical Manual for commercial operators.** The objective is to provide guidelines for operators who are preparing to perform infrastructure work on airport spaces and who must therefore develop the related projects (new constructions or renovations of existing structures).

- **Verification of projects and works promoted by retailers in terminals.** Through an internal office, during the planning phase SEA verifies observance of regulations and company quality rules.

- **Specific Regulations** for the prevention and management of anti-fire aspects for the management of spaces assigned to retail and non-retail operators (entities, CNA, handlers).

- **Emergency and Evacuation Plans** for all buildings and the mixed-use areas in which it operates, including only minimally (documents available on SEA's website).

- **Measures taken on operators of commercial activities in relation to the risk of fire and impacts on health and safety.** All retailers are asked to complete a half-yearly declaration, signed by their operating superior (Store Manager) and the Health and Safety Officer and send it to the SEA Prevention and Protection Service, which keeps a record of it.

- **Annual on-site verification of some stores** identified according to their particular activities (e.g., food and non-food) and surface area occupied (e.g., presence or absence of warehouses) by the SEA Prevention and Protection service in collaboration with the individual representatives of the various activities (Store Managers and Health and Safety Officer).

Hazard identification, risk assessment, and incident investigation

SEA assesses risks systematically, selecting recognised approaches and methods and drafting the risk assessment document. This document, or a part of it, is updated following new regulations, modifications to production and/or organisational processes, modifications to or inclusions of new systems, vehicles and equipment that are significant for the purposes of worker health and safety, in the event of serious accidents, major near misses, or when the results of health surveillance indicate that it is necessary.

The company process of analysis - risk assessment - setting of priorities for action and adjustments to eliminate and reduce risks for workers and third parties is also based on other methods that require considerable amounts of data to be collected. These include internal audit activities (including on a surprise basis), secondary activities on the premises of retail and non-retail stores and worksites, inspections and monitoring (safety walks), reports from employee health and safety representatives (RLSs) and workers through the channels provided, data gathering on accidents/near misses, injury reports, and interviews with workers. When particular and/or exceptional conditions occur, ad hoc processes are also adopted, as in the case of the COVID-19 emergency. The SEA Workplace Health and Safety Management System (SGSSL) is certified according to UNI ISO 45001:2018 and is fed a variety and range of inputs.

Every incident - including injuries, first aid, near misses, fires, and ignitions - is tracked and investigated thoroughly. This is done to identify the causes and analyse potential damages, frequency of occurrence, and severity index in collaboration with relevant company departments. These findings enable the adoption of appropriate corrective actions. In addition, we note that workers who are not employees, but whose work and/or place of work is managed by the Group (contracted personnel), were also taken into account. There were no work-related injuries, deaths, or work-related ill health concerning these workers in 2020 or 2021. In 2022, there was one injury at Malpensa Airport; a total of 67,695 hours were worked in 2020, 73,707 in 2021, and 254,959 in 2022.

Data analysis shows that the pandemic period from 2020 and 2021 was truly an exception. Despite the progressive recovery of traffic volumes and airport operations in 2022, the injury trend has improved in comparison to pre-COVID levels in 2019. 39 events were recorded in 2022, compared to 57 in 2019.

Group injuries indicators by location

		2022		2021		2020	
		Number	Rate	Number	Rate	Number	Rate
Recordable work-related injuries	Linate	20	12.73	11	8.23	6	4.83
	Malpensa	19	8.49	15	7.79	16	8.53
	Total	**39**	**10.24**	**26**	**7.97**	**22**	**7.06**
of which **Fatalities**	Linate	0	0	0	0	0	0
	Malpensa	0	0	0	0	0	0
	Total	**0**	**0**	**0**	**0**	**0**	**0**
of which **High-consequence injuries**	Linate	1	0.64	0	0	0	0
	Malpensa	0	0	0	0	0	0
	Total	**1**	**0.26**	**0**	**0**	**0**	**0**
Occupational illnesses	Linate	0	0	0	0	0	0
	Malpensa	0	0	0	0	0	0
	Total	**0**	**0**	**0**	**0**	**0**	**0**
No. hours worked	Linate	1,570,907		1,336,254		1,241,082	
	Malpensa	2,236,980		1,926,387		1,875,518	
	Total	**3,807,887**		**3,262,641**		**3,116,600**	

Accident indicators are calculated as follows:

- *Recordable work-related injuries rate: no. recordable work-related injuries /hours worked *1,000,000*
- *Fatalities rate: no. deaths due to workplace/hours worked *1,000,000*
- *Rate of injuries with serious consequences (excluding deaths): no. injuries with serious consequences (excluding deaths)/hours worked *1,000,000*
- *Occupational illness rate: no. cases of occupational illness/hours worked * 1,000,000*

Accident statistics concern all events which resulted in at least a half-day absence from work, in addition to the day of the accident.

The figures relating to occupational illnesses relates to cases reported in the year and not to the number of professional illnesses effectively recognised by INAIL for the same period.

Work-related injury with serious consequences means a workplace accident that results in death or an injury from which the worker cannot recover, does not recover, or is not realistically expected to recover fully by returning to pre-accident health within 6 months.

Source: SEA

With a view to continuous improvement, alongside the Frequency Index (FI) defined by UNI 7249, SEA has introduced a new company FI performance indicator to act more incisively on the injury phenomenon. The new indicator takes into consideration injuries that can be addressed through the identification and adoption of specific preventative measures.

Engagement policies

WELFARE

In line with SEA's desire to place a key focus on its employees, the welfare initiatives adopted in 2022 were still partially affected by the pandemic, which limited the in-person presence of employees in the company. However, the process of digitalising welfare initiatives, which started in 2021 and continued in 2022, has greatly facilitated the provision of services. The table summarises the access to services by employees (full-time and part-time) over the last three years. Temporary workers do not benefit from these services (with the exception of the flu vaccine).

"SEA per te": access to services

Initiative	No. Beneficiaries		
	2022	2021	2020
Health Fund (general)	1,455	1,513	1,553
Study grants	944	179	761
Flexible hours	810	805	867
Anti-flu injections	385	492	584
Health Fund (check-up)	353	327	166
Summer camps	348	256	115
Commuter transport	182	159	163
Leave for medical visits	133	69	117
Welfare services	81	48	55
Donations for the children of deceased colleagues	10	6	-
Accident insurance	4	2	9
Part-time parenting (annual average data)	3	3	4

Source: SEA

The Future Lab initiative, which focuses on enhancing the education and employability of children, adopted an innovative approach to awarding merit-based scholarships. This method enabled applicants to submit their applications online, attaching their academic qualifications, and receive real-time updates on the status of their application. A new rule has been adopted that entails increasing financial aid in alignment with academic progression, paying particular attention to students with a DSA (learning disorder) certification or those requiring additional educational support. The annual contribution of Euro 6,000 towards the education expenses of children whose parents have passed away, spanning from primary school to university, has continued in recent years.

Digitalisation was also extended to the Commuting area, and specifically the ATM and TRENORD season ticket application process. The service is dedicated to employees who choose to travel to work by public transport. The initiative was revised and the offer extended. The company also upped its annual contribution to 50%.

In the Assistance and Care area, the "Listening and Help" desks at Linate and Malpensa have been supplemented by "Social Services at Work". These services are available to employees in need of support or counselling for personal or family issues. After a period of remote management, the service has resumed in-person sessions. In the area of health and prevention, the Company's yearly flu jab campaign continued.

During the summer break, the Company continued to partner with the NoiSea Association to contribute to the costs of summer centres and camps for the children of employees. The initiative, originally dedicated to children between six and 14 years old, has been extended to children aged three to five.

An online survey was sent out in June to improve the range of services, initiatives, and benefits offered by the SEA welfare system. The survey also sought to identify new projects that can effectively cater to the genuine requirements of SEA employees and their families. The online survey was accessible via mobile phone and computer. The anonymous questionnaire allowed people to provide their personal input to improve existing initiatives and share suggestions and new proposals through open and closed questions. 1,250 responses were received, representing a 50% response rate. The results of the survey made it possible to identify new lines of action in response to employee expectations and needs:

- free water dispensers have been progressively installed in operating areas and offices at Linate and Malpensa since the second half of August;

- lockers have been installed at Linate Airport, allowing employees to collect parcels (Amazon) and groceries (Esselunga) as part of a trial.

To help employees manage the general rise in energy and consumer goods prices, a petrol voucher worth Euro 200 was issued in July and a grocery voucher worth Euro 100 in November.

Supplementary Pension Fund

The Pension Fund of Società Esercizi Aeroportuali - FONSEA, an individual complementary Pension Fund for employees of the participating companies provides a complementary pension to the obligatory pension, in accordance with Legislative Decree No. 252 of 5/12/2005.

Pension Fund figures

Pension Fund	2022*	2021	2020
Number of subscribers	4,959	5,011	5,104
Net pension assets (Euro millions)	278	266	254
Net fund yield	2.30%	2.11%	2.49%

[*] *2022 data related to the number of subscribers are provisional pending the approval of the FONSEA financial statements.*
Source: SEA

The Pension Fund is set up as a non-recognised association with legal personality and operates on the basis of defined contributions (the size of the pension is based on the contribution made and the relative yields). Subscription is free and voluntary. Participation in the supplementary pensions covered by Legislative Decree No. 252 of 5/12/2005 allows subscribers to benefit from a special tax treatment for contributions paid, yields received and benefits gained.

Contributions (workers employed after 28/04/1993 and registered from 01/01/2013)

Post-employment benefit	Contribution	
	Newly-recruited worker	Company
100% of Post-employment benefit matured [*]	1% on the table minimum, plus contingency indemnity and plus 12-month periodic increases Any additional voluntary contribution is calculated at the % of the gross assessable tax base	2.5% on the table minimum, plus contingency indemnity and plus 12-month periodic increases

[*] *For newly-recruited staff*

Parental leave

The welfare system guarantees the right of all mothers to benefit from the reduction of working hours to 5 hours per day until the end of the child's fifth year. The take-up of parental leave in 2022 increased slightly for women, and more significantly for men. Data shows how parental leave is also regularly and extensively utilised by fathers who increasingly assist mothers in taking care of children.

Right and usage of voluntary leave (No.)

	2022		2021		2020	
	Female	Male	Female	Male	Female	Male
Right [1]	121	289	144	319	169	343
Use [2]	51	111	58	103	60	118

[1] *Voluntary leave may be requested for each child in the first 12 years of life (until the end of their twelfth year). Employees with children less than or equal to 12 years of age in the year considered have such a right.*

[2] *All those with such rights who have used at least one day of voluntary leave in the year are considered users.*

Source: SEA

WORK-LIFE BALANCE: REMOTE WORKING

SEA continued to offer remote working in 2022, adapting policies in response to the pandemic and progressively requesting that employees return to the office. A permanent policy was established at the end of 2022, allowing for two days of remote work per week for staff members and one day of remote work per week for staff involved in Airport Operations, subject to approval by their respective managers.

CONCILIATION: FAMILY AUDIT

In 2016, the accreditation process aimed at obtaining "Family Audit" certification was carried out and in 2020, following the adoption of all 28 of the measures defined in the plan, the Three-Year Family Audit Executive Certification was obtained and the maintenance phase began.

The Family Audit certification is a management tool adopted on a voluntary basis by organisations, including private companies and public and non-profit bodies. It has the purpose of certifying a continuous commitment to a favourable work-life balance, introducing innovative organisational solutions with regard to work flexibility, remote work, and work-life balance.

In 2022, the three-year maintenance period for the actions outlined in the plan came to a close. However, actions will continue to be adopted and systematically updated. The main changes in 2022 concerned:

- removal of the measure "feasibility study to verify how to broaden the definition of family by including "new families" in the description of company welfare beneficiaries" as it is no longer relevant;
- adoption of the measure "identification of an area for collecting parcels and services" by signing agreements with Esselunga and Amazon to install lockers for the delivery of groceries/purchases near the workplace. A pilot was organised at Linate Airport and will be extended to Malpensa Airport based on the actual results observed;
- introduction of a new Diversity & Inclusion initiative on Diversity Management. Its objective is to raise awareness among individuals about preconceived notions that might influence employee conduct and communication.

Absenteeism

The total absenteeism rate for SEA Group employees in 2022 increased markedly compared to 2021 (+2.3%) as a consequence of the progressive easing of the pandemic. Although this phenomenon impacts both genders and airports, it is marginally more prominent among women (2.5% increase in absolute terms), particularly at Malpensa Airport, which recorded a rise from 4.4% in 2021 to 7.1% in 2022. Meanwhile, the increase among men is equally noticeable at both airports (2.2% in absolute terms), rising from 3.2% in 2021 to 5.4% in 2022. The upward trend in the absenteeism rate can largely be attributed to the pandemic, which began in 2020 and is still ongoing.

Work absence rate by gender and location

	2022	2021	2020
Linate	5.2%	2.9%	3.0%
Female	4.7%	2.4%	2.4%
Male	5.4%	3.1%	3.2%
Malpensa	5.8%	3.5%	3.4%
Female	7.1%	4.4%	3.9%
Male	5.4%	3.2%	3.2%

Note: The absenteeism rate is calculated by dividing the number of hours of unplanned absence (due to illness, injuries, strikes, unjustified reasons, or disciplinary action) by the total workable hours (excluding break hours). Only employees on salaried contracts are included.
Source: SEA

SOCIAL AND RELATIONAL CAPITAL

Provision of "enabling" intangible assets in terms of business management and development.

Said capital concerns both the characteristics of the reference context (economic vitality and degree of internationalisation of the area served), and the quality of relationship dynamics between SEA and stakeholders at all levels (corporate reputation, employee engagement, customer satisfaction, commercial policies towards customers and supply chain management).

Quality of community relations

KEY FEATURES OF THE LOMBARD ECONOMY

Lombardy is by far Italy's largest economy, with a GDP of around Euro 400 billion in 2019, or 22.3% of the national total. Over the last twenty years, Lombardy has shown a capacity for growth (+13.3%) that is decidedly higher than the average recorded for Italy (4.0%) and its northern regions as a whole (+7.4%). The region has a top-class manufacturing industry and is one of Europe's main economic drivers. The region's strengths are primarily due to its dynamic production base and the local population's participation in the job market (70.7% activity rate, compared to a national average of 64.5%). In 2021, Lombardy accounted for 18.5% of national employment in services (over 2.8 million employed) and 23% of total industry employment (1.4 million). Lombardy's entrepreneurial landscape is among the most dynamic in Europe and features a considerable propensity for innovation. Employment in the high-tech manufacturing and knowledge-intensive, high-tech services sectors accounts for more than 5% of all employment in the region, compared to a national average of less than 4%. In addition, over 3,200 (26.7%) of Italy's more than 12,000 innovative start-ups are located in Lombardy. Lombardy is home to 15.7% of Italy's active businesses, which accounted for almost 26% of the country's exports (around Euro 114 billion) in 2020. The value of exports in the province of Milan alone is comparable to regions such as Piedmont and Tuscany. Foreign trade is particularly important for the regional production system because it accounts for more than 40% of the turnover of manufacturing companies, compared with less than a third for German counterparts. The degree of internationalisation of the Lombard economy and the location of the main markets of interest for local economic operators are significant indicators for the evolution of originating air transport demand.

The contribution of Lombardy's economy to Italy

Indicator*	Value	% of Italian total
Active companies	945,555	15.7%
Exports	Euro 135.8 billion	26.3%
Value added	Euro 356.5 billion	22.1%
Household expenditure	Euro 210.6 billion	19.4%
Bank deposits	Euro 453.2 billion	33.2%
R&D sector employees	74,245	21%
R&D sector expenditure	Euro 5.3 billion	20.2%
Patents	1,382	33%
Inventions	3,253	32.1%
Brands	16,418	27.9%

Source: Unioncamere Lombardia; ICE 2021-2022 Report.

*Data refers to 2019 excluding: no. of active companies (2022); exports (2021)

Lombardy's economy in 2022 [8]

In 2022, Lombardy's GDP grew by 4.3%. The region's rapid progress allowed it to regain the ground it had lost during the pandemic and achieve a growth rate of 3.8% on 2019. This performance was significantly higher than Italy's (0.7%) and surpassed the benchmark European regions (0.5% for Bavaria, -0.3% for Baden-Württemberg, and -2.3% for Cataluña). Lombardy's expansion was driven by construction (10.4% annual growth in added value) and services (+4.9%), with industry also making a positive contribution (+1.2%). Forecasts for 2023, while reflecting the global economic slowdown, are improving: +0.6% Lombard GDP and +0.4% Italian GDP. In Q3 2022, the number of people employed in Lombardy continued to increase (+52 thousand on 2021), confirming the growth trend for the sixth consecutive quarter. The increase in employed persons was accompanied by a further decline in unemployed (-33 thousand) and inactive (-25 thousand) persons. As a result, the unemployment rate dropped to 4.8% (from 5.5% in 2021), in line with Europe's benchmark regions. Employment in Lombardy is expected to fully recover to pre-pandemic levels in 2023. A total of 83 million lay-off hours were authorised in Lombardy in 2022, which is twice as much as in 2019, but only a fifth of 2021.

In Q3 2022, Lombardy's manufacturing output increased by 4.8% year-on-year, a significant slowdown compared to previous quarters. Lombardy's production levels are still up 11.3% compared to the pre-COVID-19 period, while Italy's sits at +2.4%. However, there is a significant gap of -3.7 and -2.7 percentage points compared to the production levels of Germany and France, respectively. In the first nine months of 2022, Lombardy's exports amounted to Euro 120 billion (+20.5% on 2021). This result is substantially in line with Italy (+21.2%), but higher than the main European benchmark regions (+12.5% Bavaria, +15% Auvergne Rhône-Alpes, and +17.3% Cataluña). Lombardy has recorded export growth across various markets, with exports to the EU increasing by 21.3% in January-September 2022, while non-EU exports rose by 19.6% (notably, +37.5% to the United States).

The opinion of Lombardy's economic operators on the quality of transport infrastructure

In 2022, Unioncamere Lombardia conducted a study encompassing over 6,000 businesses operating in Lombardy's manufacturing (including industry and artisan), commerce, and services sectors. The study sought to evaluate the quality and accessibility of the region's transportation infrastructure. 1,571 industrial, 1,300 artisan, 1,282 commerce, and 2,011 service companies took part in the survey.

Assessment of the regional accessibility of Lombardy's airport infrastructure (%)

	Industrial	Artisan	Commercial	Service
Excellent	21.8	18.2	17.6	24.4
Good	47.2	45.1	43.8	45.6
Sufficient	23.8	26.3	28.8	22.4
Insufficient	4.9	6.3	5.9	4.6
Poor	2.3	4.1	3.9	3

Source: Unioncamere Lombardia "Infrastructure Focus - Regional Data - 2022"

Companies operating in Lombardy expressed high levels of satisfaction regarding the accessibility of the region's airport infrastructure, with manufacturing companies (69% positive ratings) and service sector companies (70%) registering the highest levels of approval.

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[8] *Assolombarda, Economy Booklet - February 2023*

Assessment of the quality of Lombardy's airport infrastructure (%)

	Industrial	Artisan	Commercial	Service
Excellent	13.3	11.4	14.9	14.8
Good	49.5	48	44.1	49.5
Sufficient	29.5	30.9	34.5	27.7
Insufficient	6.2	6.6	3.8	5.2
Poor	1.6	3.1	2.8	2.8

Source: Unioncamere Lombardia "Infrastructure Focus - Regional Data - 2022"

In terms of overall quality, Lombardy's airports garnered positive feedback from 64% of service companies, 63% of industrial companies, and 59% of commercial and artisan companies. Airports are rated significantly higher by all categories of companies than other transport infrastructures in the region (roads and railways). The majority of these assessments relate to Linate and Malpensa airports, which account for 72% of the passenger traffic and 92% of the cargo traffic generated by regional airports.

Assessment of the quality of Lombardy's transport infrastructure (%)

	Industrial			Artisan			Commercial			Service		
	Roads	Railways	Airports	Roads	Railways	Airports	Roads	Railways	Airports	Roads	Railways	Airports
Excellent+ Good	57.8	29	62.8	49.1	27.6	59.4	51.2	35.8	59	56.1	40.3	64.3
Sufficient	30.7	39	29.5	34.8	43.7	30.9	35.2	40.8	34.5	30.6	36.4	27.7
Insufficient+ Poor	11.5	32	7.7	16.1	28.7	9.7	13.6	23.4	6.5	13.3	23.3	8

Source: Unioncamere Lombardia "Infrastructure Focus - Regional Data - 2022"

Stakeholder Evaluation

The stakeholder relations policies consolidated by SEA over time involve the routine execution of organised initiatives for the understanding and involvement of relevant stakeholders, through which opinions, attitudes and evaluations are gathered in relation to SEA's reputational profile, the satisfaction with services provided, the quality of relations with the public and the impact SEA generates on the context of reference.

Composition of the stakeholder sample interviewed

Stakeholders	number of interviews	% of total	
Suppliers	7	8.4	
Aviation Customers (Airlines, Handlers)	16	19.3	
Non-Aviation Customers	14	16.9	Stakeholders business 53 interviews (63.8%)
Control Authorities	6	7.2	
Banking/financial world	8	9.6	
Shareholders	2	2.4	
Society/Local Area (Environment, Institutions, Manufacturing World, Media, Social World)	30	36.2	Social Stakeholders 30 interviews (36.2%)
Total interviewed	**83**	**100%**	

Source: BVA Doxa, 2023 Stakeholder Survey

The survey to evaluate the profile, reputation and quality of relations with the principal sections of the public was carried out using the CAWI system devised by BVA Doxa between December 2022 and January 2023, which is a leading opinion pollster. Overall, 83 stakeholder interviews were carried out within the following categories: Aviation and Non-Aviation Customers, Control Authorities, Suppliers, the banking and financial community, society and the local area (comprising institutions, manufacturers, environmentalists, and the media).

STAKEHOLDERS' OPINIONS OF SEA

The overall evaluation of SEA by the stakeholders interviewed (who were asked to express their opinion on a scale of 1-10) was positive and increased compared to previous surveys.

Only 5% of respondents gave a rating between one and five. 24% gave a moderately positive assessment, while the remaining 71% were very positive (eight to ten).

Trends in SEA stakeholder opinions

Stakeholders	2022	2020	2019
Suppliers	8.9	7.6	8.0
Aviation Customers	7.1	7.0	6.5
Non-Aviation Customers	8.0	8.3	8.4
Control Authorities	7.7	7.9	7.7
Banking/financial world	8.5	7.9	8.4
Society/Local Area	8.1	7.4	7.3
Shareholders	8.5	8.5	-
General media	7.9	7.6	7.5

Source: BVA Doxa, 2023 Stakeholder Survey; MPS, 2019, 2020 Stakeholder Survey

Evaluation of SEA's distinguishing features

Feature	Scores 4-5	Score 3	Scores 1-2	Average Score
Operates airports that are critical **for the growth of the local area**	93%	5%	2%	**4.55**
Is a **leader in the sector**	85%	11%	4%	**4.41**
Has **competent and helpful staff**	84%	11%	5%	**4.19**
Treats all parties **with respect**	82%	13%	5%	**4.18**
Knows **how to react to difficult situations**	78%	21%	1%	**4.18**
Is always looking for new growth opportunities	78%	17%	5%	**4.08**
Always **communicates openly and transparently**	69%	23%	8%	**3.86**
Has a **clear vision of its future**	69%	25%	6%	**3.93**
Speaks and **engages with the local community**	62%	30%	8%	**3.80**
Is **ecologically responsible**	61%	29%	10%	**3.73**
Is **attentive to people's social needs**	60%	33%	7%	**3.82**

■ Scores 4-5   ■ Score 3   ■ Scores 1-2   □ Average Score

Source: BVA Doxa, 2023 Stakeholder Survey

Stakeholders identify several key features that distinguish SEA, including its contribution to the growth of the region through airport operations, airport industry leadership, the expertise and helpfulness of company staff, and the ethical conduct demonstrated in dealings with stakeholders. Nevertheless, all of the proposed items elicited unanimous agreement regarding their significance to SEA's identity.

Assessment of SEA's perceived environmental commitment

	Scores 4-5	Score 3	Scores 1-2	Average Score
Promotes action and initiatives **for sustainable mobility** to/from its airports	65%	27%	8%	**3.86**
Is committed to **containing the noise impact** of its airports	64%	26%	10%	**3.86**
Makes a concrete and visible **commitment to separate waste collection**	60%	29%	11%	**3.76**
Has achieved significant results in **reducing CO$_2$ emissions** in recent years	54%	39%	7%	**3.72**
Has introduced substantial **energy efficiency measures** in recent years	54%	42%	4%	**3.80**

■ Scores 4-5   ■ Score 3   ■ Scores 1-2   □ Average Score

Source: BVA Doxa, 2023 Stakeholder Survey

Stakeholders are most familiar with SEA's environmental sustainability efforts through actions related to promoting sustainable mobility to/from airports (e.g. installation of electric car charging stations, facilitating public transport access), followed by initiatives that seek to reduce noise pollution for residents near airport grounds, and measures that promote waste separation at terminals.

Assessment of SEA's perceived social commitment

	Scores 4-5	Score 3	Scores 1-2	Average Score
Is a leader regarding the **accessibility** of its airports and services for **people with disabilities**	60%	30%	10%	**3.71**
Makes a concrete and visible **commitment to gender equality**	42%	51%	7%	**3.52**
Is committed to sharing its **social and environmental approach** with its suppliers	40%	53%	7%	**3.42**
Has obtained important certifications on key aspects of **ethical social management** (e.g. preventing corruption)	36%	58%	6%	**3.41**
Is **active in the social field**, supporting social initiatives in the local areas	34%	58%	8%	**3.39**

■ Scores 4-5   ■ Score 3   ■ Scores 1-2   □ Average Score

Source: BVA Doxa, 2023 Stakeholder Survey

On the other hand, SEA's stakeholders are most familiar with the Company's social sustainability initiatives related to enhancing the accessibility of its infrastructure and services for individuals with disabilities, in addition to its efforts to promote gender equality.

Aviation customer relations

Post-pandemic commercial policy towards aviation customers

SEA has formulated a particularly incisive commercial policy, following the outbreak of the pandemic, designed to facilitate the resumption of operations at Malpensa airport and a swift recovery of passenger demand and connectivity. This policy places particular emphasis on the sustainability of the strategies to be pursued, promoting the use of passenger transport compatible with observance of a maximum environmental impact threshold, measured on the same capacity offered. The policy will reward carriers interested in significantly expanding the number of flights they offer at Malpensa airport. With regard to short- and medium-haul traffic (where share is highest), the essential requirement for access to SEA's incentive mechanisms is the use of a low-noise impact fleet, which stands at weighted average noise levels for the airport of 1.6 decibels per space offered on an annual basis.

The policy's main objectives are as follows:

Long-haul

- Recovery of operating capacity to 2019 levels within two years and increase in frequencies on routes operated in 2019 (USA and India).

- Development of new direct connections.

- Extension of the period of operation of seasonal routes (beyond one complete IATA season).

- Structural development of short- and medium-haul connections that support traffic flows in systematic connection to long-haul flights, within the framework of partnerships and network agreements concerning Malpensa.

Short- and medium-haul

- Positioning of a fleet of at least three additional narrow-body aircraft based at Malpensa with primary use of the airport.

- Long-term development plans at the airport for at least one million seats offered (two-way/year), with year-on-year planned growth rates.

With the goal of fostering the development of direct long-haul connections and disincentivising the development indirect traffic to long-haul destinations, the incentive plans exclude (in terms of capacity offered and passengers carried) all short- and medium-haul services offered using scheduled flights to hubs with volumes of over 20 million passengers a year (measured at December 31, 2019) and/or routes that fall within the scope of joint ventures pertaining to other long-haul sectors. This limitation excludes carriers that fall within the scope of short- and medium-haul incentive plans as they market and carry only point-to-point traffic on the route.

All-cargo services

- Creation of new operating bases in Malpensa (at least 1,000 flights a year with all-cargo aircraft based at the airport) or development of activity at existing bases.

- For non-based carriers, increase in the frequency of flights operated from the airport, with long-haul flights to strategic markets.

- New carriers operating long-haul flights to strategic markets.

PRINCIPAL PASSENGER AIRLINES OPERATING AT MALPENSA

As of December 31, 2022, 113 airlines were present at Malpensa Airport (7% vs. 2021).

The presence of all major international airlines alliances continued:

- As of December 31, 2022, Star Alliance represented 13% of passenger traffic (11% in 2021);
- At the end of 2022, Sky Team and One World accounted for 6% and 6% respectively (7% and 4% in 2021) of Malpensa's passenger traffic.

Malpensa - Top 10 passenger airlines (% traffic)

Carrier	2022	2021	2020
easyJet	28.7	29.2	29.4
Ryanair	18.9	20.9	13.2
Wizz Air	10.7	13.6	5.6
Lufthansa	3.6	2.7	4.1
Neos	3.6	2.6	3.3
Vueling Airlines	3.4	2.6	2.7
Emirates	3.3	2.6	2.8
Turkish Ailines	2.0	2.2	1.7
Qatar Airways	1.4	1.2	1.8
Air Europa Lineas Aereas	1.3	1.6	1.2
Other airlines [*]	23.1	20.9	34.2

[*] *The traffic share of "Other carriers" for the years 2020 and 2021 changed due to a variation in the top 10 carriers.*
Source: SEA

As of December 31, 2022, Malpensa Airport connected to 179 domestic and international destinations, 31% more than in 2021 (137). The list of the ten leading airlines in terms of the overall number of passengers highlights the leading position of easyJet, which represents 28.7% of Malpensa passenger traffic. The English company confirmed the role of Milan as an important European base.

PRINCIPAL PASSENGER AIRLINES OPERATING AT LINATE

As of December 31, 2022, Linate airport hosted 18 airlines (20 in 2021) and connected with 43 airports (37 in 2021), both domestic and inter-EU. Linate operations were significantly impacted by the Alitalia Group, which in 2022 represented 52.4% of traffic. The table highlights the ten leading airlines operating from Linate in 2022 as a percentage of overall passenger numbers.

Linate - Top 10 passenger airlines (% traffic)

Carrier	2022	2021	2020
Alitalia Group/ITA [*]	52.4	58.6	73.0
easyJet	10.8	7.4	5.5
Wizz Air	5.7	4.8	-
Volotea Airlines	5.6	4.1	-
Lufthansa	5.3	4.3	4.7
British Airways	4.4	2.9	5.8
Iberia	4.2	4.9	3.8
Air France	3.7	3.5	1.8
KLM	2.4	3.2	0.7
Brussels Airlines	2.0	1.0	1.4
Other airlines [**]	3.5	5.2	3.3

[**] *The traffic share of "Other carriers" for the years 2020 and 2021 changed due to a variation in the top 10 carriers.*
[*] *Alitalia suspended operations on October 14 and was replaced by ITA, which entered into operation on October 15, 2021.*
Source: SEA

PRINCIPAL CARGO AIRLINES

40 all-cargo airlines were operating out of Malpensa airport at December 31, 2022. Overall, all-cargo flights (freighters and couriers) reported a 7% decrease in volumes due to the geopolitical situation and the resulting economic crisis.

Malpensa - Volumes moved by the main cargo airlines (tons)

Carrier	2022	2021	2020
European Air Transport	189,179	145,850	62,031
Cargolux Group	82,004	92,188	78,648
Qatar Airways	51,933	61,783	47,913
ASL	41,499	37,546	37,722
Air China	40,329	38,539	16,478
Federal Express Corporation	36,424	44,818	38,437
Turkish Airlines	25,387	25,859	21,488
Silk Way Group	20,282	23,708	20,938
Korean Air	17,767	19,904	17,858
Nippon Cargo Airlines	12,793	16,718	12,734
China Eastern Airlines	12,418	11,889	-
Asiana Airlines	12,049	12,480	16,418
Alis Cargo	7,260	16,487	2,928
Cathay Pacific Airways	6,299	7,803	10,888
Neos	4,255	16,746	5,918
Ethiad Airways	4,228	13,105	9,207
AirBridge Cargo Airlines	2,969	17,546	20,636
Other airlines (**)	44,160	54,171	32,168
Total "all cargo" activities (*)	**611,235**	**657,137**	**452,410**
Total Malpensa cargo activities	**715,194**	**741,550**	**511,292**

(*) The figure concerns volumes moved within "all cargo" activities only
(**) The traffic share of "Other carriers" for the years 2020 and 2021 changed due to a variation in the top 10 carriers.
Source: SEA

Malpensa - % of cargo moved by the leading 10 cargo airlines

Carrier	2022	2021	2020
European Air Transport	28.9	21.5	12.5
Cargolux Group	11.5	12.4	15.4
Qatar Airways	9.0	10.1	11.9
Air China International	5.9	5.3	3.5
Asl Airlines Ireland	5.8	5.1	7.4
Federal Express	5.1	6.5	7.5
Turkish Airlines	4.4	3.9	4.5
Silk Way West Airlines	2.8	3.2	4.1
Korean Air Ltd	2.6	2.7	3.6
Emirates	2.0	2.3	2.7
Other airlines (*)	21.9	27.0	27.0

(*) The traffic share of "Other carriers" for the years 2020 and 2021 changed due to a variation in the top 10 carriers.
Source: SEA

The Malpensa cargo business is distributed among a large number of carriers; in 2022, 79% of the total cargo transported was shared by over 17 airlines. The highest growth was recorded by the carrier European Air Transport (29.7% increase over 2021), followed by ASL with a smaller increase of 10.5%, and Air China with 4.6%.

Relations with Non-Aviation customers

Retail plays a fundamental role in SEA's commercial strategy for the enhancement of end-consumer experiences. Within the Non-Aviation Department, the "Retail Operations Management" team provides ongoing support to commercial concessionaires regarding airport infrastructures, maintenance, the management of individual and common assets (e.g. site preparation activities, servicing, maintenance needs, access cards), and the monitoring and enhancement of performance indicators for the achievement of common goals. This is developed through frequent contacts and a series of activities, including half-year brand meetings, weekly point-of-sale visits and day-to-day and headquarters-led trend analyses, as part of a structured business review system focused on main indicators, such as performance, customer flows and so on.

Passenger profile

Passenger profiling is carried out at SEA airports via monthly surveys, based on specific sampling quotas for the three terminals (Linate, Malpensa T1, Malpensa T2). The total number of passengers interviewed in 2022 was 4,819. Those interviewed were selected according to a systematic procedure (one out of every 10) at the security control lanes, therefore in departures.

This procedure allows random selection and consequently is representative of the sample interviewed for each of the three terminals. The control of the samples (in the waiting of data) verifies destinations and the portions of passengers in transit, terminal by terminal and by quarter.

Passengers

MAIN CHARACTERISTICS OF SEA AIRPORT PASSENGERS IN 2022

Total number of passengers interviewed
4,819

	System
Male	56.4%
Average age	39 years
University culture	50%
Resident in Italy	73%
Average stay in the airport	133 minutes
Principal reason for travel	Holiday/tourism 47%

Source: CFI Group

CUSTOMER RELATIONSHIP MANAGEMENT AND COMPLAINTS MANAGEMENT

Since 2010, SEA has used an innovative CRM platform developed to manage relations with our customers, who, as passengers, have different demands and expectations from other service users.

As of 2022, the SEA CRM platform had 5,665,669 members (new member trend up slightly compared to 2021). Of these, 115,787 members gave their consent to receive marketing communications.

Numerous channels are available for the reporting of complaints:

- website (www.seamilano.eu - "contacts" section);
- fax;
- form delivered to the Info desk;
- letter.

SEA treats all complaints and issues reported on services offered with maximum attention and discretion and commits to responding in the shortest time possible, and in any case within 28 days of receipt of the communication. In addition to quality surveys, as Airport Manager, it analyses all complaints, in order to address all critical elements reported in the airport system.

In 2022, there was a notable increase in the number of complaints received (1,592) compared to 2021, which can be attributed to the rise in air traffic and the ongoing trend of passengers submitting reports to the airport, which was established during the pandemic. A significant number of complaints were associated with delays in baggage reclaim and lost luggage, which can be attributed to the understaffing of the aviation sector in Europe during the two years of the pandemic. These issues have impeded the airports' return to normal operating capacity, particularly with regards to the above aspects. On the other hand, the simplification of health documentation for travelling purposes has led to a decrease in complaints in the check-in, boarding, and other areas in 2022.

Complaints classification by issue in 2022 (%)

Type	%
Baggage and lost & found	26
Security controls	19
Check-in, boarding	13
Flight operations	4
Parking	12
Comfort	6
Information	3
Retail	3
Other	14

Source: SEA

Supply chain management

PROCUREMENT POLICY

SEA considers its suppliers an integral part of the sustainability process. Therefore, in choosing partners, aspects relating to sustainability parameters are also assessed through the Register qualification process, in addition to considering the ability of the companies to offer products or services that are qualitatively and financially valid, their economic and financial solidity and compliance with regulatory obligations in the execution of their activities (among others the correct payment of contributions to employees - DURC).

In 2022, major new initiatives were adopted to strengthen the SEA Group's procurement approach and achieve its sustainability goals, in line with its overall sustainability strategy. The Board of Directors also approved a new "Sustainable Procurement Policy", which enshrines principles for purchasing decisions and processes that promote sustainable approaches. The principles of this new policy have been set out in the "Supplier Code of Conduct", a document that all suppliers who participate in public tenders are required to sign when establishing new contracts.

Thanks to a dedicated platform, the Supplier Register ensures a prompt updating of supplier information and a fully dematerialised and computerised qualification process, which is valid for three years. The evaluation system for suppliers seeking to join the Register was revised in order to enable the SEA Group to make use of a supply chain that also supports sustainable development, in accordance with the provisions of the Code of Conduct. The new areas of evaluation are:

Approach to environmental topics

SEA assesses the Environmental Management System certifications of potential suppliers (such as ISO 14001, EMAS registration, or ISO 50001), along with their usage of recycled or recyclable materials, low-emission production, and energy-efficient practices. Additionally, SEA evaluates supplier selection processes based on their environmental characteristics.

Approach to social topics

Alongside the availability of occupational health and safety management system certification (ISO 45001), the level of attention and the management of safety profiles through the occupational health and safety management system is analysed, as is the presence or otherwise within the company of a Prevention and Protection Service, the presence of a safety officer, who analyses the individual contracts/orders, whether at least once over the last three years the INAIL rate has reduced, in addition to the number of injuries reported over the last three years. Evaluations of suppliers applying for registration also involve scrutinising their policies on the protection of human and labour rights, such as possession of SA8000 certification, inclusion of human rights in the company's Code of Ethics, or adherence to global human rights conventions.

Approach to governance topics

SEA verifies its suppliers' adoption of corporate governance tools such as an organisational model pursuant to Legislative Decree No. 231/2001, an internal Code of Conduct/Code of Ethics, the presence of a sustainability report, and whether the latter has been certified. SEA also verifies the presence of anti-corruption (ISO 37001), information security (ISO 27001), and quality (ISO 9001) certifications.

All of these innovative practices are based on the belief that suppliers are business partners with whom SEA must collaborate to achieve its sustainability goals. These new sustainability innovations were presented at a workshop open to all suppliers in July 2022. The SEA Supply Chain Department's partnership with Open-es was also presented at the workshop. Open-es is a sustainable development platform that offers supply chains tools and helps them define increasingly robust sustainability policies.

At the end of the year, SEA started the process of directly verifying suppliers' compliance with the sustainability goals set out in its Supplier Code of Conduct, with the intention of jointly identifying room for improvement in the various assessment areas.

Order value by type (millions of Euro)

	Supplier	Labour	Services
2022	44.7	43.5	168.3
2021	35.8	25.5	82.2
2020	106.6	21.8	127.t3

Note: The figures refer to that ordered in the period (orders concerning more than one year are not broken down by individual year).
Source: SEA
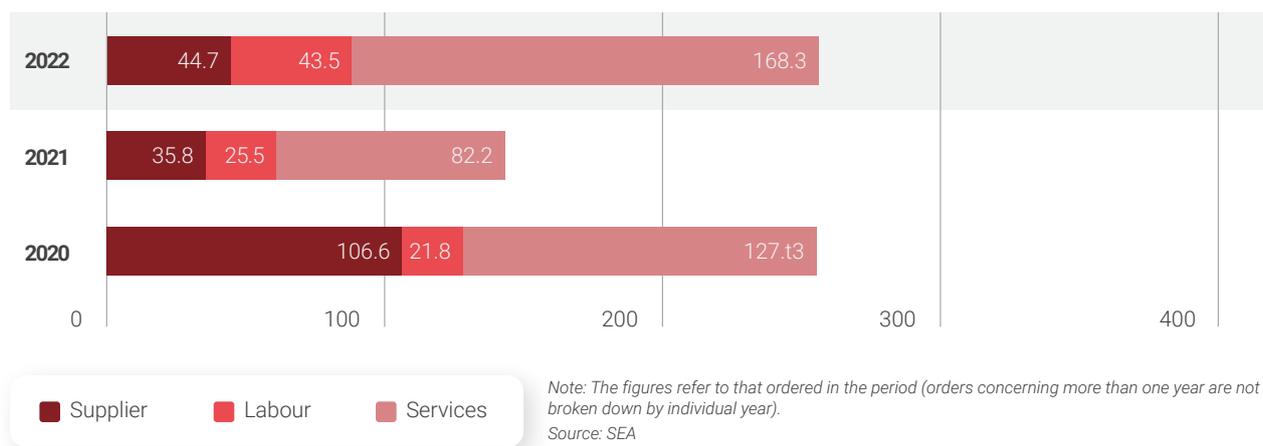
Overall order volumes are increasing as a result of the resumption of air traffic and subsequent activities following the COVID-19 pandemic.

CLASSIFICATION OF SUPPLIERS BASED ON CSR CRITERIA

In order to guarantee the effectiveness and efficiency of the process, but also to ensure transparency and equal treatment, procurement activities are substantially digitalised and dematerialised. A large part of the tender process is managed through the Group's electronic trading platform, while the process of qualifying and registering suppliers is completely dematerialised through its qualification portal. Through this portal, supplier candidates can manage all qualification stages online, from presentation to SEA's assessment and final registration in the qualified suppliers list. The portal also gathers all candidate information necessary for the subsequent execution of contracts. Supplier assessment, ahead of registration, is based on specific financial-technical and sustainability elements by category. In addition to these elements, a final assessment - based on a sample - is conducted on the activities carried out if the supplier is awarded the contract. The supplier portal is used for all Group tenders, with the exception of tenders above European thresholds, whose process is strictly regulated by EU regulations.

As of December 31, 2022, there are 832 suppliers in the SEA register. A supplier retraining campaign, based on the new SEA Supplier Code of Conduct, began in May 2022. By the end of the year, 230 (28%) suppliers had updated their profiles and accepted the new code. This group of suppliers demonstrated better sustainability profiles than the average for qualified suppliers.

The sustainability profiles of registered suppliers as of December 31, 2022

Profile	Category		Qualified per the new Code of Conduct	
Adoption of Code of Ethics	346	42%	117	51%
Endorsement of international conventions	26	3%	7	3%
Benefit of INAIL tax reduction in the last three years	160	19%	46	20%
Sustainability Report	79	9%	27	12%
Sustainability Report Certification	25	3%	9	4%
EMAS Certification	21	3%	6	3%
ISO 9001 certification	583	70%	166	62%
ISO 14001 certification	298	36%	86	37%
ISO 50001 certification	38	5%	15	7%
Organisation Model pursuant to Legislative Decree No. 231/2001	229	28%	86	37%
Appointment of Safety Officer for each contract/order	300	36%	82	36%
References to Human Rights in the Code of Ethics	239	29%	81	35%
Occupational Health and Safety Management System	373	45%	101	44%
SA 8000 certification	28	3%	28	12%
ISO 45001 certification	69	8%	69	30%
ISO 27001 certification	29	3%	29	13%
ISO 37001 certification	15	2%	15	7%

Source: SEA

SELECTION OF SUPPLIERS

The method for the selection of suppliers awarded contracts is based on the following major categories:

- tender contracts for activities of values higher than EU thresholds, which are awarded through a European public call for tenders, with tender publication or public notice of the qualification system;

- activity contracts with values below EU thresholds or contracts of any values, which are governed by SEA's internal "Procurement Procedure".

Total number of tenders awarded
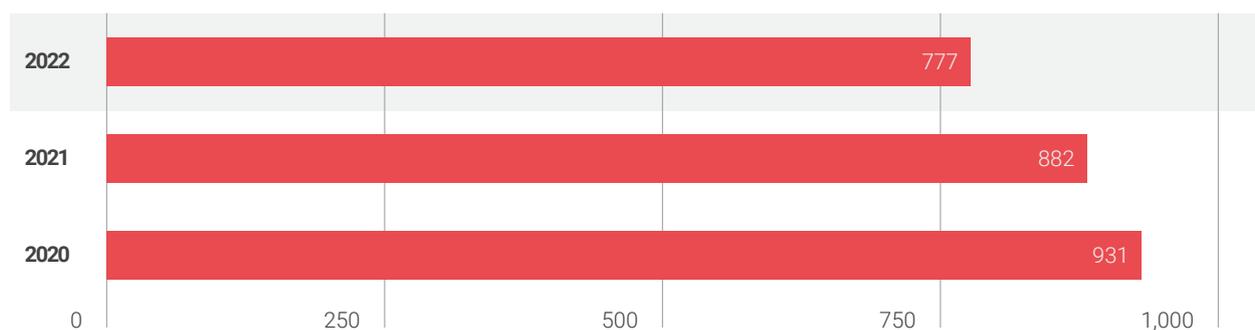
Note: Tender winning companies are suppliers which achieved at least one of the requirements in the period (also on pre-existing orders). The data includes incentives granted to carriers.

Source: SEA

Regarding public tenders, candidate selection is made using several subjective qualification criteria, as well as economic, financial, technical and professional criteria, in compliance with the constraints set forth by Italian Legislative Decree No. 50/16, applicable to SEA in reference to special sectors, and in full compliance with the principles of the EU Treaty. In relation to the "core best offer" contracts, the internal procedure provides for the application of at least five Suppliers, among those included in the Suppliers' Register in compliance with the principle of rotation and considering their characteristics in line with specific contract to be awarded. Regarding non-core activity contracts, the procurement procedure provides for the invitation of at least three, five or seven suppliers, from those registered in the qualified supplier list, depending on contract value (Euro <100,000, >100,000, >1,000,000), in compliance with the rotation principle and taking into account the ability of suppliers in meeting the specific contract requirements. Suppliers awarded with contracts, in addition to meeting various contractual qualitative and performance constraints, must satisfy SEA's 'Environmental and Energy Management System' procedure. In terms of the protection of employees in executing their contracts, the workplace safety laws are strictly enforced, with obligatory reporting of serious infractions and the application of sector labour contracts, including any supplementary contracts in force at the time or in the relevant locality where work is carried out. Compliance with regulatory contributions, ascertained during qualification, contract award and contract stipulation, are verified again during contract execution (via the so-called "Consolidated Document of Contributory Regularity" - DURC).

In 2022, the use of market-linked variable ESG parameters continued for all types of tenders. Specifically:

- environmental protection and reduction of the carbon footprint;
- energy optimisation;
- use of products with a reduced environmental impact and high recycling rates;
- adherence to ethical principles on workforce management;
- recycling and reuse of materials;
- logistics with reduced CO_2 output;
- use of packaging made from recycled materials.

In addition, the SEA Group will require all participants to sign an Integrity Pact for some key tenders above certain thresholds to further encourage the adherence of suppliers to the principles of fair competition and proper tender management which inspire the SEA Group.

INTELLECTUAL CAPITAL

An intangible resource through which the company creates skills and innovative solutions that are beneficial to the development of its business. It embraces the technological capability inherent in organizational and operational processes, and the ways in which internal and external skills are applied to generate innovation.

Excellence in processes

Cultivating excellence means questioning quality and performance on an everyday basis, and adopting a conscious attitude to one's duties which is geared towards the achievement of both individual and shared objectives. SEA aims to ensure excellence in its processes through:

- the creation of both financial and public utility value, through management and development of efficient, functional, accessible and inclusive airport infrastructures;

- choices based on a careful assessment of environmental impacts and a commitment through research programmes and international partnerships to identifying and designing innovative solutions to reduce the consumption of natural resources and limit emissions;

- focus on innovation as an elective response to the increasing complexity which characterises the management of the business, and which increases Company risks;

- the search for efficiency, meaning the best use of Company resources and identifying the best conditions to use them.

Innovative projects

Over recent years, SEA has launched a series of projects focused on digital technology as a way to increase the effectiveness and efficiency of operating processes and the quality of services provided to customers and passengers. The principal projects introduced include:

Smart Security

SEA has installed the latest EDS-CB machines (Explosive Detection System for Cabin Baggage), which use CT technology to detect explosives in hand luggage, eliminating the need for passengers to remove liquids and electronic devices from their bags. Security checkpoints were also equipped with SAMD (Shoes Analyser Metal Detector) technology, which allows passengers not to remove their shoes. All of the above significantly reduces waiting times and ensures an excellent passenger service by making security checks safer and faster.

Smart toilet

Automated No Need to Knock system to manage the flow of passenger access to toilets. It consists of sensors that detect the number of visitors, occupancy, and availability in real time using monitors placed at the entrance to each group of bathrooms. The system also makes it possible to optimise management of toilet cleaning and maintenance.

E-Gates

Automated checkpoints for reading biometric data extracted from e-passports in order to identify European citizens and risk factors. E-gates query the databases of the various authorities in real time. This system optimises border controls in the departure and arrival areas compared to manual police checks. To complete document and identity checks, passengers are allowed to cross the border only when the face match score between the photograph stored in their passport chips and the live images taken at the gate are above a certain minimum threshold.

Face Boarding

A project that allows Linate passengers to carry out security and boarding checks via an innovative facial recognition system to eliminate queues and speed up boarding times and procedures. This means that passengers are freed from having to show their passports and boarding passes at the various check points inside the airport, and can, therefore, make their way more quickly and efficiently simply by showing their faces. The new biometric scanners operate in full compliance with privacy regulations, with the acquired data stored for one year and not used for commercial purposes.

IOT Strategy and Indoor Navigation

Digitalisation of the physical space of airport infrastructures through the introduction of new IoT technologies capable of enhancing interactions with airport passengers and operators. A platform was implemented which will centrally manage the sensors installed in the airports (e.g. wi-fi, cameras and beacons) and provide the company with information collected for the development of high added-value vertical applications.

Virtual Desk

This system provides better assistance to passengers by combining the use of telepresence technology with the airport staff who man information desks. The system ensures a more consistent and evenly distributed presence of staff on information desks at Linate and Malpensa airports. Passengers can acquire information and talk to a real member of staff on a video chat from another location.

One-click payments

Introduction of new One-Click payment tools for online purchases and physical purchases at the airport.

Mobility as a Service (MaaS)

A system that defines a new way of understanding mobility and travel personalisation as intermodal, multimodal, integrated, real-time and tailored to the individual user. On entering a destination or point of departure and selecting an airport, the user can see the available routes on a map and filter them according to their needs.

Self-service Bag Drop

Stations that allow passengers to check in their checked baggage in total autonomy, reducing waiting times and promoting social distancing. At Linate, the system also allows passengers to perform all operations using just their smartphone, giving them a completely touchless experience.

App

The Milan Airports app is available for all Apple and Android devices in three languages (Italian, English, and Mandarin Chinese). It boasts several exclusive features, including: real-time flight tracking, a direct link to SEA's ChatBot channel on Facebook Messenger, a dedicated shopping experience and paperless receipts, a complete list of restaurants and shops, and dedicated PRM services.

Wi-Fi

Free one-click access to a Wi-Fi system for passengers, who can browse the Internet at high speeds without time limits. Immediate and multilingual access, without requiring log-in details, allows passengers to communicate quickly and search for information on transport, the city of Milan and much more.

LED Wall

Installation of large LED panels capable of creating an immersive experience and publishing content designed especially for passenger entertainment.

Airport Community App

Mobile application dedicated to staff members of certain SEA departments (in particular Operations and Customer Care), who are connected with the employees of all companies operating at the airports, such as handlers, retailers and carriers, for faster, more effective consultation of the data of the respective systems. The

application offers users real-time updates on airport operations and critical issues, allowing them to make timely decisions and carry out necessary interventions.

Digital Signage

An effective form of proximity communication at points of sale, in public open spaces and inside buildings, and encompasses informative signage, digital and video posters and multimedia films shown via electronic screens, LED walls, video walls or projectors. The SEA network infrastructure allows the distribution of multimedia content via film media files, such as at Malpensa Terminal 1's Porta di Milano, or via television content, such as on all monitors in airport VIP lounges.

Airport Facility Management (2D and 3D platform)

A platform for the management of cabling infrastructure, real estate assets and asset management, featuring 2D and 3D geolocation and access via intranet, web and cloud services from multiple devices, such as PCs, tablets and smartphones. The platform permits a digital representation of airport buildings with themed views of the georeferenced objects and installations. This allows shorter project intervention times and minimises the need for physical inspections.

Airport Facility Management (Emergency and Maintenance Support)

An application for the management of Airport Safety events, such as those triggered by facility monitoring system alarms and reports from Security Control Rooms. The system allows operators to geolocate the event, inform the various reference contacts via direct communication, support those intervening to reach the event site with the use of mobile device maps and information, such as telephone numbers, site technical information and the location of fire prevention equipment.

SLR-SEA Link Retail

A system for communications and reporting of the sales data of traders present at SEA airports. Store data analysis takes place via:

- a public application for the entry and consultation of data relating to sales receipts issued in stores;
- a web app for data consultation and reporting by SEA staff;

- automatic sales data files from large shops via FTP;
- interfacing with the company's Business Intelligence System for traffic data comparisons and sales data analyses.

Asset2work - Maintenance Activities Control

Ticketing system for maintenance activity monitoring. Requests sent from mobile devices to the operator that trace and record the process. It also allows Service Level Agreement monitoring.

BIM - Building Information Modelling

SEA has launched a software and functional development process that aims to adopt a BIM - Building Information Modelling approach for all phases of infrastructure design, and, moving forward, the consequent maintenance activities on the infrastructure.

CHATBOT

SEA's constant commitment to innovating passenger communication tools led to the launch of its own ChatBot. The ChatBot is a virtual assistant operating 24 hours a day, seven days a week on various platforms. ChatBot makes it possible to talk naturally, discover restaurant and shop offers, check out the flight status and receive ongoing updates, query FAQs for information such as to whether it is possible to travel with animals, hand luggage type, transport of liquids or the needs of Passengers with Reduced Mobility and so much more. In 2022, the Milan Airports chatbot continued to be effective, despite the dramatic decline in flights in the first half of the year. Although the popularity rate (4.16/5 based on 28,032 ratings) remains high, the topics of primary interest to travellers have shifted in comparison to 2021. Flight information now tops the list, accounting for 57.5% of the most searched topics, while COVID-19 information has decreased (to 10% annually, with a sharp decline in percentages month by month). The other most searched topics include: Amenities (7%), FAQs (7%), Parking (6.5%), Live Support (4%), To/From (3.5%), Bars and Restaurants (2%), and Shopping (1.5%). The most commonly used language is still Italian (79%), followed by English (17%), and other languages (4%).

Accessing the ChatBot from a browser remains the most popular option (70% of unique users, with mobile accounting for 86%, and desktop for 14%). This was followed by Apple Business Chat (17%), Facebook Messenger (11%), and Google Assistant (2%).

In 2022, the following data was recorded by type of channel:

Facebook	Google vocal assistant	Widget browser	Apple business chat
433,585 messages	29,625 messages	702,037 messages	694,527 messages
23,186 unique users	2,937 unique users	123,228 unique users	28,157 unique users

Excellent results were also recorded for performance of the e-Commerce ChatBot, which went live in March 2022:

Milan Airports	Milan Airports Shop	Milano Malpensa Boutique
1,859,774 messages	388,308 messages	1,950 messages
177,508 unique users	62,137 unique users	297 unique users

WEBSITE

SEA network sites include 12 sites which can be grouped into 4 large macro-areas:

Airport	Brand and services	E-commerce	Corporate
MilanoMalpensa-airport	ViamilanoParking	MilanAirports-shop	SeaMilano
MilanoLinate-airport	MilanoMalpensaBoutique	ParkWing	
MilanAirports		White label	
MilanoMalpensaCargo		ClubSEA	
MilanoLinate-Prime			

This development has made it possible for SEA to count on the following unique users and pages viewed:

Website	Page views	% change 2022vs2021	Sessions	% change 2022vs2021
Malpensa	23,685,750	76%	6,889,987	60%
eCommerce Milan Airports	8,915,112	135%	2,844,855	133%
Linate	6,626,287	49%	2,038,415	38%
ViaMilano Parking	1,002,290	162%	533,902	169%
Milan Airports	762,911	91%	546,844	104%
eCommerce Parkwing	437,892	130%	92,726	131%
Club SEA	18,503	33%	64,864	612%
Malpensa Boutique	143,094	n.a.	55,922	n.a.

Traffic data for 2022 show growth across all passenger-dedicated websites, with an increasing mobile usage trend, particularly for Malpensa and Linate websites (more than 70% of accesses are from mobile and tablet devices). Users show a preference for non-COVID-19-related content, focusing on flight information, the homepage, and services (e.g. parking) in both Italian and English.

The Milano Malpensa Boutique has strengthened its online presence, serving as a showcase for two additional shops in the Malpensa luxury piazza: Giorgio Armani and Hour Passion. It currently houses a catalogue of around 2,000 products and six stores: Giorgio Armani, Hour Passion, Etro, Montblanc, Dufry (with a selection of high-end products) and Ferrari Spazio Bollicine. The arrival of other boutiques is currently under discussion.

Green Innovation

SEA has been a proactive member of the Environmental Strategy Committee and of ACI Europe's (the European Airports Association) Technical and Operational Safety Committee for some time, also participating in specific work groups on environmental issues of particular impact (aircraft noise). It is also a partner of the NETLIPSE network (NETwork for the dissemination of knowledge on management and organisation of Large Infrastructure Projects in Europe). Over the years, our European presence has been strengthened, promoting project-based partnerships with key airport, regional and scientific entities, with a focus on energy, waste and water management, in addition to contributing to the development of maintenance and airport infrastructure control system concepts and procedures. This input continues to feed into the much-needed international dialogue and discussion on best practices to manage environmental issues.

OLGA: HOLYSTIC GREEN AIRPORTS

OLGA is a project that responds to the need to reduce the environmental impact of airports and aviation-related activities as a whole. The project seeks to accelerate the building of sustainable airports, while also making the most of the opportunities presented by the Olympic Games in Paris (in 2024) and Milan-Cortina (in 2026) to showcase the initiatives developed as part of the project. The consortium is led by Paris Airport, which performs the role of lighthouse, while SEA participates with Malpensa Airport as a "fellow", together with Zagreb and Cluj airports. Several initiatives will be developed at Malpensa within the framework of OLGA, included in specific themed Work Packages. The projects that intend to make airport accessibility more sustainable and encourage intermodal passenger and cargo transport include: *Work Package Transport Landside, access and multimodal transport*. These projects entail:

- the creation of low-carbon connections between airports and cities: a study was launched on expected transport levels in view of the Milan-Cortina 2026 Olympic Games and on the creation of potential new sustainable connections between Malpensa Airport - the intercontinental gateway for the event - and sports venues. The project also includes the showcase of an electric bus service - powered by green hydrogen produced by Malpensa - which will connect the airport to one of the venues;

- the evolution of MaaS for the Milan-Cortina 2026 Olympic Games: this tool - which has been developed by SEA to plan travel to/from Milan's airports - will be updated with a section on the Olympic Games. The tool will provide passengers with information on all of the transport solutions - including intermodal and green methods - available to reach Olympics venues from Malpensa (and vice versa);

- the optimisation of road cargo transport capacity to/from the airport: an IT system will be developed that will allow road hauliers to share any remaining capacity in their vehicles to/from Malpensa; by optimising capacity in this way, SEA will be able to reduce the number of HGVs on roads to the airport, in addition to CO_2 emissions as a result;

- the transport of cargo by train between the airport and the city centre: the Smart Parcels On Train (SPOT) project will allow small parcels to be transported quickly from Malpensa to Cadorna (and vice versa) on the Malpensa Express, using existing passenger services. The delivery service will be fast and reliable, as it will not be affected by road congestion and will be able to make use of existing services, which run every 30 minutes in both directions, with a journey time of 37 minutes. This will also help to reduce the number of HGVs on the road, and their emissions.

URBAN AIR MOBILITY IN THE SKIES ABOVE MILAN AND LOMBARDY

This project concerns the creation of a new air transport system that will allow people and cargo to use electric vertical take-off and landing aircraft (eVTOLs) routed through dedicated air corridors. With Urban Air Mobility, SEA hopes to contribute to the development of Milan's airports in terms of environmental sustainability, innovation, and seamless passenger experience.

The introduction of these services will open the doors to a new era of air mobility at the urban, regional, and national level. They will offer an alternative to the heavily congested land mobility of today, promoting technological innovation and the transition to more sustainable mobility systems. This will result in reduced travel time, fuel consumption, and pollutant emissions. The introduction of Urban Air Mobility services will provide an innovative and sustainable means of access to Milan's airports, thereby contributing to the reduction of carbon emissions and alleviating congestion on access roads. These services will enhance existing surface accessibility options and promote intermodality by integrating with them.

To pave the way for the first air taxi services connecting

the city to the airport, SEA has carried out several studies and analyses over the past two years to further its knowledge of the sector and regulatory context, and define its role and options for entering the market. Specifically:

- the demand forecasting transport study enabled SEA to estimate the potential passenger demand for Urban Air Mobility services and the connections that can be provided in the Lombardy Region and Milan metropolitan area. This resulted in the identification of 17 locations for vertiports (infrastructures that support flight operations). Two vertiports will be located at the airport venues, nine in the Milan metropolitan area, and six in the wider regional area;

- the technical-aeronautical feasibility study made it possible to assess the technical requirements and aeronautical constraints of the areas where vertiports will be located, identifying a preliminary layout for the infrastructure;

- market analysis allowed SEA to size up the Italian urban air mobility market, estimate the distribution of value among the various players along the value chain, identify current trends, and assess opportunities arising from SEA's entry to the market. Finally, the definition of a business case based on these evaluations and the results of the above studies allowed SEA to estimate investments, costs, and revenues related to the initiative's development.

These investigations have enabled SEA to define its strategy for the development of Urban Air Mobility, which comprises the progressive adoption of a vertiport network, starting with the construction of four priority infrastructures by 2025:

- two vertiports within the Linate and Malpensa airport grounds,

- two vertiports in Milan, including one at the Porta Romana Olympic Village, with the goal of launching the first airport shuttle connections during the Milan - Cortina 2026 Winter Games.

CLIMOP: CLIMATE ASSESSMENT OF INNOVATIVE MITIGATION STRATEGIES TOWARDS OPERATIONAL IMPROVEMENTS IN AVIATION

The project has a duration of 42 months and seeks to evaluate, define and support the implementation of mitigation strategies to promote and implement operational improvements, in order to minimise the negative effects of air transport on climate change. SEA is engaged in the second phase of the project, which involves a complete analysis of the implementation chain of the identified mitigation strategies and - based on the impact that the selected operational improvements will have on climate change - the second set of operational improvements will be defined as a basis for the required mitigation strategies. These will take the form of recommendations to the identified stakeholders. Work will be completed in June 2023.

RE-MXP: RESILIENCE IMPROVEMENT OF THE MILAN MXP AIRPORT AGAINST NATURAL HAZARDS BY IMPLEMENTING INFRASTRUCTURE UPGRADES AND A SMART MONITORING SYSTEM IN A MULTI-RISK FRAMEWORK

The project seeks to increase the resilience of Malpensa Airport against climate change by:

- improving the drainage system to reduce flood risks (interventions in five areas);

- upgrading Terminal 1 to mitigate earthquake risks (interventions in six lots).

A "smart monitoring" system (earthquake monitoring and drainage system) will also be adopted, which will provide real-time insight into how the infrastructure behaves under normal operating conditions and in exceptional scenarios. Activities are underway and the planned works will be completed by 2026.

PARTNERSHIP PROJECTS

In addition to committing to achieve "net zero" by 2030 for CO_2 emissions under its direct control, SEA intends to play an "enabling" role in the decarbonisation process of air transport, both in the medium and long term. With this in mind, three partnership agreements have been formalised: with Eni for distributing SAF (Sustainable Aviation Fuel), with Airbus for identifying support activities for the future supply of aircraft with

hydrogen, and finally with Skyports for developing urban air mobility with low environmental impact.

SEA - Eni agreement for the distribution of Sustainable Aviation Fuel

In 2022, an agreement was finalised between SEA, ENI, and DHL Express Italy to test the process of refuelling aircraft using second-generation SAF (Sustainable Aviation Fuel) Eni Biojet, 20% blended with JetA1. 28 DHL aircraft flights fuelled with sustainable fuel have taken off from Malpensa. The SAF supplied by ENI at Malpensa comes from the processing of waste raw materials, animal fats, used vegetable oils, and crops that are not in competition with the food chain. DHL Express was the first express air courier in Italy to use sustainable aviation fuel for its flights. The agreement with Eni has been extended to the use of SAF for commercial flights too, as well as to the supply of pure HVO (Hydrotreated Vegetable Oil) biofuel for ground vehicles and a joint development programme for smart mobility services; Products and services that support both the reduction of emissions from airport operations (Scopes 1 and 2) and the decarbonisation of air and ground transportation at airports (Scope 3). Eni is the second largest producer of HVO biofuels in Europe, thanks to its proprietary Ecofining™ technology, which also enables the production of sustainable aviation fuels (SAF) from plant-based and waste feedstocks.

SEA - Airbus agreement on hydrogen distribution

Airbus has announced an ambitious strategy to de-carbonise the air transport industry. The "ZEROe" project, which is developing zero-emission technologies for future aircraft, is playing a key role in this strategy. Hydrogen is one of the most promising zero-emission technologies for reducing aviation's climate impact, and airports play a key role in enabling the transition to a zero-emission aviation ecosystem. The two companies are therefore planning to combine their expertise to support the decarbonisation of air transport by exploiting the opportunities that hydrogen will offer. Airbus is expected to produce the first hydrogen-powered aircraft by 2035. These forecasts require airports to speed up the study and implementation of facilities to supply these new aircraft. Milan's airports have taken up the challenge and will lead the way in Europe, preparing to welcome the new generation aircraft. The agreement signed on February 8, 2022 covered a series of feasibility studies aimed at developing a hydrogen refuelling hub for non-aviation use in the short term, as well as

developing infrastructure for aviation hydrogen use in the long term.

AIRPORT ECOSYSTEM INNOVATION

FENIX: European FEderated Network of Information eXchange in Logistics

The project, which has a duration of four years, aims to build a federation of platforms and advanced tools for smart supply chain and multimodal management of the TEN-T Corridor, which can be used by the various participants in the Corridor to optimise their operations. 2022 saw the continuation of operational activities focussed on designing ICT solutions and developing related APPs that will allow the implementation of the Pilot Site and the study of how to integrate the Malpensa Cargo Ecosystem into the federated FENIX architecture. These operations will conclude in March 2023.

ORCHESTRA: Coordinating and synchronising multimodal transport improving road, rail, water and air transport through increased automation and user involvement

The three-year project aims to provide European policy makers, public authorities, transport stakeholders and citizens with knowledge and technical and organisational tools to facilitate the coordination of operations within and across transport modes, helping to improve safety, accessibility and reduce pollutant emissions. Among the various activities being undertaken as part of the project, SEA is involved in particular in the Italian Living Lab, a laboratory where real use cases on rail-air intermodality will be implemented, with the aim of testing and validating the solutions and tools developed during the project. These tools aim to enable the integration and sharing of information and data on air traffic, road and rail traffic flows and on the state of the airport access network in a single ecosystem (the Multimodal Traffic Management Ecosystem), which allows the operators involved to efficiently manage flows in a coordinated manner and offers greater resilience in case of unexpected critical events. The project involves 16 partners (in the fields of passenger and freight transport, academia, research, ICT) from 8 European countries. In 2022, the project carefully analysed the key role played by SEA in the multimodal passenger transport use case. The second workshop, hosted by SEA at Malpensa, presented the progress made and gathered valuable insights for the project's continuation.

PASS4CORE

A project that plans the development and improvement of a safe and protected parking network for HGVs along the Italian road network. For SEA, the aim is to create a new area designed to satisfy the various requests expressed by road hauliers at Cargo City Malpensa. A Grant Agreement was signed between the agency INEA (Innovation and Networks Executive Agency) and the various partners (5 interports, 1 airport - Malpensa - 2 motorway concessionaires and 3 private operators) and the official kick-off meeting was held in 2021. Works under SEA's authority will be completed in 2023.

MXP-NLINE

In partnership with FERROVIENORD, which will connect Malpensa Terminal 2 to the Simplon RFI railway line. Works under SEA's authority have begun and will be completed in December 2024.

ITAIR ISAC

In 2022, the project coordinated by ASSAEROPORTI and in partnership with the airports of Bergamo, Turin and Bologna, ENAV and IDS AirNav was completed. It sought to improve the IT capabilities of Italian airport operators through the creation of an Information Sharing Analysis Centre.

U-ELCOME: U-space European COMmon dEpLoyment

The project, coordinated by EUROCONTROL, seeks to integrate air traffic management (ATC) and eVTOL-based services/systems (U-Space) for the transport of goods and people (demonstrators will focus particularly on the former).

The project, involving 51 partners concentrated in three clusters (Italy, Spain, and France), will last 36 months.

Certified management systems

The implementation of sustainable management practices involves adopting a broad set of certified management systems encompassing issues of quality, safety, the environment, as well as social issues.

Certified management systems

Environment	Safety	Social	Quality	Governance
Airport Carbon Accreditation - 4+ Transition Level [1] ISO 14001 [2] ISO 50001 [3] Make It Sustainable [11] BREEAM in Use [12]	ISO 45001 [4]	Dasa Register [5] UNI CEI TUV Italia Service Certification [6] Family Audit [10] ISO 27001:2013 [9]	ISO 9001:2015 [7]	ISO 37001:2016 "Anti-bribery Management System [8]

[1.] ACI (Airport Council International) Europe Certification to incentivize the contribution of airports to combatting climate change. A series of actions for the control and reduction of direct and indirect emissions of CO_2 are scheduled.

[2.] Concerns the implementation of an Environmental Management System, identifying, controlling and monitoring the performance of the organization.

[3.] International energy management standard, focusing on the organization's energy consumption and promoting energy efficiency throughout the organization's distribution chain via requirements for suppliers.

[4.] Voluntary application, within the organization, of a system guaranteeing adequate supervision of worker health and safety, and compliance with applicable regulations.

[5.] Concerns changes to airport infrastructures at Linate and Malpensa to facilitate their use by persons with reduced mobility (PRM), in order to guarantee equal opportunity.

[6.] Concerns the airport passenger assistance service for those with reduced mobility.

[7.] Services Quality Management System.

[8.] Anti-bribery Management System.

[9.] Information Security Management System.

[10.] Certification for commitment to work-life balance.

[11.] Applying sustainability principles to maintenance processes.

[12.] Certification of buildings environmental performance (Body F Linate).

OUTPUT

The management output represents the set of characteristic activities performed and the ways in which they have been implemented. It therefore corresponds to the organizational, operational and competitive effort made during the year to operate the airports in the best interests of the area served and in line with expectations. It therefore refers not only to the volume and quality of operational performance, but also to social responsibility projects and initiatives.

Competitive performance of the Aviation Business

PASSENGER TRAFFIC

The Milan airports are among the main European airport systems, with around 29 million passengers transported in 2022. In particular, the Milanese system ranked 2nd in Italy and 9th in Europe for passenger traffic volumes. In 2022, the two airports recorded good traffic levels of 15,003,841 passengers (+108.1%) and 97,495 movements (+61.5%) compared to 2021.

Ranking of the main European airports/airport systems in terms of passenger traffic volumes - 2022 (1000 pax)*

Airport	Value
London	117,749
Paris	86,666
Amsterdam	52,472
Madrid	50,603
Frankfurt	48,918
Barcelona	41,616
Rome	32,803
Munich	31,643
Milan	29,006
Palma de Mallorca	28,570

Legend: ■ Airport system ■ Single airport
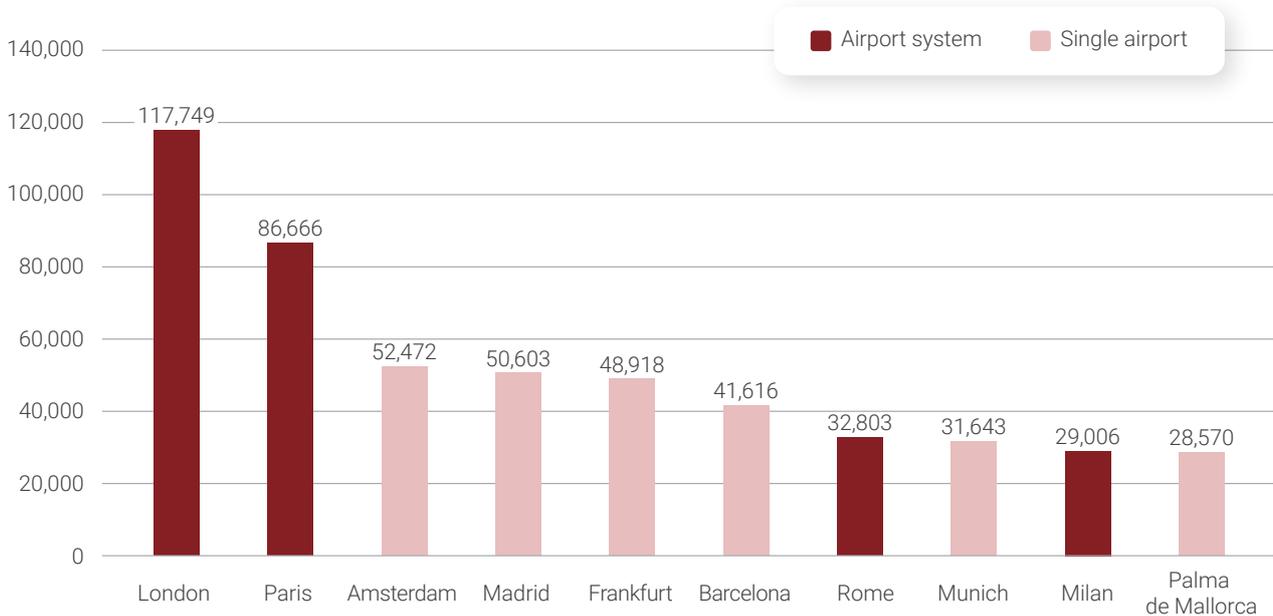
Including transits
Source: SEA, ACI Europe

Aviation Business performance indicators of the SEA airport system

	Movements (No.)			Passengers (No.)			Cargo (tons)		
	2022	**2021**	**Δ %**	**2022**	**2021**	**Δ %**	**2022**	**2021**	**Δ %**
Malpensa	180,568	113,099	59.7	21,213,970	9,572,168	121.6	715,497	741,774	-3.5
Linate	75,388	45,362	66.2	7,669,173	4,307,134	78.1	1,679	1,320	27.2
Airport system	255,956	158,461	61.5	28,883,143	13,879,302	108.1	717,177	743,094	-3.5

Note: transits are not included
Source: SEA

System traffic rebounded strongly in 2022 (-18% vs. 2019), with a steady increase in capacity offered and load factors over several months. Thanks in particular to low-cost carriers, domestic traffic has surpassed pre-pandemic levels and the rest of the European Union is also recording recovery rates of around 80%.

Malpensa

In 2022, Malpensa reported 21.2 million passengers (+121.6% on 2021, equal to +11.6 million passengers). The traffic recovery on 2021 is due to the opening of new routes, the expansion of existing ones, and the higher load factor (average load factor in 2022 of 75%, compared to 63% in 2021). Amid a recovery of volumes to pre-crisis levels, the distribution of market share by geographic area was substantially stable, highlighting the high proportion of international traffic, which is supported also by the type of aircraft operating at the airport.

The prevalence of low-cost airlines in fact supported domestic and European connections, which respectively generated 27% and 41% of traffic volumes at Malpensa (around two-thirds of passenger traffic at Malpensa). In addition, the refocus of low-cost carriers on domestic destinations enabled this segment to reach pre-crisis traffic volumes. The non-European and long-haul segments, which account for 31% of the market, are confirmed as the routes most heavily impacted by the pandemic and the Russian-Ukrainian War.

Number of day time and night time movements* (arriving and departing)

Movements	Passengers		Cargo		General Aviation		State Flights		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Daytime Arrivals	65,218	35,707	9,688	10,574	2,867	2,491	3	3	77,776	48,775
Daytime Departures	71,937	39,521	9,226	10,182	2,936	2,516	3	5	84,102	52,224
Night time Arrivals	9,234	4,973	6,147	5,312	155	121	-	2	15,536	10,408
Night Time Departures	2,509	1,094	6,609	5,736	94	104	-	-	9,212	6,934
Total	148,898	81,295	31,670	31,804	6,052	5,232	6	10	186,626	118,341

Night time movements concern those between the hours of 11 PM and 6 AM.
Source: SEA

Number of arriving and departing passengers

	Domestic flights		International flights		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Arriving passengers	2,912,211	1,937,719	7,696,965	2,855,826	10,609,176	4,793,545
Departing passengers	2,871,522	1,937,079	7,733,272	2,841,544	10,604,794	4,778,623
Total passengers	5,783,733	3,874,798	15,430,237	5,697,370	21,213,970	9,572,168

Source: SEA

Number of passengers by origin and destination, transfer and transits

	Origin and destination		Direct transits		Total	
	2022	2021	2022	2021	2022	2021
Domestic	5,783,733	3,874,798	3,867	2,251	5,787,600	3,877,049
International	10,775,002	4,236,467	33,746	9,836	10,808,748	4,246,303
Intercontinental	4,655,235	1,460,903	84,524	29,054	4,739,759	1,489,957
Total	21,213,970	9,572,168	122,137	41,141	21,336,107	9,613,309

Source: SEA

Passenger traffic destinations from Terminal 1 - 2022

Geographical area	%
Europe	78.1
Middle East	9.8
Africa	5.0
North America	4.9
Far East	1.1
Central and South America	1.1

Source: SEA

Malpensa traffic and connectivity development initiatives

The uncertainty linked to resuming carrier activity made it necessary to perform a dedicated review of the objectives of some existing commercial agreements. Commercial instruments were also prepared for long and medium-haul legacy airlines with the aim of supporting and rewarding individual carriers determined to significantly recover the supply of scheduled flights or establish new ones at Malpensa airport.

Traffic expansion actions at Malpensa (No.)

	2022	2021	2020	Total
New airlines	7	1	2	10
New services*	36	26	41	103
Increased frequencies by airlines already present on existing routes	10	0	0	10
Overall increase in weekly frequencies (new services + increased frequencies)	142	76	177	395

*New services concern the introduction of new destinations served by airlines already present, or new airlines which operate on routes already served, or new airlines serving new destinations.
Source: SEA

In the long-haul segment, North America is witnessing a significant recovery, with many airlines resuming operations from Milan and introducing new destinations, indicating a renewed sense of confidence.

Significant updates in North America include the launch of a daily flight to Chicago by United Airlines, the provision of connections to Montreal and Toronto by Air Canada, and the resumption of operations to Atlanta and the launch of an additional daily flight to New York by Delta Airlines. 47 weekly flights are operated to the Big Apple by different airlines, including American Airlines, United Airlines, Emirates, Neos, and ITA. Furthermore, the French carrier La Compagnie has started offering a new all-business flight to New York. The excellent performance of summer seasonal flights to Chicago and Atlanta set the stage for an extended season this coming year. In the Middle East, Gulf Air launched five weekly flights to Bahrain, thus completing its network in the Persian Gulf, while Royal Jordanian began operating a thrice-weekly flight to Amman. In Asia, the full or partial reopening of some markets facilitated the resumption of Korean Air flights to Seoul, Cathay Pacific to Hong Kong, and Air China to Beijing and Wenzhou. A major new development involves the inclusion of Eva Air, a prestigious Taiwanese airline. Eva Air has started running a twice-weekly flight to Taipei, to which it intends to add two additional flights next year. Finally, Milan's connectivity has been expanded with the inclusion of two new countries, which have never before been connected to the city by regular scheduled flights: Kazakhstan and Armenia. In fact, Neos launched a twice-weekly

connection to Almaty, Kazakhstan's most populous city, in June. Armenia's capital, Yerevan, can be reached with two weekly flights operated by Wizz Air and two weekly flights by Fly One Armenia. With around 180 direct flights to 77 countries operated by some 73 scheduled carriers, the Milan system has regained much of its pre-pandemic connectivity. During the Aviation Routes Asia event held in Da Nang, Vietnam in June, SEA and the Airports Corporation of Vietnam - which manages 22 airports in the country - signed a cooperation agreement to promote activities that foster direct air connections between Northern Italy and Vietnam.

Bilateral Agreements

A major bilateral agreement between the EU and ASEAN was signed in October 2022. The agreement defines an open skies environment between all member countries with unlimited third and fourth freedoms for destinations/frequencies and unlimited fifth freedoms for all-cargo flights, with the provision of some fifth freedom rights also for passenger flights. Following this agreement, Singapore Airlines expanded the fifth freedoms from Malpensa to Barcelona from three flights per week to five.

An open skies agreement was also approved between the EU and Qatar, operating on a provisional basis and due to be ratified in the coming months, which sets out a full deregulation framework between the two parties for third and fourth freedom flights and the extensive deregulation of all-cargo flights operating under the fifth freedom. An open skies agreement between the EU and Tunisia has been signed by the EU authorities and is currently awaiting countersignature by the Tunisian authorities. Finally, Italy and the United Kingdom signed a bilateral MoU governing certain aspects not covered by the Trade and Cooperation Agreement (TCA) between the European Union and the United Kingdom. In particular, this bilateral agreement expands on the prerogatives of the TCA to cover all-cargo and charter service under the fifth freedom.

Linate

In 2022 Linate recorded 7.7 million passengers, up 3.4 million passengers (+78.1% on 2021). Average aircraft size (in terms of available seats) also rose significantly at Linate, reaching 156 seats and therefore increasing 2% on 2021. Passengers per movement, although the load factor was 66% in 2022, increased on pre-crisis levels (94 passengers per movement in 2019 versus 102 in 2022). The increase in average aircraft size is due to the decision of ITA and British Airways to replace the Embraers with Airbus (A319, A320 and A321) and the use of the former Alitalia - former Air Italy slots also by low-cost carriers, who operate larger aircraft.

Number of arriving and departing passengers

	Domestic flights		International flights		Total	
	2022	2021	2022	2021	2022	2021
Arriving passengers	1,953,385	1,404,772	1,876,992	755,661	3,830,377	2,160,433
Departing passengers	1,949,212	1,386,786	1,889,584	759,915	3,838,796	2,146,701
Total passengers	3,902,597	2,791,558	3,766,576	1,515,576	7,669,173	4,307,134

Source: SEA

Number of day time and night time movements* (arriving and departing)

Movements	Passengers		Cargo		General Aviation		State Flights		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Daytime Arrivals	36,455	22,189	2	7	12,906	10,762	9	3	49,372	32,961
Daytime Departures	37,438	22,629	2	-	13,016	10,803	11	3	50,467	33,435
Night time Arrivals	1,239	493		-	335	199	1	-	1,575	692
Night Time Departures	252	44		-	290	241		-	542	285
Total	75,384	45,355	4	7	26,547	22,005	21	6	101,956	67,373

Night time movements concern those between the hours of 11 PM and 6 AM.
Source: SEA

Passengers by origin and destination, transfer and transits

	Origin and destination		Direct transits		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Domestic	3,902,597	2,791,558	148	108	3,902,745	2,791,666
International	3,766,576	1,515,576	535	321	3,767,111	1,515,897
Total	7,669,173	4,307,134	683	429	7,669,856	4,307,563

Source: SEA

CARGO TRAFFIC

The Milan airport system ranks 1st in Italy and 5th in Europe by freight traffic volumes.

In 2022, cargo traffic managed at Malpensa and Linate totalled over 717,177 tonnes, decreasing by 25,917 tonnes on 2021 (-3.5%).

Ranking of the main European airports / airport systems by volumes of goods - 2022 ('000 tons)*
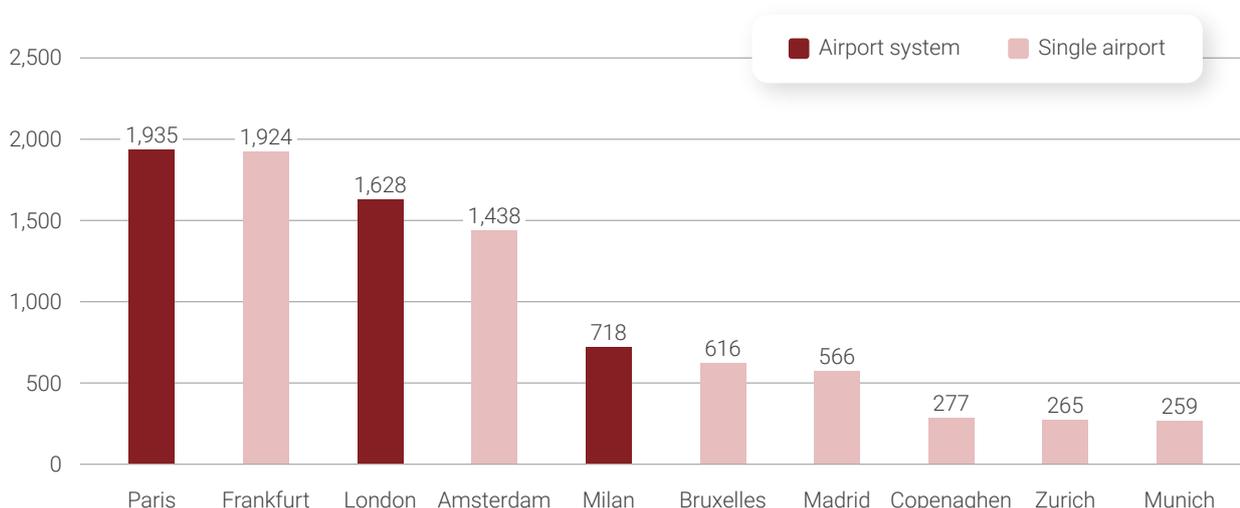
* Including transits
Source: SEA, ACI Europe

The number of movements of all cargo flights at Malpensa (31.7 thousand in 2022) was in line with 2021 performance. The sustained growth in number of movements, which was more than proportionate to the increase in cargo, is attributable to the decrease in the quantity of goods transported per individual movement due to the increased presence of express carriers, which typically transport goods of lower weight.

Cargo traffic managed by the Milan airport system (000's tons)
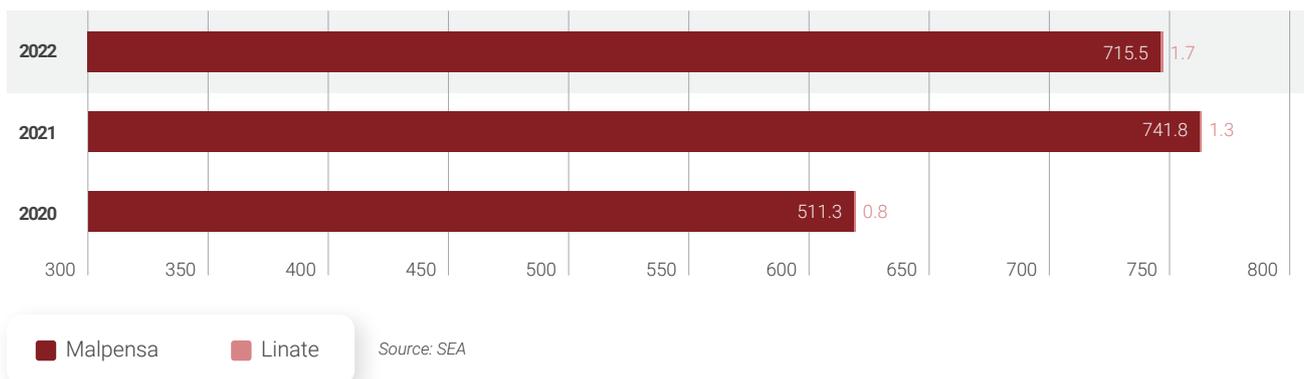
Source: SEA

Analysis of cargo performance by type of traffic between 2019 and 2022 saw sustained express segment growth, also due to the new DHL base (completed in Q4 2020) and the new Amazon warehouses (from October 2021), with 291 thousand tonnes of cargo carried; the express segment grew 15% in 2022 compared to 2021.

Cargo traffic on mixed-configuration aircraft (belly), also saw a 23% increase over 2021, reaching 106 thousand tonnes; the recovery of the belly segment, in 2022, is directly related to the recovery of passenger flights to medium- and long-haul destinations. Conversely, the freighter segment saw a decline of 21% on 2021, stemming from the reconversion to passenger transport of a number of aircraft which during the pandemic were used exclusively for cargo transport, utilising not only the hold capacity but also cabin space (preighter flights). This activity, which was regulated during the pandemic and has been suspended since July 2022, was only partially absorbed by belly freight on passenger aircraft.

The 2022 results confirm the role of Malpensa's Cargo City as a key Italian hub for cargo imports and exports in Italy, respectively representing 45% and 55% of total cargo carried. The growth of the express segment, in combination with still recovering inter-continental traffic, has facilitated the increase in international goods cargo market share from 37% in 2021 to 40% in 2022.

Malpensa - Arriving and departing cargo on all flights (cargo and passenger) (tons)

	Cargo		Passengers		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Arriving	272,630	297,946	51,063	42,133	323,693	340,079
Departing	338,676	359,257	53,128	42,437	391,804	401,695
Total cargo	**611,306**	**657,203**	**104,191**	**84,570**	**715,497**	**741,774**

Source: SEA

Linate - Arriving and departing cargo on all flights (cargo and passenger) (tons)

	Cargo		Passengers		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Arriving	-	0.4	618	519	618	519
Departing	-	-	1,061	801	1,061	801
Total cargo	**-**	**0.4**	**1,679**	**1,320**	**1,679**	**1,320**

Source: SEA

Malpensa - Distribution of cargo traffic by geographical area of destination (% of total goods volume)

Geographical area	2022	2021	2020
Europe	40.2	37.6	35.7
Middle East	23.3	24.0	26.8
Far East	22.5	24.5	24.7
North America	11.7	11.9	10.9
Africa	1.2	1.3	1.5
Central and South America	1.1	0.7	0.4

Source: SEA

Direct and indirect competition

DIRECT COMPETITION

Analysing the level of dependence of European airports on particular airlines (under the Herfindahl-Hirschman - HHI concentration index, which reaches a value of 10 thousand where the offer of an airport is completely handled by a single airline), it emerged that Malpensa is the medium-large European airport with the lowest level of dependence on a single airline (the leading operator at Malpensa is easyJet, with a 15.9% ASK share). This is an extremely positive result in comparison with other continental airports, such as Amsterdam, Frankfurt, Lisbon, Paris and Monaco, where the first airline has shares in excess of 50% of the ASK volume on offer.

Direct competition development at Milan Malpensa

	2021	2020	2019
HH index on ASK	710	537	495
No. airlines	65	87	86
Entropy index on ASK	1.35	1.51	1.51
% ASKs of leading 5 airlines	51.5	41.8	41.5
% ASKs of leading airline	15.9	14.9	11.4

Source: ICCSAI Fact Book 2020, 2021, 2022

In contrast to Malpensa, Linate airport shows a higher concentration of traffic primarily due to ITA Airways' significant presence. However, ITA Airways has reduced its share of ASKs to 56.3% (compared to 68.4% in the previous year), and as a result, Linate is no longer the Italian airport most reliant on a single carrier in terms of ASKs, as it is overtaken in this regard by other airports such as Bergamo and Pisa, which are both dominated by Ryanair.

Direct competition development at Milan Linate

	2021	2020	2019
HH index on ASK	3,338	4,815	4,055
No. airlines	22	15	17
Entropy index on ASK	0.79	0.57	0.66
% ASKs of leading 5 airlines	77.3	90.0	86.9
% ASKs of leading airline	56.3	68.4	62.2

Source: ICCSAI Fact Book 2020, 2021, 2022

Direct competition is measured also by another indicator called the entropy (H) index, which calculates (also in terms of ASK or seats) if the share of the airport offer is equally divided between all airlines present. Therefore, low index values indicate situations in which the traffic offer of a particular airport is highly concentrated. Also according to this index, Malpensa Airport is one of the European airports with the lowest dependence on an individual airline.

INDIRECT COMPETITION

The level of indirect competition refers to each route offered by a specific airport for which alternative routes are offered by other airports close to that considered, for neighbouring destinations or on similar routes.

Indirect competition at Milan Malpensa

	2021	2020	2019
No. neighbouring airports	3	3	3
No. routes in indirect competition	78	86	99
Competitor ASK /ASK in competition	1.09	1.0	0.83

Source: ICCSAI Fact Book 2020, 2021, 2022

The "proximity" concept relating to departing airports and destination airports concerns those located within 110km. The exposure of an airport to indirect competition is one of the elements taken into account when considering whether an airport is a natural monopoly.

Within Europe, the London area contains a high number of active airports, therefore in indirect competition. Nearly all departing European routes from Heathrow have indirect alternatives.

Indirect competition is significant also in the Lombardy region close to Milan. From Malpensa, approximately 96.7% of routes to European destinations are subject to competition from other airports in the area, such as Linate and Orio al Serio. Malpensa airport is ranked fourth, after Heathrow, Paris Orly, and Paris CDG for intensity of indirect competition. The ratio between the alternative offer volume of the competing regional airports (including Linate) and the offer of the airport concerning the routes subject to competition is greater than one.

Aviation Safety

At the Milan airports, an effective Safety Management System (SMS) is active and validated and controlled by the Italian Civil Aviation Authority (ENAC), in order to maintain the highest levels of aeronautical safety and service quality in terms of flight infrastructures, facilities, processes, operating procedures and the training of personnel. The discussion and analysis of issues which form the bedrock of the Safety Management System are considered monthly at the Safety Boards and Safety Committees of Linate and Malpensa, ensuring a complete and extensive handling of the operational security issues. The active involvement of all airport operators, airlines, institutional bodies and parties involved in the various activities at the two airports ensures wide ranging discussion and construct a debate on the major issues. In order to monitor the efficacy of the airport Safety Management system, we utilise a number of quantitative elements both at Linate and Malpensa. The indicators of the principal events encountered at SEA's airports do not highlight particular problem area in terms of the maintenance of adequate levels of aeronautic safety. The percentages of the three major indicators for the GSR (Ground Safety Report) received are reported below. GSRs in 2022 respectively numbered 988 for Malpensa (768 in 2021) and 402 for Linate (274 in 2021).

The indicators show an overall trend in line with previous years, except for an increase in FOD reports at Linate Airport, where almost 30% of these reports refer to animal carcasses from previous periods and 55% to FOD on the apron. The only AA/MM damage from FOD to occur in 2022 was caused by a whirlwind. The increase in the absolute value of GSR reports is due to the recovery of air traffic in 2022 compared to the slowdown in previous years as a result of COVID-19.

Aviation safety indicators
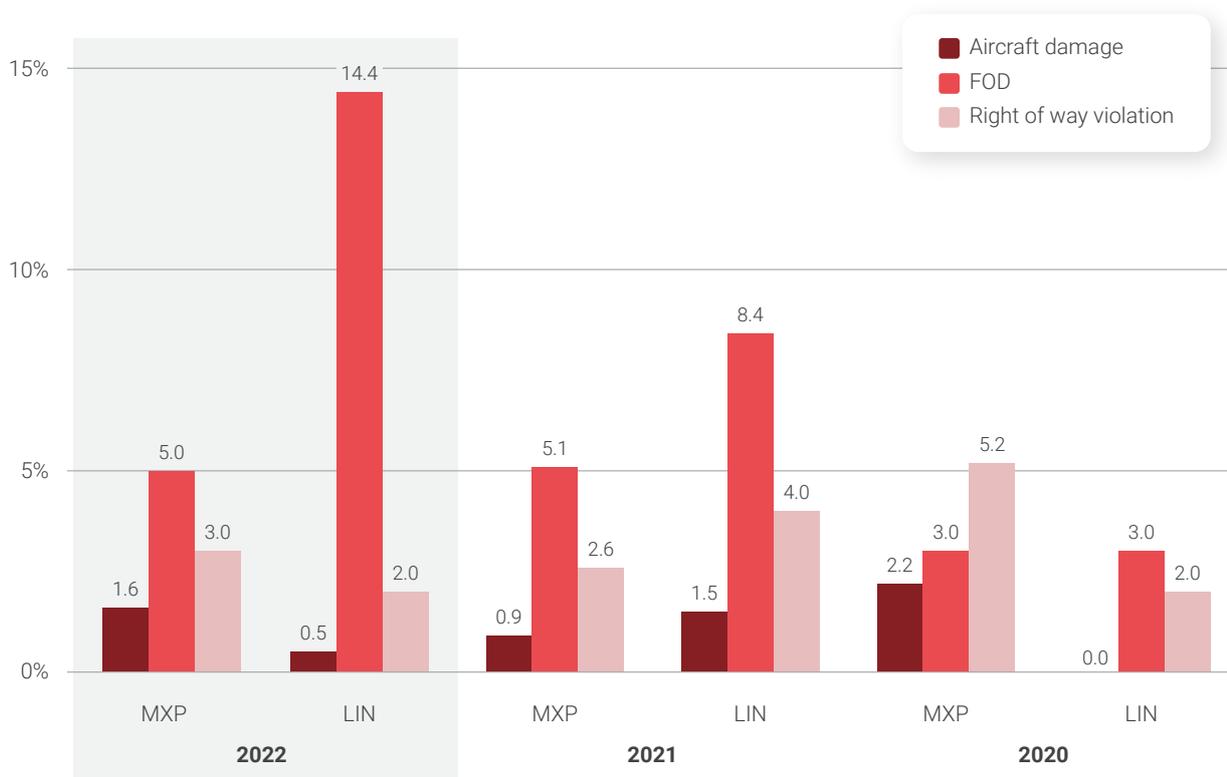
Source: SEA

WILDLIFE STRIKES: PREVENTION AND MONITORING

The prevention and monitoring actions of wildlife strikes are governed by the "birds and wild animal's impact risk reduction plan" and the relative operating procedure, both included in the Airport Manuals (separate for Linate and Malpensa) and prepared by SEA in compliance with circular ENAC APT 16/2004 and certified by the agency. They are also periodically audited by the authority and by internal personnel. The aspects related to the specific issue of bird strikes are covered in Circular ENAC APT-01B "Directive on procedures to be adopted for the prevention of impact risks from winged animals at airports", in line with the ICAO Annex 14 provisions. Both the Plan and the Operating Procedure comply with the guidelines with the circular, guaranteeing ongoing monitoring and repelling of birds and fauna from the airports. Particular attention is given to the manoeuvre area with the use of modern equipment acquired on the international market. In support of this activity, SEA utilises the company BCI (Bird Control Italy, the sector leader in the prevention of bird strikes and which carries out operations at the majority of Italian airports). All actions carried out are documented with the bird strike monitoring form and the bird strike reporting form, which in form a database managed through the "Bird Strike Management System" software programme.

Wildlife strike risk indicators

	Malpensa			Linate		
	2022	**2021**	**2020**	**2022**	**2021**	**2020**
Wildlife Strike [1]	3.3	8.5	9.1	3.6	5.0	3.7
Wildlife Strike [2]	0.09	0.26	0.22	0.10	0.09	0.08

[1] *Annual rate per 10,000 movements*
[2] *Risk indicator BRI2 calculated according to the new Circular APT-01B ENAC*
Source: SEA

The data recorded for 2022 reveal a very similar BRI2 (national reference indicator) risk value at the two airports. The reduction in traffic in 2020 led to a rise in birdlife, which increased the number of impacts, especially at Malpensa following the resumption of flights in 2021. Thanks to the introduction of the double BCI unit and consolidation of flights, the BRI2 coefficient has remained constant at Linate Airport and has reduced considerably at Malpensa Airport.

Quality of aviation and non-aviation services provided to passengers

The SEA Group has identified the quality of services offered and passenger satisfaction as strategic priorities for corporate growth and the competitive success of the business. Despite the uncertain health, economic, and geopolitical conditions in 2022, which were marked by a progressive shift in traffic patterns, SEA maintained its commitment to adopting measures and objectives that aligned with passengers' priorities and needs. This was accomplished in a manner that was both effective and efficient, and was consistent with the superior service standards typically associated with leading European airports.

The aim is to create at Linate and Malpensa an attractive place for everyone, passengers and operators, offering a safe and pleasant experience aimed at modernity, dynamism, technology, sustainability, and beauty, characteristics that distinguish the city of Milan and Lombardy, to which Milan's airports are the gateway.

Even when managing its Quality of Services, SEA operates with responsibility, transparency and collaboration not only within the company but also externally, respecting the needs and expectations of individuals and the environment that welcomes us, aware that constructive choices are those shared with enthusiasm and determination by all and for the well-being of all.

CHANGE IN CUSTOMER SATISFACTION

In 2020-2021, due to the extremely heterogeneous operations in the Milan airport system (which saw a series of openings and closings of airports and terminals during the year), customer satisfaction surveys, while partly conducted, yielded partial results that are not comparable to previous surveys. Given the limited significance of this data, SEA has decided not to publish it. In 2022, as air traffic resumed, the level of passenger satisfaction measured by the Customer Satisfaction Index (on a scale of 0-100) demonstrated a very positive outcome across the system. This was due to a significant improvement at Malpensa, along with the favourable reception of the new Linate airport.

Customer Satisfaction Index

	2022
Malpensa T1	78.6
Linate	80.3
System	79.1

Source: CFI Group

As they strive to achieve continuous improvement, Malpensa and Linate are always very attentive to the needs of passengers in order to guarantee a "superior customer experience", anticipating their desires and, at the same time, allowing an increasingly aware and safe experience. The redevelopment of Linate terminal, dedicated to improving the Ambience, is continuing, making it possible to give passengers and the city of Milan an airport with a new identity that creates a "sense of place" and reflects the city's characteristics of modernity, dynamism, design and technological development. The improvement of comfort is also based on architectural and design elements for shape and colour created using neuroscience, which takes into account the emotional and perceptive states of passengers at various stages of their journey and on the principles of environmental sustainability pursued by SEA. Various decorative and infrastructural elements (light, spaces, colours, seating, green areas) are located along the passenger route from check-in to the boarding gates in order to create a relaxing environment and turn the airport into an "experience". In order to create a "sense of place" fit for Milan, which has always been the vanguard and testimonial of Italian design in the world, the collaboration with Triennale Milano and the Museum of Italian Design continued in 2022, which has made available a series of works by famous Italian designers. The works are displayed along the entire passenger route, enriching the airport terminal with cultural value.

PASSENGER OPINION

Since 2020, SEA has managed Google reviews on Google Maps and the search engine by responding to passenger comments. The number of reviews for Linate and Malpensa increased in 2022 compared to 2021 by 45% to 10,957, highlighting people's willingness to communicate and evaluate the airport through this channel. The system's rating is stable at an average of four stars, with Linate consolidating its high rating (4.27). Meanwhile, Malpensa received a rating of 3.8, down from 2021. Among the areas most appreciated by passengers are the shops, while the most criticised are baggage reclaim and passport control.

Google reviews of Milan airports in 2022 (values on a scale of 0-5)

Airport	Rating 2022	Rating 2021	Change	Reviews 2022	Reviews 2021	Change	Commens 2022	Commens 2021	Change
Malpensa	3.83	4.0	-4.2%	7,074	4,958	+43%	3,254	1,310	+148%
Linate	4.27	4.19	+2%	3,881	2,626	+48%	948	490	+94%

Source: SEA

INITIATIVES PROMOTED FOR THE COVID-19 EMERGENCY

Faced with the progressive improvement of the pandemic in 2022 and the subsequent relaxation of the regulations and travel restrictions put in place by various countries, SEA modified its actions and services over time, in line with new regulations and guidelines.

Compliance with the current ENAC Guidelines (ENAC Guidelines for the Recovery of Airport Traffic, Ed. 10 of June 16, 2022) is guaranteed, which require that:

- areas are identified for the management of any positive passengers or those suspected of being positive;
- hand gel dispensers are made available to all passengers;
- appropriate signage is installed to avoid crowding, specifically totems and rolling notices on monitors;
- spaces/equipment are cleaned and sanitised.

Travellers and airport staff can also take nasopharyngeal COVID-19 tests for a fee, which can be booked at affiliated facilities in the terminals.

CERTIFICATIONS AND AWARDS

In 2022, Linate and Malpensa achieved Airports Council International (ACI) World Airport Customer Experience Accreditation, the international Airport Service Quality (ASQ) benchmarking that acknowledges Customer Experience and Service Quality improvements.

The ACI accreditation recognises SEA's continuous commitment and attention to the development and planning of new passenger services in line with needs and expectations. This commitment involves all management and stakeholders, sharing results and goals through transparent and constructive dialogue, and further demonstrating the widespread corporate culture of quality that SEA has created and continues to promote.

COMMERCIAL SERVICES OFFERING

Non-Aviation activities include:

- retail activities (duty free and duty paid sale to the public, catering, car hire, advertising, the management of spaces for the carrying out by third parties of banking activities);
- the management of parking;
- the management of cargo spaces;
- the management of advertising spaces;
- other activities, categorised as "Services and other revenues", including vehicle maintenance, real estate management, such as leasing and concessions of portions of the airport grounds, technological and design services, and unregulated security services.

RETAIL

The sales points within the passenger terminal offer both duty free products (therefore excluding VAT and other taxes), and duty paid products (therefore under normal conditions and excluding therefore the benefit of the above-mentioned exemption). The retail sector activities carried out at the airports offer the public and passengers a wide range of products and brands which satisfy the entire customer base and are differentiated at each terminal:

- Malpensa, dedicated to luxury and duty-free shopping;
- Linate, which focuses on a specialised high-end business offer.

In 2022 SEA's airports had 90 operating points of sale, corresponding to commercial spaces of 13,209 m^2 (+1,060 m^2 on 2021), of which 9,040 m^2 at Malpensa Terminal 1 and 4,169 m^2 at Linate.

Although the pandemic persisted over the first few months of the year, asset management operations continued at Malpensa Terminal 1, in the luxury area of Piazza del Lusso, with the opening of a new Fratelli Rossetti boutique and Pomellato kiosk, to bolster luxury offerings. In addition, work began on expanding and refurbishing the Hermes boutique. A Pineider kiosk was inaugurated in the food area of Piazza del Gusto, while Hudson Feltrinelli, Accessorize and Inmotion stores were opened in the trendy shopping area of Piazza del Pop.

Operating areas allocated to public sale and food & beverage activities (m²)

Year		Malpensa	Linate	Total
2022	Retail	9,040	4,169	Total 13,209
2022	Food	6,420	3,898	Total 10,318
2021	Retail	8,488	3,661	Total 12,149
2021	Food	6,609	2,358	Total 8,967
2020	Retail	6,558	727	Total 7,285
2020	Food	2,046	977	Total 3,023

■ Malpensa ■ Linate

Note: does not include the VIP lounges and external areas
Source: SEA
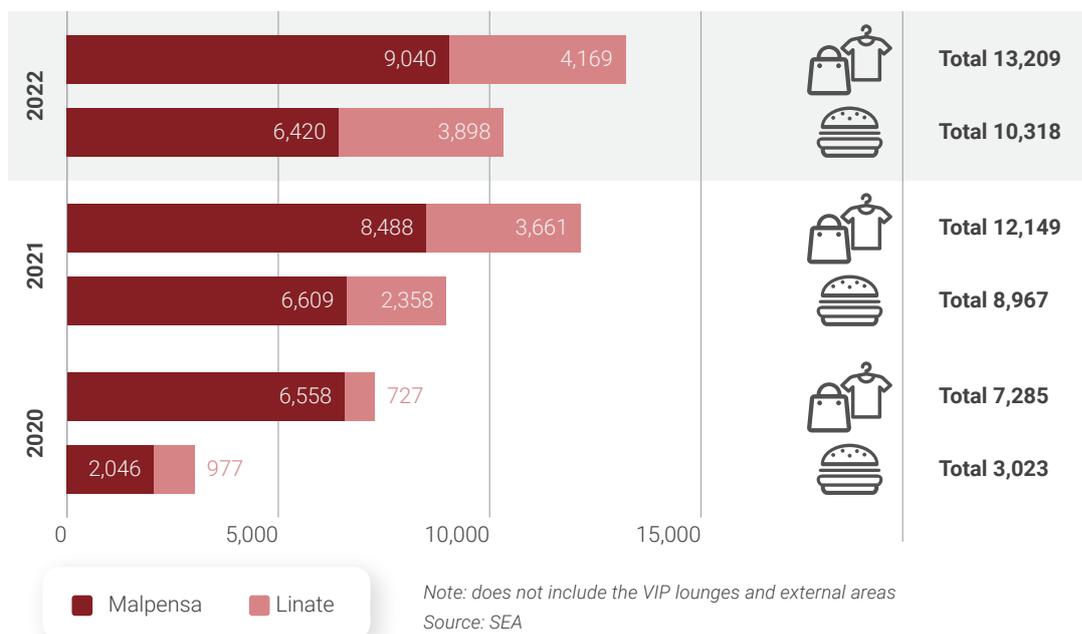
At Linate, offerings in the main square were enriched with the following new openings: Rocca 1794 (part of Damiani Group), Fratelli Rossetti, and Swarovski. As regards food & beverages, in 2022 there were 50 bars and restaurants operating in the terminals managed by SEA, covering an area of about 10,318 m² (+1,351 m² compared to 2021), of which 6,420 m² at Malpensa Terminal 1 and 3,898 m² at Linate. Two food & beverage expansions were completed at Terminal 1: Obicà, in the boarding area, reconfiguring the Piazza, and the reopening of Motta in the Extra Schengen area. At Linate, the new commercial area of Building F saw the inauguration of Temakinho, while Vyta and MU opened at the boarding area on the ground floor. Finally, Alemagna was inaugurated in the check-in area.

Operating retail areas of the Milan airports by millions of passengers (m²/passengers)

	2022	2021	2020
Malpensa	729	1,577	1,411
Linate	1,052	1,398	757

Source: SEA

Commercial offer quality

"Mystery shopping" was introduced in 2011 - an instrument which verifies the quality of commercial services - based on visits and interviews carried out by "incognito" personnel in order to obtain structured information on the shopping experiences of airport users. At the sales point, the mystery shopper, undertaking the experience of a "typical customer" focuses upon:

- the attitude and conduct of sales personnel;
- their level of knowledge and professional ability;
- their problem-solving capacity;
- their sales skills, customer attention ability and proposal of complementary purchases;
- their capacity to listen, empathy and demeanour;
- fulfilment of the corporate philosophy;
- in-store feel.

2022 saw the resumption of audit activities, which had been interrupted during the pandemic, involving 157 commercial businesses for a total of 611 different visits in terms of store types and airport locations.

Shops visited by type of activity

56% **Stores**
35% **Food**
9% **Services**

Source: Doxa
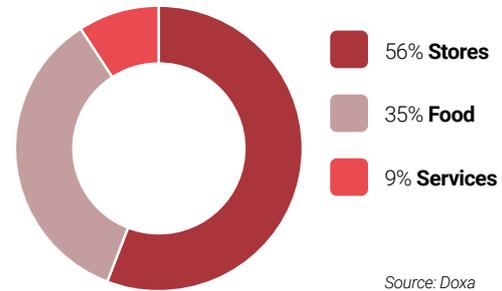
Shops visited by location

65% **Terminal 1**
35% **Linate**

Source: Doxa
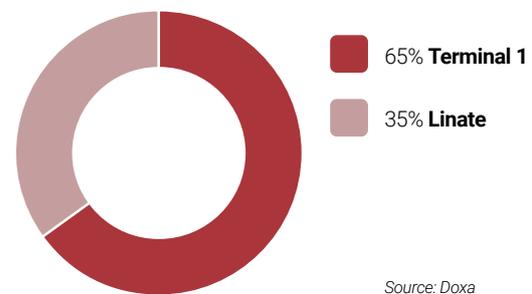
Analysing the data according to business type, stores and services emerge with above average satisfaction (94.0 and 92.0% respectively), while the food category presents a satisfaction figure that is slightly below the average (89.4%).

Mystery Shopping - Average perceived quality value by type of business (scala 1-100)

Session 1   Session 2   Session 3   Session 4   Total   *Source: Doxa*
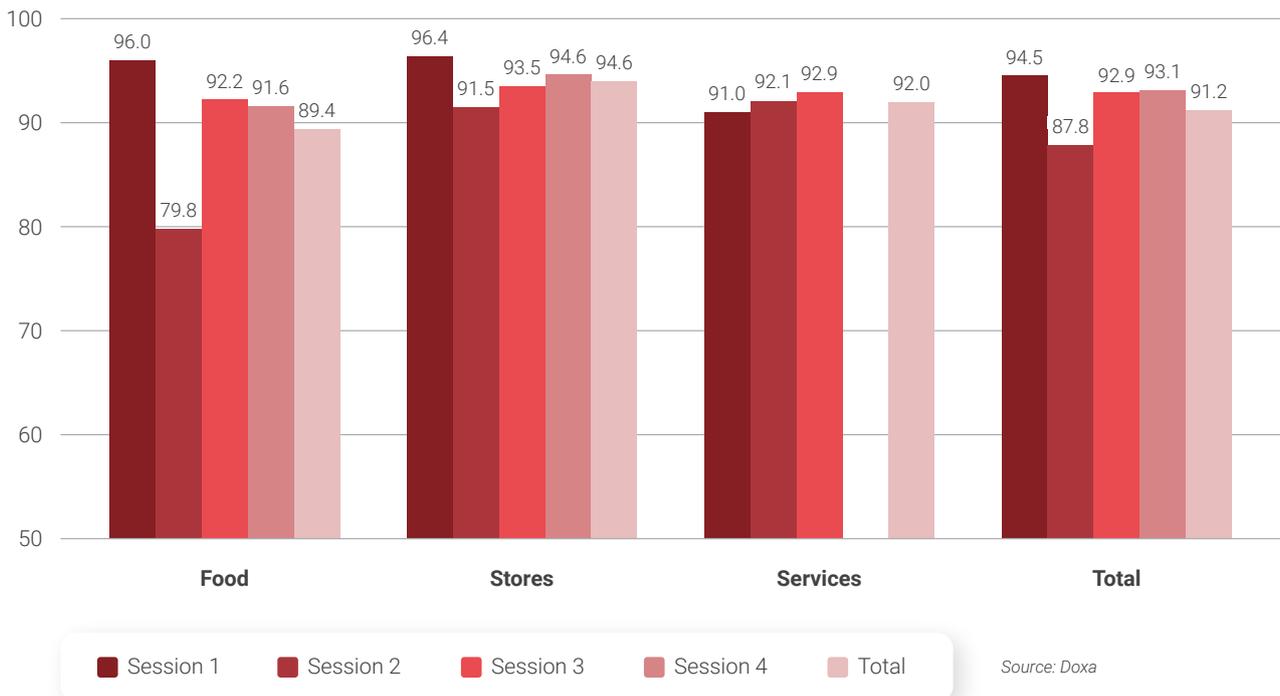
Compared to 2019, there was an improvement in the average quality value at both airports and for individual drivers, with more marked results at Malpensa Terminal 1.

Mystery Shopping - Average perceived quality value by airport (scala 1-100)

2022   2019   *Source: Doxa*
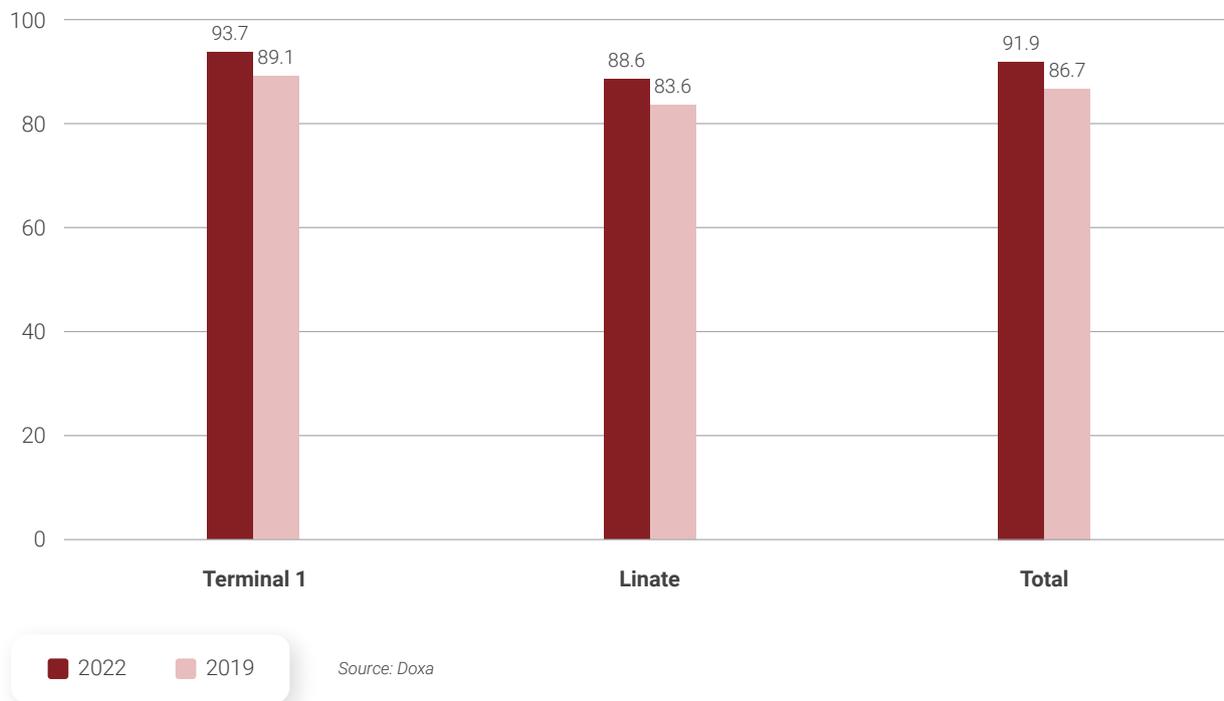
Mystery Shopping - Driver of perceveid quality by airport (scala 1-100)

Terminal 1   Linate   *Source: SEA*
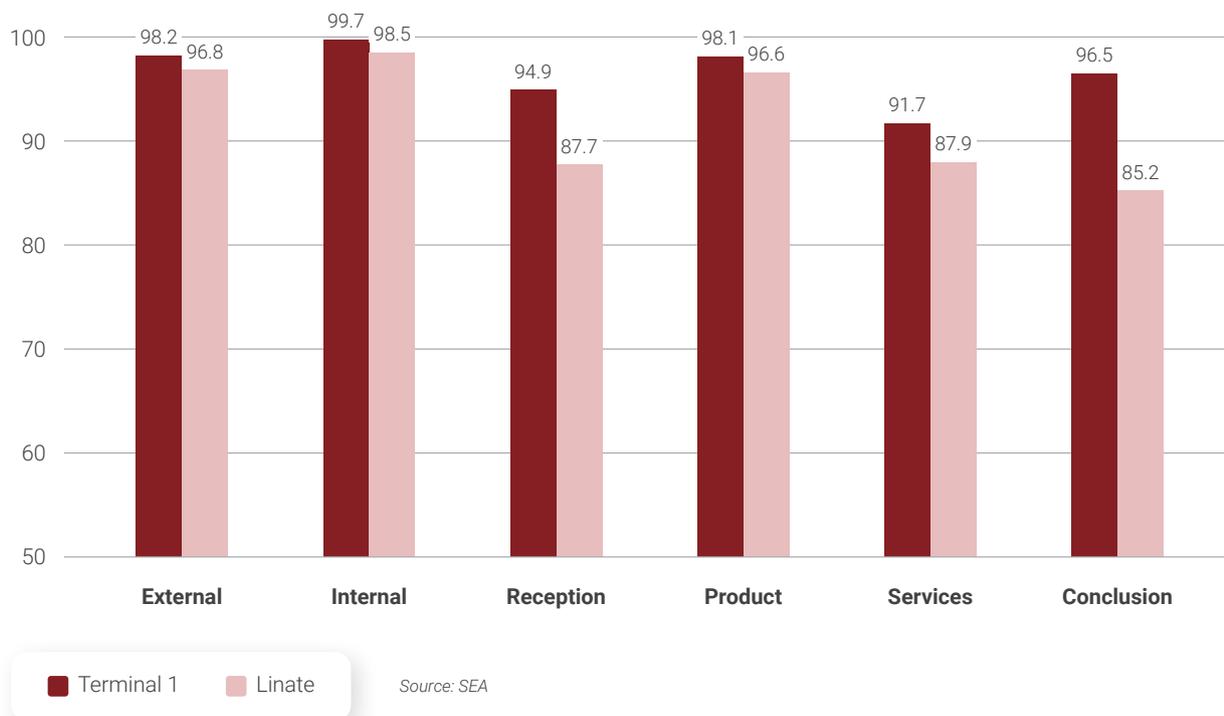
PARKING

SEA directly manages the parking lots of its own airports, and, from 2014, will also manage that of Orio al Serio Airport. The ViaMilano Parking system offers over 24,000 parking spaces. The stability despite the clear decline in traffic was the result of a commercial policy consistent with changing consumption habits, with a focus on the continuity of the relationship with the customer base. In 2022, the Linate Top Class P1 car park was restyled, to allow direct access to the check-in floor and increase the size of spaces, providing greater customer convenience. The partnership with Telepass has been strengthened, allowing Telepass users to book parking in our car parks online and directly debit their Telepass account. Furthermore, given the increased number of electric cars on the roads, and with a view to keeping pace with innovation and sustainability, SEA has decided to invest in installing new charging stations in its car parks, in partnership with Free to X.

Number of parking spaces

	2022	2021	2020
Malpensa T1	6,937	6,729	6,729
Malpensa T2	5,924	6,131	6,131
Linate	2,885	3,026	3,026
Total	15,746	15,886	15,886

Note: The figures refer only to the number of available spaces.

Source: SEA

Malpensa T1 - Parking service performance indicators

Year	Capacity (No. spaces)	Paying car transits (No.)	Average stay (days)
2022	6,937	444,114	3.6
2021	6,729	245,539	6.6
2020	6,729	153,667	4.2

Note: the data relating to capacity refer to the spaces available and usable during the year in long-term car parks.

The data on the number of paying vehicles in 2021 have been restated, following an improvement in the data collection process. For data on previous years, please refer to the 2021 Non-Financial Statement.

Source: SEA

Malpensa T2 - Parking service performance indicators

Year	Capacity (No. spaces)	Paying car transits (No.)	Average stay (days)
2022	5,924	44,266	3.4
2021	6,131	5,299	1.7
2020	6,131	39,445	2.9

Note: The capacity figures refer to available spaces and utilizable during the year.

Source: SEA

Linate - Parking service performance indicators

Year	Capacity (No. spaces)	Paying car transits (No.)	Average stay (days)
2022	2,885	210,984	2.8
2021	3,026	142,517	7.4
2020	3,026	55,578	2.9

Note: the data relating to capacity refer to the spaces available and usable during the year in long-term car parks.

The data on the number of paying vehicles in 2021 have been restated, following an improvement in the data collection process. For data on previous years, please refer to the 2021 Non-Financial Statement.

Source: SEA

Quality of services to Cargo City operators

The management and handling of incoming and outgoing freight and mail at Malpensa airport are carried out by independent operators, who provide their services in specific sectors on the basis of commercial agreements, in compliance with the rules and procedures laid down in the Airport Regulations. The cargo services offered at Malpensa airport include the physical handling of all types of air cargo, together with a wide range of ancillary services such as carrier representation services (including document handling), customs services, road freight services, bookings, and the sale of space on board aircraft.

A Cargo Service Charter was adopted at Malpensa airport in 2014 in order to:

- define performance and quality levels which satisfy the expectations of operators utilising the cargo assistance services;
- ensure SEA the availability of a regulation and control system for the cargo services provided at the airport, in order to guarantee the quality of the final result.

The measurement of cargo service quality levels defined by the Charter is based on the "Cargo iQ" system promoted by IATA and defines, among other things, operating standards and service levels for the main airport processes that form part of the system.

QUALITY PROVIDED

The Freight Service Charter measures the performance of ten service quality indicators analysed through quarterly surveys. The parameters are self-monitored by the cargo handlers, both with IT tools (with complete analysis of the effect) and through field surveys carried out on a sample of events that are suitably representative in terms of number and frequency of detection. SEA conducts periodic audits of self-monitoring surveys at least annually.

Freight Service Charter 2022 - Quality indicators

Process	Indicator	Definition	Value	Target
Goods preparation	Correct packaging of departing loads	Percentage of flights for which no anomalies were found in goods packing compared with the total number of flights handled in the quarter	Cargo flights: >99% Passenger flights: >99%	99%
Compliance with carrier instructions	Freight unloaded in the port of call	Percentage of incomplete or misdirected shipments (misdirected start, missed boarding, incomplete boarding)	0.42%	<0.75%
Receiving goods	Maximum waiting time for the truck to unload the goods	Time between acceptance of the documents and the start of unloading the vehicle. (The parameter assumes different values in relation to the average presentation curves of the vehicles at the handling operators' warehouses)	90%	90%
Airport delivery	Time limit for delivery of departing goods at the airport	Percentage of shipments delivered within the time limits out of total outbound shipments processed by the handler	97%	95%
Goods ready for collection	Compliance with the times for the preparation of the loads in departure	The percentage is calculated by comparing flights with no anomalies with the total number of flights processed by a specific cargo handler	>99%	97%
Import goods interface	Compliance with the timing for the delivery of the goods in stock in import from the time the flight lands	Percentage of flights that are on schedule in relation to the total number of flights with incoming freight	95%	90%
Import deliveries	Waiting time for goods to leave the import warehouse	Time between presentation of the outbound bill and actual delivery of the shipment to the recipient Reference value: < 60 minutes	78%	90%
Tick times	Compliance with the timing for availability to the recipient of the goods arriving	Percentage of shipments whose availability to the recipient is ensured by the handler within the defined timeframe	93%	92%

Source: SEA

QUALITY PERCEPTION

By means of a questionnaire that can be filled in electronically and distributed widely among all operators interested in cargo activities at Malpensa (around 120 interested parties, including airlines, cargo agents, shipping companies, customs agents, etc.) At least once a year, SEA surveys customer satisfaction with the quality of Cargo area services and facilities.

Freight Service Charter 2022 - Perceived quality indicators

Item	Indicator	Satisfied operators	Target
Goods area security	Perception of level of cargo security services at the airport	95%	70%
Asset security	Perception of the level of asset security	95%	80%
Service regularity	Perception of service regularity	77%	65%
Cleaning and hygienic conditions	Perception of the level of cleanliness and sanitary conditions of the cargo area	57%	60%
Infrastructure, plant and equipment	Perception of infrastructure, facilities and equipment	75%	60%
Additional services	Perception of additional handling services available in the cargo area	76%	70%
Information to operators and customers	Perception of the effectiveness of outdoor signage	48%	65%
Information to operators and customers	Perception of information services	86%	65%
Relationship and conduct aspects	Perception of the professionalism and courtesy of goods handling staff	91%	75%
Modal integration	Perception on the degree of accessibility to the freight terminal	73%	70%
Modal integration	Perceptions of infrastructure quality for modal integration	52%	60%

Source: SEA

Investments in Corporate Citizenship

The majority of SEA's charitable donations over the past three years, totalling over Euro 1.2 million, concerned support for cultural initiatives, such as the Teatro alla Scala Foundation in Milan. As a founding member, SEA actively participates in the promotion of musical culture throughout the world, supporting the national artistic heritage and improving its quality level. In 2022, with the positive recovery of the Company's economic performance, SEA increased its allocations to donations compared to previous years, especially concerning social and welfare aspects.

Donations made over the last three years (Euro)

2022	100,000 · 216,609 · 8,500 · 252,746	Total donations 477,855
2021	100,000 · 112,500 · 5,000	Total donations 117,500
2020	600,000 · 649,800 · 5,000 · 29,000	Total donations 683,800

0 € — 350,000 € — 700,000 €

■ Culture/Education   ■ Sporting events
■ La Scala Theatre Foundation   ■ Social/Assistance
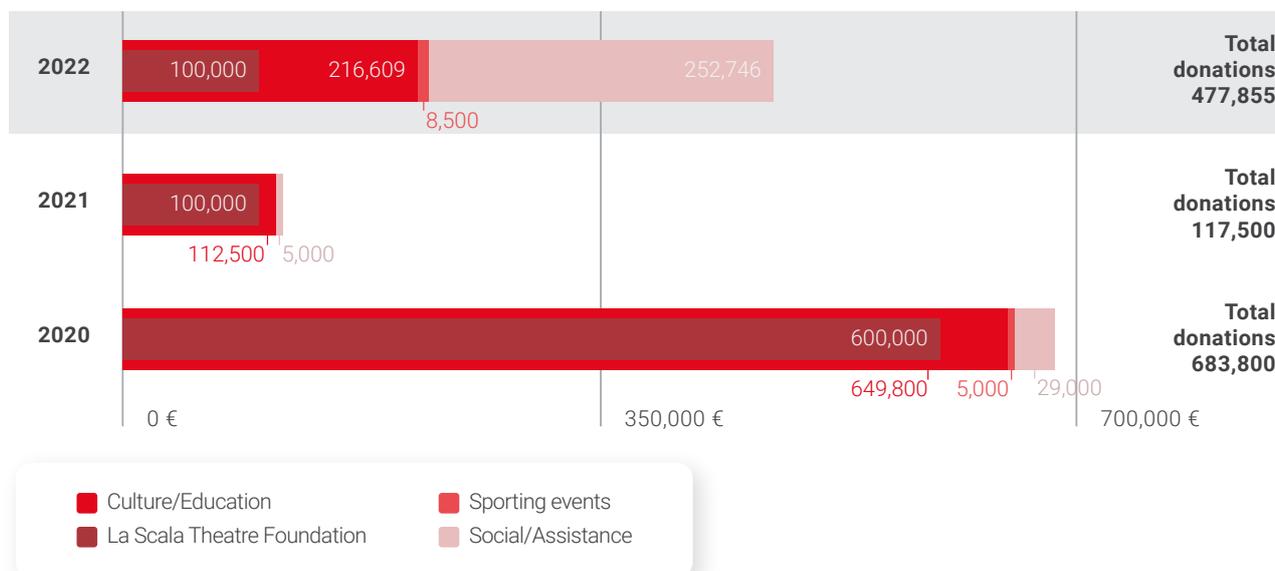
OUTCOME

SEA's "Outcome" corresponds to the systemic impact generated to the benefit of the socioeconomic context in which it operates. It defines and measures how the management of the airport system has acted as an enabling factor and catalyst for economic and social development through the generation of air connectivity of adequate quality in harmony with the competitive profile of the local area served.

Connectivity

The direct connectivity index is a better measure to define the outcome generated by an airport than the mere number of destinations served because it also takes into account the number of flights available for the destinations concerned and thus the ease of reaching them.

The COVID-19 pandemic had a dramatic effect on the supply of air connectivity in the air transport sector, which underwent systemic collapse across all European regions. The extent of this reduction was directly linked to the measures implemented by governments in their efforts to contain the spread of the virus.

The loss of air connectivity had a strong impact on the economic and social dynamics of the communities in question. Reconstructing air connectivity will therefore be fundamental to restarting tourism, business, investments and trade.

By the summer of 2020, connectivity at Milan's airports had partially recovered from the decimation of flights that occurred in the first six months, rising to around 55% of normal operations. In September, the trend reversed again, due to lack of demand and renewed travel restrictions resulting from the second wave. By June 2021, connectivity had returned to the same levels as the same period the previous year, only to then fall again due to yet another wave that hit Europe in late 2021. With the widespread roll-out of vaccinations and the reopening of various international destinations, the recovery of connectivity, both across Italy and for the two Milan airports, was very significant in 2022. In June, this was just 14% and 15% lower than pre-pandemic levels respectively.

Direct connectivity gap 2020-2022 vs. 2019 - Total Italy and SEA Milan Airports
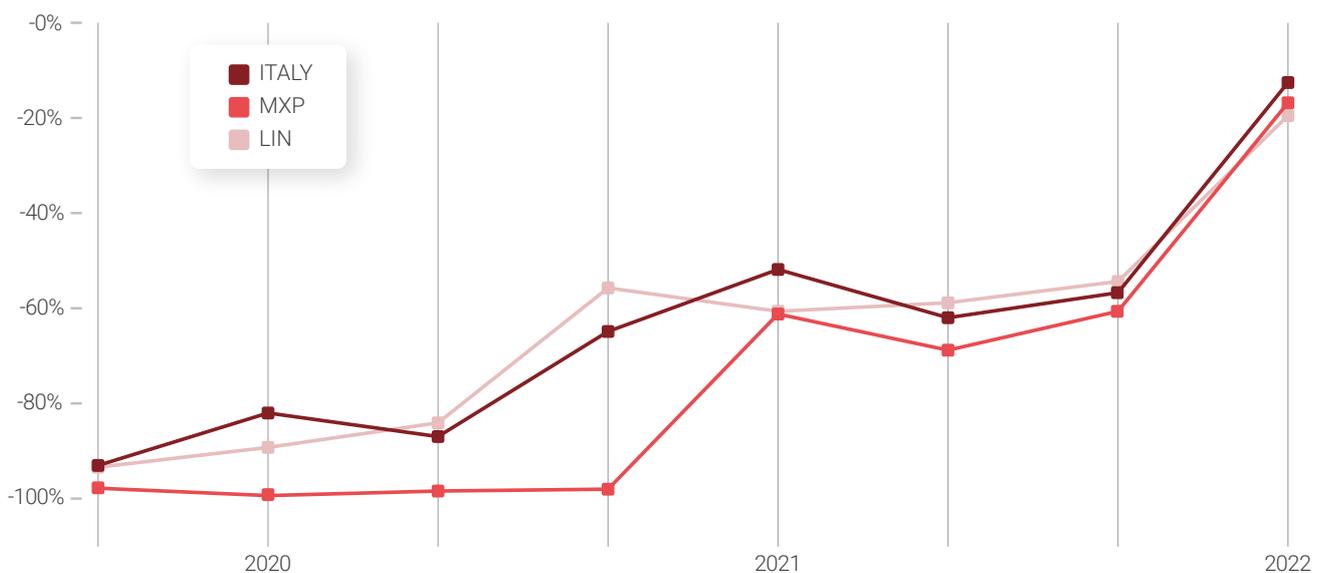
Source: ACI Europe, Airport Industry Connectivity Report 2021, 2022

WORLDWIDE AND EUROPEAN CONNECTIVITY INDEX

Based on the latest available data, following the outbreak of the pandemic in 2021, Malpensa's position in the rankings of the world's best connected airports took a hit, dropping to 56th place from 35th in the previous year, with a connectivity index of 2.78 (vs. 2.62 in 2021), having reached 28th place back in 2019 (with an index of 2.58). The index covers a network of 3,908 airports worldwide and, as one of the most important airport structural parameters, illustrates the average number of flights needed to reach all the other airports in the considered network (worldwide or European) starting from a given airport. In terms of European connectivity (referring to a sample of 480 continental airports) Malpensa has dropped from 17th place in the pre-pandemic period to 32nd in 2021, with an index of 1.92 (1.87 in the previous year). Similarly, Linate dropped four places in the continental accessibility ranking, from 98th to 102nd, with a slight worsening of the index (2.24 vs. 2.22 in 2021).

CONNECTIVITY AND TRAVEL TIMES

An indicator which provides a more accurate measure of the level of accessibility to Europe by individual airports is based on the minimum travel times to reach other European airports.

Travel time includes both the flight time and the waiting time at interim airports (in the case in which more than one flight is necessary to reach a particular destination). For absolute comparison purposes, in 2021 it was possible to reach 341 European airports in a day with an average connection time of 288 minutes from Amsterdam Airport (the best connected European airport). This reflects a performance that is returning to pre-pandemic levels, when from the same airport it was possible to reach 377 airports in an average time of 272 minutes.

Connectivity indicators and travel times of the Milan airports

	2021		2020		2019	
	MXP	LIN	MXP	LIN	MXP	LIN*
No. European airports connected same day	342	338	288	267	372	-
Average connection time (minutes)	388	399	434	451	317	-

Airport not operational at the time of the survey
Source: ICCSAI Fact Book 2020, 2021, 2022

In this ranking, Malpensa airport is 23rd in Europe (21st in the previous year), with 342 airports reached in the same day (the highest number among Italian airports, and ranking 5th among European airports), and average connection times of 388 minutes. Linate airport is in a similar situation, ranking 32nd (30th in the previous year) in the continent and 3rd nationally, being connected with 338 airports that can be reached in a day with an average time of 399 minutes.

ACCESSIBILITY TO EUROPEAN GDP

Malpensa is the highest-ranked Italian airport - and the only one in the top 10 - in the continental ranking based on the share of European GDP that can be reached in a limited time.

% European GDP reachable based on flying time

	2021		2020		2019	
	MXP	LIN	MXP	LIN	MXP	LIN*
% of EU GDP reachable within 2 hours	76.7	55.4	62.4	40.6	82.5	-
% of EU GDP reachable within 2-4 hours	17.7	33.2	21.8	26.3	16.7	-
European ranking position	7°	25°	11°	23°	10°	-

Airport not operational at the time of the survey
Source: ICCSAI Fact Book 2020, 2021, 2022

The connectivity of destinations according to the travel time is more indicative of quality than connectivity measured exclusively in terms of the number of connections within the continental network. In this regard, Malpensa is in 7th place (gaining four positions) in the European ranking, a significant improvement on the previous year. Linate sits 3rd in the national ranking and 25th in the European ranking.

The socioeconomic impact of the airports

In 2022, the Milan airport system began once again to play a role - if not fully, then notably more than in recent years - in attracting capital, in generating employment opportunities and in introducing or acting as a catalyst for investment in the Lombardy region and the entire North-West of Italy.

On the basis of the figures relating to the socio-economic impact of Milan airports reported in various studies commissioned by the Centre for Regional and Sector Development of the LIUC Business School and coordinated by Prof. Massimiliano Serati, in 2022, the SEA airport system reported a strong increase in direct, indirect, induced and catalytic impacts compared to 2021, marking a significant trend reversal compared to the years of the pandemic. The overall consequences on the Lombardy region had a value of Euro 40.3 billion, corresponding to a capacity to create over 239 thousand jobs.

TYPES OF IMPACT ANALYSED

Direct impact

This social impact derives from all the economic activities that provide services to passengers, in addition to the goods circulating within the airport structures (e.g.: carriers, shops, bars, restaurants, car hire, banks, shippers, handlers, state authorities, catering companies, etc.). This was reorganized starting from the list of shops which requested the issuing of a badge to operate within the airports. The average employment per sector and local units was obtained by cross-referencing Istat's (National Statistics Institute) national and regional databases, information solely related to airport systems and assessments conducted directly in the airports. The Value of Production was estimated by applying average employee productivity indices to the employment data.

Indirect and spin-off economic impact

The indirect impact is that generated by the provision of services and goods to passengers outside of the airport and by the supply chain - triggered by the providers of direct activities. This concerns the increase in end demand prompted by the expenditure of those operating in various forms on the basis of the presence of the airport. Estimating indirect and spin-off effects was undertaken using economic multipliers (respectively Leontief and Keynesian models), as is common practice in economic impact studies. These multipliers are based on national economic input-output models, adjusted per region, so it could be applied to the Lombardy scenario. The model establishes how much output each company or sector needs to acquire from every other sector to produce Euro 1 of goods or services.

Catalytic impact

The definition of catalytic impact encompasses all the static and dynamic effects arising from the presence of an airport in terms of the attractiveness and the competitiveness of the area involved in its activity. By creating connectivity, the airport either triggers or amplifies socioeconomic development mechanisms, boosting the economic growth of the region.

SEA'S IMPACT ON THE SUPPLY CHAIN

The economic impact generated on the local area by the SEA Group alone through purchases of goods and services supplies amounted to Euro 182.3 million in 2022, corresponding to 60% of the total value of Group purchases.

Order value by geographical origin (Euro millions)

Year	Local	Other Italy	Overseas
2022	182.3	65.5	8.5
2021	86.5	50.1	6.9
2020	135.6	112.9	7.1

■ Local   ■ Other Italy   ■ Overseas

Note: Local concerns suppliers based in the provinces of Lombardy, Novara and Piacenza.
Source: SEA
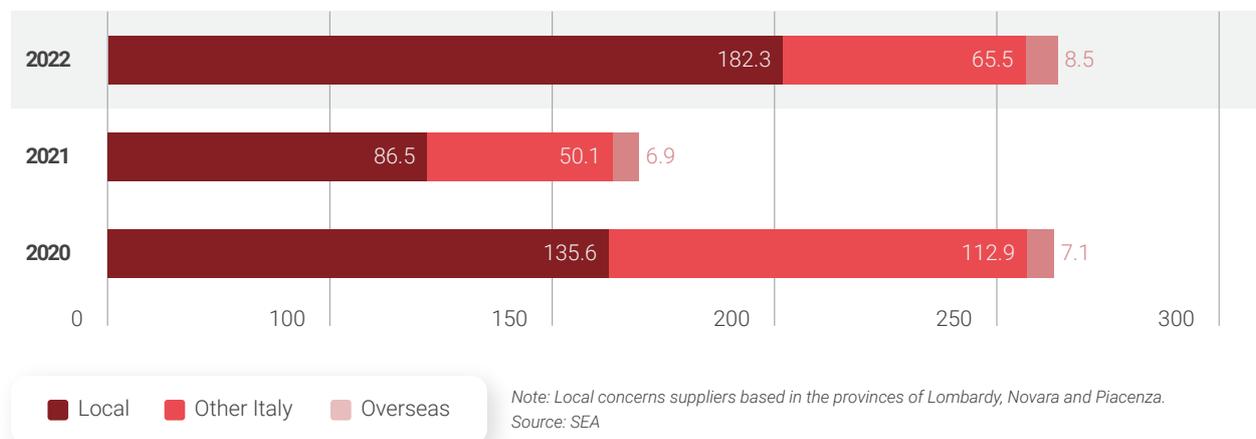
Linate and Malpensa - Order value by region (Euro millions)

Year		Province of Milan	Province of Varese	Other Italy	Overseas
2022	LIN	47.6		66.8	4.1
	MXP		12.7	120.8	4.4
2021	LIN	22.7		39.7	4.1
	MXP		8.7	65.5	2.8
2020	LIN	24.1		52.4	6.0
	MXP		22.0	150.0	1.1

■ Province of Milan   ■ Province of Varese   ■ Other Italy   ■ Overseas

Source: SEA
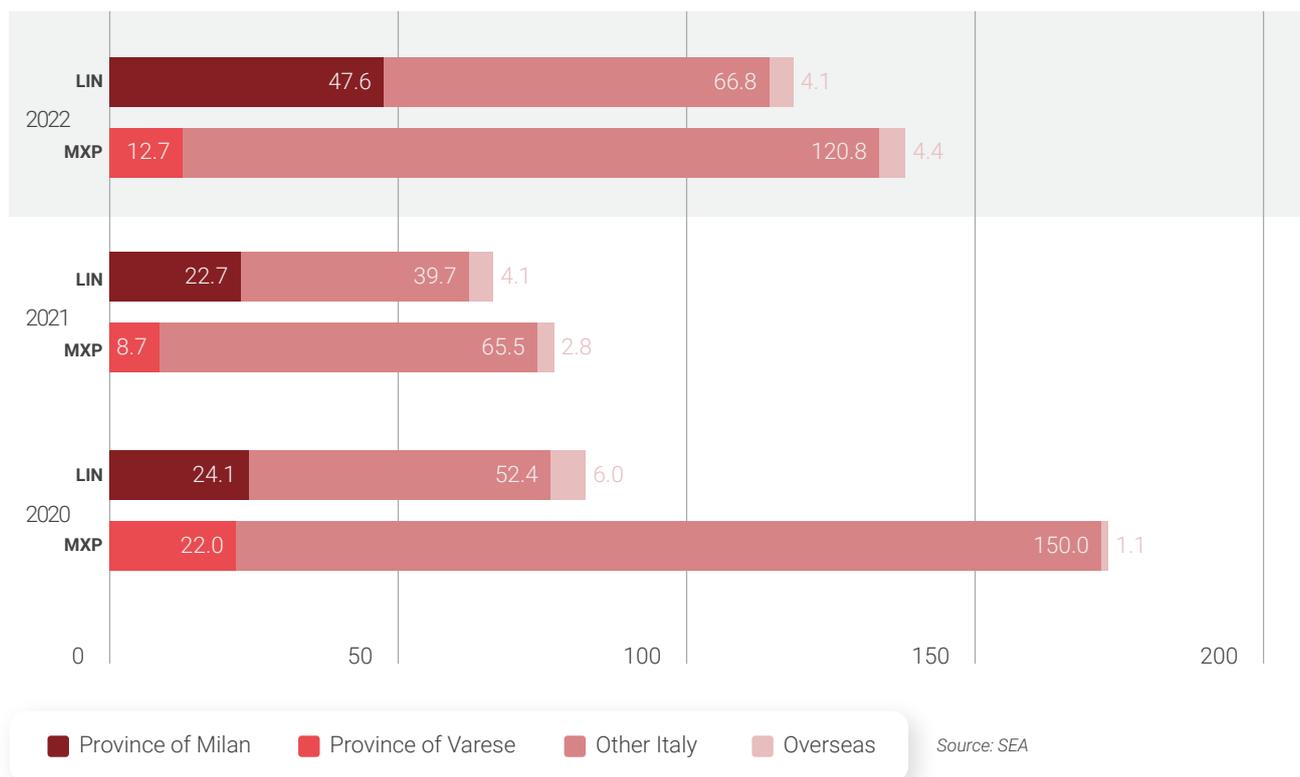
This result was achieved despite the fact that SEA does not select its suppliers by geographical origin, due both to the constraints of public tenders and to the Group's prioritising of qualitative, economic and sustainability aspects over other supply criteria.

At Linate Airport, the value of orders placed with suppliers located in the Province of Milan was 40% of the total (34% on average during the 2020-2022 period), while at Malpensa Airport, the value of orders placed with suppliers in the Province of Varese was 9% of the total (11% on average during the 2020-2022 period).

Direct socioeconomic impact of Malpensa airport

In 2022, Malpensa airport maintained substantially the same production volume (486 vs.484 units), reflecting the employment stability (-136 work units, -0.8%).

Direct socioeconomic impact generated by Malpensa airport

Year	No. companies	Jobs created	Value of production (Euro mil.)
2019	563	20,977	5,109
2020	553	19,615	2,876
2021	484	18,141	3,040
2022	486	18,005	5,195

Source: Observatory on Milanese airports - LIUC BS based on SEA and ISTAT data

On the other hand, there was a strong surge in the value of production within the Malpensa area, which grew by 70.9% in 2022 to Euro 5.2 billion, exceeding the performance of the pre-pandemic period (Euro 5.1 billion). However, we note that approximately 8% of the growth recorded in 2021 is attributable to inflationary pressure in 2022.

DIRECT EMPLOYMENT IMPACT OF MALPENSA ON CUV MUNICIPALITIES (VOLUNTARY URBAN COMMITTEES)

The analysis of the regional employment distribution, directly due to Malpensa airport, shows that 80.7% of employees live in Lombardy, with 6.1% residing in the neighbouring province of Novara and almost 11% residing outside the region.

Employment impact of Malpensa on the CUV municipalities

Year	Total direct employment activated from Malpensa	Direct employment activated at CUV municipalities	% CUV employed of total
2019	20,977	4,292	20.4
2020	19,615	4,079	20.7
2021	18,141	3,839	21.1
2022	18,005	3,828	21.3

Source: Observatory on Milanese airports - LIUC BS based on SEA and ISTAT data.

Over half of employees (50.6%) were based in the Province of Varese, in which Malpensa airport is located, while in the CUV municipalities more than 21% of employment generated by the airport was located (42% of the employment directly generated by Malpensa in the Province of Varese).

Indirect and spin-off socioeconomic impacts of Malpensa

Testament to the indirect impact of Malpensa airport (related to the supply chain external to the production units operating within the airport) in 2022 are the just over 11,000 job openings, related to over Euro 1.8 billion of value of production generated.

Development of Malpensa's indirect and spin-off effect

Year	Indirect impact		Spin-off impact	
	Employment	Value of production (Euro mil.)	Employment	Value of production (Euro mil.)
2019	12,908	1,817	9,770	2,397
2020	12,070	1,023	9,136	1,349
2021	11,163	1,081	8,449	1,427
2022	11,079	1,848	8,385	2,437

Source: Observatory on Milanese airports - LIUC BS based on SEA and ISTAT data

The spin-off effect (resulting from the increase of aggregate demand generated by salary and payments to employees operating inside the airport structures) represents, on the other hand, slightly under 8.4 thousand job openings with a value of production worth Euro 2.4 billion.

The catalytic socioeconomic impact of Malpensa airport

The concept of the catalytic impact is in line with the idea that the airport contributes to generating (and is a part of) a sort of eco-system of which the airport is initially the driving force and then the co-pivot.

Catalytic dynamics may therefore be the forces, which, in the long term, bring together in the airport's territory, people, production activities, competencies and technologies. By placing catalytic-type impacts in the broader context of territorial attractiveness it is clear that:

- the catalytic activation tends to become significant and transversal only beyond a certain airport size threshold and, correlates in a non-linear manner, to traffic flows;
- it is not easy to identify and separate the various breakdowns of the catalytic impact;
- there are feedback mechanisms, even if relatively weaker, by which the economic context, in its turn, triggers airport development.

ANALYSIS OF THE COMPONENTS OF MALPENSA'S CATALYTIC IMPACT

International trade

Manufacturing companies present in the territory benefit from the airport connections to export markets.

Tourism

Air access increases the number of inbound tourists to a country. This tourist spend supports a wide range of businesses: hotels, restaurants, shops, entertainment and leisure services, car hire, etc.

The attraction and the retention of production investments in the territory

The presence of an international airport is a key factor for companies deciding to relocate their offices, production plants or warehouses and to locate them there in the long term.

THE ROLE OF MALPENSA IN INTERNATIONAL TRADE

The volume of air cargo volume to and from Italy is negligible (about 2%) of the external national trade flows and is trumped by maritime transport as the key mode.

This might imply that the catalytic effect on trade is insignificant.

Development of the import-export flows of air cargo in Italy (Euro millions)

	Imports + Exports			Exports		
	Total Italy	Italy by air	Northern Italy by air	Total Italy	Italy by air	Northern Italy by air
2020	787,518	76,019	45,673	423,348	43,623	29,302
2021	937,197	87,626	53,626	499,841	50,303	33,730
2022	1,231,115	108,289	68,987	601,306	68,141	44,828
CAGR	7.7%	6.1%	7.1%	6.0%	7.7%	7.3%
Growth 22/21	31.4%	23.6%	28.6%	20.3%	35.5%	32.9%
Share 2020		9.7%*	60.1%**		10.3%*	67.2%**
Share 2021		9.3%*	61.2%**		10.1%*	67.1%**
Share 2022		8.8%*	63.7%**		11.3*	65.8**

*Italy by air/Italy total; **North by air/Italy by air*
Note: last quarter estimated
Source: Observatory on Milanese airports - LIUC BS based on SEA and ISTAT data

However, the picture changes if we consider the value of goods transported by air, which, in 2022, accounted for 8.8% of Italian foreign trade, with a weighted average growth rate of 6.1% over the last three years, translating to 7.7% of the value of the country's total foreign trade. By contrast, the three-year CAGR of exports by air instead exceeded the overall figure. Overall, goods transited to and from Italy by air amounted to Euro 108.3 billion, a significant rise compared to the previous year (+23.6%) and also higher than 2019 (Euro 76 billion). If the focus is shifted to exports, 11.3% of Italian exports by value were moved by air in 2022 (compared to 10.1% in 2021). Of this total, 65.8% transited through northern Italian airports (1.3 percentage points down on last year's figure).

Of this increase, 72.5% is attributable to increased volumes or changes in the type of goods traded, while the remaining share is due to inflationary dynamics.

The import-export values (55.2 billion, +12.3 billion on the previous year, +28.7%) that transited through Malpensa correspond to about 4.5% of Italian foreign trade, which saw steep growth of 31.4% in 2022 after the collapse in 2020 and the reverse in 2021, totalling Euro 1,231 billion. The pandemic crisis did not alter the general dynamics of the export-import balance from trade flows transiting through Malpensa, which remain positive and growing (Euro 16 billion in 2022, against 11 billion in 2021, and 10 billion in 2020).

Malpensa's role in this regard remained highly significant, not only in terms of its impact on the overall value of Italian exports (corresponding to 6.0% in 2022, up on 5.4% in the previous year), but also in terms of its impact on national direct exports outside the European Union (where air cargo faces less competition from rail and road transport) which in 2022 accounted for 11.8%, an increase on the previous two years.

Impact of Malpensa cargo traffic on Italian export values (Euro millions)

Year	Exports Italy	Exports via Malpensa	Exports via Malpensa/ Exports Italy	Exports Italy Non-EU	Non-EU exports via Malpensa	Exports via Malpensa Non-EU/Non-EU - Italy exports
2019	475,930	28,029	5.9%	209,841	25,837	12.3%
2020	423,348	23,441	5.5%	188,030	21,520	11.4%
2021	499,841	26,985	5.4%	239,840	25,204	10.5%
2022	601,306	35,862	6.0%	282,674	33,475	11.8%

Note: last quarter estimated

Source: Observatory on Milanese airports - LIUC BS based on SEA and ISTAT data

With regard to the cargo flows transiting through Malpensa's Cargo City, imports amounted to Euro 19.3 billion (compared to Euro 15.9 billion in 2021), whereas exports grew to Euro 35.8 billion (compared to Euro 26.9 billion in the previous year).

The main reference markets are Eastern Asia, North America and the European Union. The Middle East and the rest of non-EU Europe are included when we consider only export values. The consistent rise in international trade has led to a substantial increase in the value of both imports (+21.4% vs. 2021) and, above all, exports (+32.9%), for the second consecutive year.

Significant rebounds in goods managed by Malpensa were reported in all major trade volume markets: Middle East (+50.6% imports, +80.0% exports), North America (+16.7% imports, +48.2% exports), and East Asia (+25.2% imports, +19.2% exports). Significant rebounds were also seen in the EU 27 market (+11.0% imports, +34.1% exports).

Import-export movements in value terms via Malpensa by region (Euro thousands)

NORTH AMERICA

Import 2019
2,650,544
Import 2021
2,936,623
Import 2022
3,426,816
Δ 2021-2022
16.7%

Export 2019
8,044,500
Export 2021
7,370,078
Export 2022
10,926,013
Δ 2021-2022
48.2%

EU 27

Import 2019
1,819,468
Import 2021
1,770,563
Import 2022
1,965,884
Δ 2021-2022
11.0%

Export 2019
2,191,752
Export 2021
1,780,795
Export 2022
2,387,197
Δ 2021-2022
34.1%

EUROPE NON-EU

Import 2019
305,679
Import 2021
886,161
Import 2022
896,459
Δ 2021-2022
1.2%

Export 2019
1,101,984
Export 2021
1,953,600
Export 2022
2,231,623
Δ 2021-2022
14.2%

CENTRAL ASIA

Import 2019
699,721
Import 2021
700,023
Import 2022
1,052,432
Δ 2021-2022
50.3%

Export 2019
1,052,317
Export 2021
1,230,787
Export 2022
1,168,478
Δ 2021-2022
-5.1%

EAST ASIA

Import 2019
8,116,994
Import 2021
8,955,905
Import 2022
11,214,120
Δ 2021-2022
25.2%

Export 2019
10,550,301
Export 2021
10,077,835
Export 2022
12,008,872
Δ 2021-2022
19.2%

Import 2019
287,484
Import 2021
329,754
Import 2022
324,270
Δ 2021-2022
-1.7%

Export 2019
1,366,936
Export 2021
1,301,163
Export 2022
1,712,523
Δ 2021-2022
31.6%

CENTRAL/SOUTH AMERICA

Import 2019
22,082
Import 2021
24,593
Import 2022
25,088
Δ 2021-2022
2.0%

Export 2019
229,207
Export 2021
264,526
Export 2022
258,164
Δ 2021-2022
-2.4%

NORTH AFRICA

Import 2019
92,737
Import 2021
81,290
Import 2022
107,786
Δ 2021-2022
32.6%

Export 2019
510,719
Export 2021
454,612
Export 2022
552,146
Δ 2021-2022
21.5%

SUB-SAHARAN AFRICA

Import 2019
163,152
Import 2021
165,347
Import 2022
249,080
Δ 2021-2022
50.6%

Export 2019
2,072,623
Export 2021
2,030,717
Export 2022
3,654,656
Δ 2021-2022
80.0%

MIDDLE EAST

Import 2019
60,561
Import 2021
65,883
Import 2022
65,342
Δ 2021-2022
-0.8%

Export 2019
896,746
Export 2021
520,610
Export 2022
963,065
Δ 2021-2022
85.0%

OCEANIA

Import 2019
14,220,489
Import 2021
15,916,143
Import 2022
19,327,277
Δ 2021-2022
21.4%

Export 2019
28,029,273
Export 2021
26,984,723
Export 2022
35,862,739
Δ 2021-2022
32.9%

WORLD

Note: last quarter estimated

Source: Observatory on Milanese airports - LIUC BS based on SEA and ISTAT data

An analysis of flows of goods of the five main industrial sectors (together accounting for 93.1% of imports and 91.5% of exports in terms of value managed by Malpensa in 2022) suggests a strong recovery in imports of mechanical products (+26.0%), furniture and furnishings (+32.1%), means of transport (+28.3%), and fashion and clothing (+26.3%). Overall, imports of these five industrial sectors transiting through Malpensa grew by 21% on the previous year.

Strong relaunch as regards export flows. All sectors recorded very significant increases, in a range between +37.6% of the means of transport sector and +24.0% of the mechanics sector. Overall exports via Malpensa of these industrial sectors grew by just under 31%. The exposed data continue to confirm the central role of Malpensa for the trade balance of the manufacturing sector in Northern Italy.

Change in import-export flows through Malpensa per industry sector (Euro thousands)

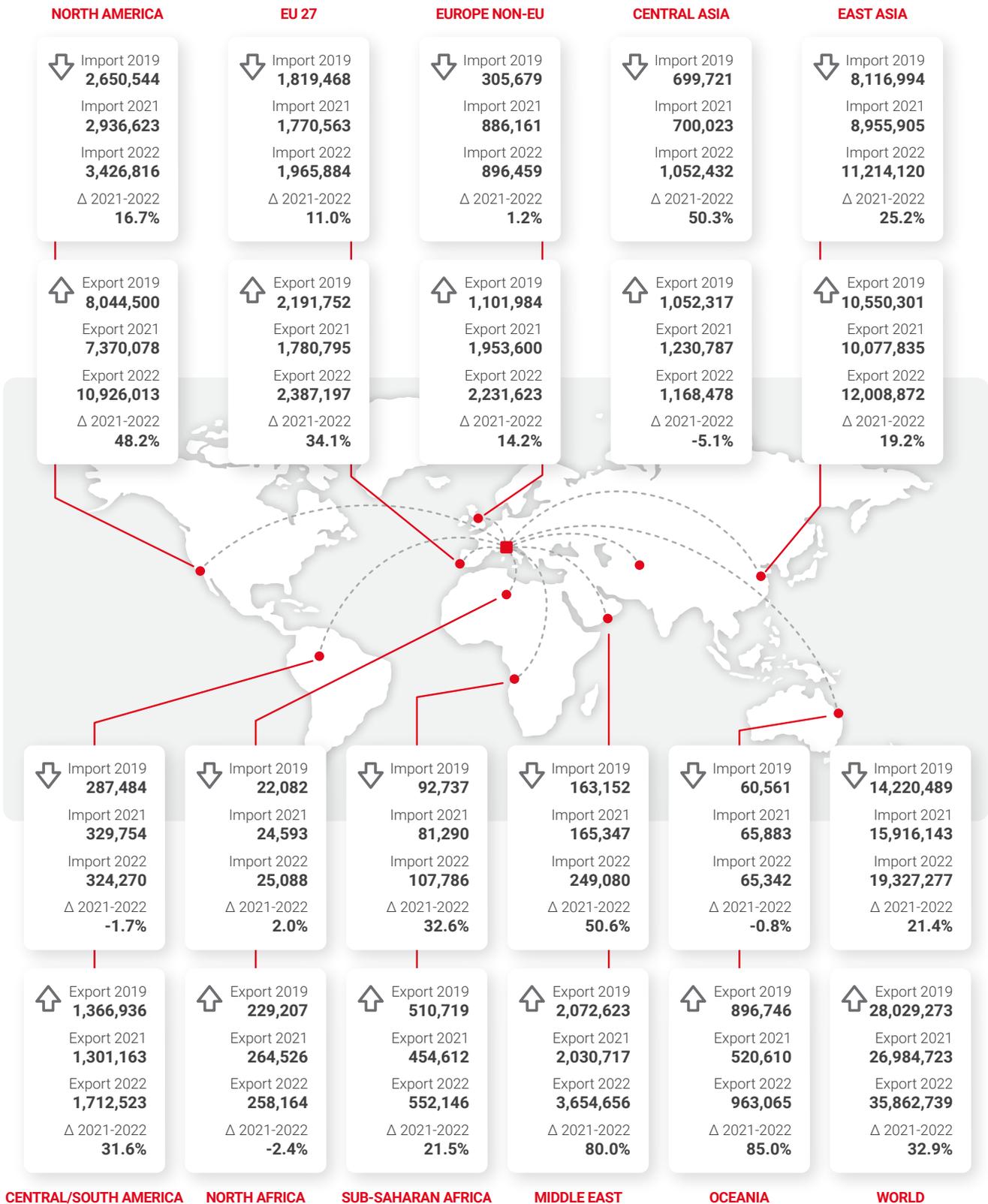|	Import 2019	Import 2021	Import 2022	Δ 2021-2022 (%)	Export 2019	Export 2021	Export 2022	Δ 2021-2022 (%)
Machinery	8,459,519	8,930,680	11,249,541	26.0	9,115,982	9,059,531	11,233,759	24.0
Fashion/clothes	1,506,978	1,304,919	1,647,864	26.3	7,910,733	6,936,611	9,263,542	33.5
Chemicals/plastic	1,698,791	3,076,718	3,052,541	-0.8	4,052,918	4,207,919	5,748,999	36.6
Furniture/furnishings	999,800	965,485	1,275,682	32.1	2,758,209	3,068,669	4,064,456	32.5
Transport vehicles	682,572	605,524	776,880	28.3	1,615,489	1,823,812	2,509,279	37.6
Total	**13,347,660**	**14,883,326**	**18,002,508**	**21.0**	**25,453,331**	**25,096,542**	**32,820,035**	**30.8**

Note: last quarter estimated

Source: Observatory on Milanese airports - LIUC BS based on SEA and ISTAT data

When looking at the share of exports transiting through Malpensa against the national total, broken down by industrial sectors, it is clear that for the fashion/clothing, mechanical and chemical/plastic sectors, exports managed by Malpensa's Cargo City continue to show a significant upward trend compared to 2021 (respectively equal to 14.7%, 7.6% and 5.3%), while growth in exports - both in absolute value and as a share (15.7%) - continues in the furniture/furnishings sector managed by the Malpensa's Cargo City.

Export value shares for some industrial sectors via Malpensa (Euro millions)

	2019	2020	2021	2022
Fashion	Italy 51,187	Italy 46,704	Italy 52,572	Italy 63,133
	Malpensa 7,910 (15.4%)	Malpensa 5,866 (12.6%)	Malpensa 6,936 (13.2%)	Malpensa 9,263 (14.7%)
Machinery	Italy 106,095	Italy 112,198	Italy 132,959	Italy 148,455
	Malpensa 9,115 (8.6%)	Malpensa 7,479 (6.6%)	Malpensa 9,059 (6.8%)	Malpensa 11,233 (7.6%)
Chemicals	Italy 62,937	Italy 77,758	Italy 84,602	Italy 108,022
	Malpensa 4,052 (6.4%)	Malpensa 4,734 (6.0%)	Malpensa 4,207 (5.0%)	Malpensa 5,749 (5.3%)
Furniture	Italy 27,254	Italy 16,633	Italy 21,572	Italy 25,849
	Malpensa 2,758 (10.1%)	Malpensa 2,137 (12.8%)	Malpensa 3,068 (14.2%)	Malpensa 4,064 (15.7%)

Note: last quarter estimated.

Source: Observatory on Milanese airports - LIUC BS based on SEA and ISTAT data

Export quotas via Malpensa to the main world markets (Euro millions)

	2020		2021		2022	
	North America	East Asia	North America	East Asia	North America	East Asia
Fashion/clothes						
Total exports Italy	3,519	8,162	4,012	9,694	6,264	11,363
Total exports via Malpensa	1,190	3,754	1,354	4,342	2,340	5,239
Total exports via Malpensa/Total exports Italy	33.8%	46.0%	33.7%	44.8%	37.3%	46.1%
Machinery						
Total exports Italy	12,247	11,722	14,982	13,395	18,182	13,087
Total exports via Malpensa	2,064	2,546	2,692	2,783	3,555	3,363
Total exports via Malpensa/Total exports Italy	16.8%	21.7%	18%	20.7%	19.5%	25.7%
Chemicals/plastic						
Total exports Italy	8,779	5,855	7,882	6,200	10,826	7,845
Total exports via Malpensa	2,214	1,306	1,369	1,481	2,594	1,498
Total exports via Malpensa/Total exports Italy	25.2%	22.3%	17.4%	23.9%	24.0%	19.1%
Furniture/furnishings						
Total exports Italy	2,201	1,718	3,247	2,216	3,996	2,527
Total exports via Malpensa	514	463	833	638	1,042	771
Total exports via Malpensa/Total exports Italy	23.3%	26.9%	25.6%	28.8%	26.1%	30.5%

Note: last quarter estimated.

Source: Observatory on Milanese airports - LIUC BS based on SEA and ISTAT data

In 2022, Malpensa's Cargo City saw nearly half and over one-third of the value of all Italian fashion and apparel sector exports to the rich and dynamic markets of the Far East and North America respectively, in addition to more than a quarter of furniture/furnishings exports to the same markets. The shares of exports via Malpensa to North America of the domestic chemical/plastics industries (24.0%) and to East Asian markets by the mechanical sector (25.7%) are also significant (one-quarter of the national total).

THE ROLE OF MALPENSA IN LOMBARDY'S TOURISM INDUSTRY

The existence of a positive and significant correlation between airport connectivity and tourist attractiveness is well-established in research literature.

On the basis of the data produced by the LIUC - SEA airport-tourism Observatory - it is estimated that:

- in 2022 Malpensa airport transported about 5.2 million tourists to Lombardy (+3.0 million compared to the previous year), of which 4.3 million were international tourists;
- the average stay in Lombardy was around 3.4 days for international visitors and around 2.6 for domestic visitors;
- the average daily expenditure was Euro 252 for foreign tourists and around Euro 200 for Italian tourists.

These figures were used to estimate the total overall expenditure generated by the influx of tourists passing through Malpensa on their way to Lombardy. These values, compared to the average productivity per employee per relevant sector, also generated data on the catalytic impact on employment.

The economic value of incoming tourism in 2022 is estimated at about Euro 4.1 billion (an increase of Euro 0.8 billion compared to 2021 and down 4.0 billion on 2019). Employment generated by incoming tourism related to Malpensa is just over 73,000 units (up 24,000 on 2021, down 36,000 on 2019).

Socio-economic impact generated by tourist flows through Malpensa in 2022

Malpensa

5,188,026 Incomers

16,945,242 Nights spent in the region

3.3 Average stay (days)

243 Expenditure per night (Euro)

887 Total spend per passenger (Euro)

4,151 Value of production (Euro mil.)

73,292 Jobs effect
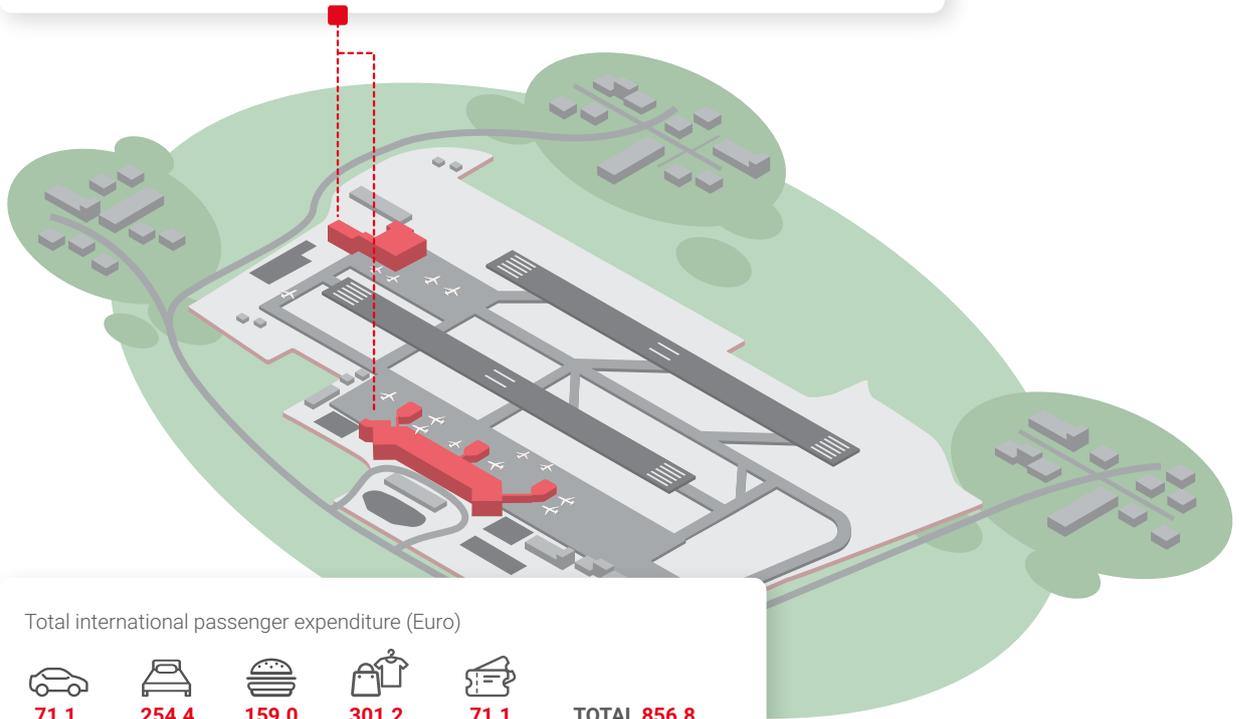
Total international passenger expenditure (Euro)

| 71.1 | 254.4 | 159.0 | 301.2 | 71.1 | TOTAL 856.8 |

Expenditure per night international visitor (Euro)

| 20.9 | 74.8 | 46.8 | 88.6 | 20.9 | TOTAL 252.0 |

Total domestic passenger expenditure (Euro)

| 44.4 | 153.3 | 103.1 | 171.9 | 45.8 | TOTAL 518.6 |

Expenditure per night domestic visitor (Euro)

| 17.1 | 59.0 | 39.7 | 66.1 | 17.6 | TOTAL 199.4 |

Source: Observatory on Milanese airports - LIUC BS

The increase in the value generated by the tourism sector via Malpensa in 2022, compared to the previous year, is essentially the result of a doubling of incomers, offset however by reductions in both their average stays and daily expenditure. This was evident in the nearly 50% reduction in the total spend per visitor compared to 2021.

Development of Malpensa's catalytic impact on tourism

	2022	2021	2019	Δ% 22 vs. 21
Incomers	5,188,026	2,197,710	7,612,619	136.0
Nights spent in the region	16,945,242	8,664,981	18,976,210	95.6
Average stay (days)	3.3	3.9	2.5	-15.4
Expenditure per night (Euro)	243	384	429	-36.7
Total spend per passenger (Euro)	887	1,499	1,064	-40.8
Value of production (Euro mil.)	4,151	3,294	8,098	26.0
Jobs effect	73,292	48,818	119,961	50.1

Source: Observatory on Milanese airports - LIUC BS

Overall socioeconomic impact of Malpensa

Putting together the results obtained from the estimates of the different types of impacts considered, it emerges that the overall socioeconomic impact of Malpensa in 2022 - with variable degrees of intensity within a regional catchment area, which, based on the processes considered, stretches from the immediate hinterland, to Lombardy, to the entire north of Italy - corresponds Euro 34.7 billion of production value generated, and the creation of over 195 thousand jobs.

Cumulative socioeconomic impact of Malpensa airport in 2022

Type of impact	Jobs effect	Value of production (Euro mil.)
Direct	18,005	5,195
Indirect	11,079	1,848
Spin-off	8,385	2,437
Catalytic	158,217	25,234
of which International trade	*75,169*	*19,991*
of which Tourism	*73,292*	*4,151*
of which Locating businesses	*9,756*	*1,092*
Total	**195,686**	**34,714**

Source: Observatory on Milanese airports - LIUC BS

Direct socioeconomic impact of Linate airport

Regarding direct impacts, as many as 321 businesses were active around Linate in 2022, (+2.5% on the previous year), providing for an estimated 12.4 thousand jobs, up 4.5% on 2021.

The main impact concerns state entities, handling operators, maintenance services and carriers, but also SEA, which had an impact of around 8.5% on the overall data.

The value of production was Euro 2,516 million, up 43.6% on 2021 and above the 2019 figure. Once again, the role of inflation must be taken into account, attributable for as much as 8% of the increase in the reported value.

Direct socioeconomic impact generated by Linate airport

Year	No. companies	Jobs created	Value of production (Euro mil.)
2019	342	11,956	2,475
2020	326	11,210	1,577
2021	313	11,829	1,752
2022	321	12,369	2,516

Source: Observatory on Milanese airports - LIUC BS based on SEA and ISTAT data.

Indirect and spin-off socioeconomic impacts of Linate

The 2022 indirect impact generated by Linate (referring to external supply chains of production units operating within the grounds) grew by 4.6% in job creation terms, and by 43.6% in value of production terms, again exceeding 2019 results largely due to the inflationary push. The same dynamics were seen in the spin-off impact, again returning to above pre-pandemic values.

Development of the indirect and spin-off impact of Linate airport

Year	Indirect impact		Spin-off impact	
	Employment	Value of production (Euro mil.)	Employment	Value of production (Euro mil.)
2019	7,357	880	5,568	1,162
2020	6,898	561	5,221	740
2021	7,279	623	5,509	822
2022	7,611	895	5,761	1,180

Source: Observatory on Milanese airports - LIUC BS based on SEA and ISTAT data

Linate airport - Catalytic impact on tourism

The catalytic impact of tourism generated by the airport had an economic value equal to just under Euro 1.0 billion, corresponding to the creation of 17.6 thousand jobs.

Socio-economic impact generated by tourist flows through Linate in 2022

Linate

1,917,293 Incomers

4,984,962 Nights spent in the region

2.6 Average stay (days)

199 Expenditure per night (Euro)

518 Total spend per passenger (Euro)

994 Value of production (Euro mil.)

17,603 Jobs effect
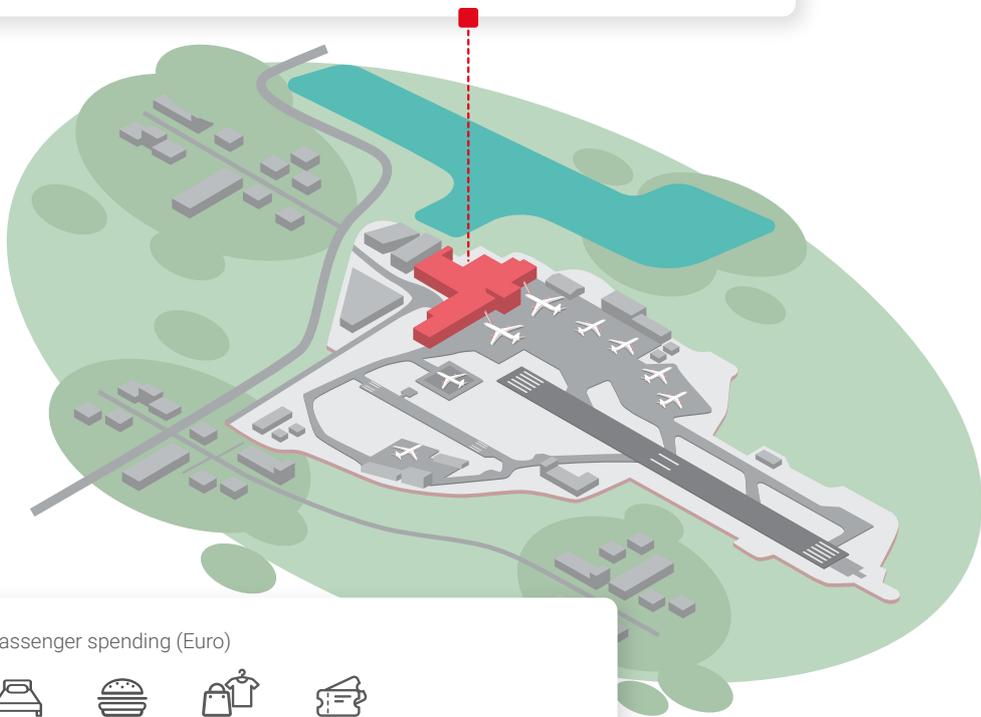
Total Linate passenger spending (Euro)

44.4	**153.3**	**103.1**	**171.9**	**45.8**	**TOTAL 518.6**

Expenditure per night (Euro)

17.1	**59.0**	**39.7**	**66.1**	**17.6**	**TOTAL 199.4**

Source: Observatory on Milanese airports - LIUC BS

Comparing the catalytic impact of 2022 with that of the previous year highlights a significant increase in the number of incomers (approximately +840 thousand) and of nights spent in the area (over 1.3 million more), offset however by a reduction in the average stay (down by about a quarter compared to 2021). Spending per night remained substantially the same as in the previous year, and therefore total spending dropped by 18%.

Development of Linate's catalytic impact on tourism

	2022	**2021**	**2019**	**Δ% 22 vs. 21**
Incomers	1,917,293	1,076,891	2,104,054	78.0
Nights spent in the region	4,984,962	3,661,429	4,628,919	36.1
Average stay (days)	2.6	3.4	2.20	-23.5
Expenditure per night (Euro)	199	186.2	214	6.9
Total spend per passenger (Euro)	518	633.0	470.8	-18.2
Value of production (Euro mil.)	994	681	990.6	46.0
Jobs effect	17,603	9,851	14,315	78.7

Source: Observatory on Milanese airports - LIUC BS

Overall socioeconomic impact of Linate

Putting together the results obtained from the estimates of the different types of impacts considered, it emerges that the overall socioeconomic impact of Linate in 2022 - with variable degrees of intensity within a regional catchment area, which, based on the processes considered, stretches from the immediate hinterland, to Lombardy - corresponds to around Euro 5.6 billion of production value generated, and the creation of over 43,000 jobs.

Cumulative socioeconomic impact of Linate airport in 2022

Type of impact	Jobs effect	Value of production (Euro mil.)
Direct	12,369	2,516
Indirect	7,611	895
Spin-off	5,761	1,180
Tourism catalytic	17,603	994
Total	**43,344**	**5,585**

Source: Observatory on Milanese airports - LIUC BS

ECONOMIC VALUE GENERATED AND DISTRIBUTED

The economic value generated represents the last stage of the SEA value creation process that derives from and depends on balanced, effective and forward-looking capital management which facilitates the offering of a competitive service and the generation of systemic positive outcomes capable of supporting and consolidating the organization's economic and financial success over time.

Economic Performance of the Commercial Aviation Business

The Commercial Aviation business includes Aviation and Non-Aviation operations: the former regards the management, development and maintenance of airport infrastructure and plant and the offer to SEA Group customers of services and activities related to the arrival and departure of aircraft, in addition to airport safety services.

The revenues generated by these activities are established by a regulated tariff system and comprise airport fees, fees for the use of centralised infrastructure, in addition to security fees and tariffs for the use of check-in desks and spaces by airlines and handlers.

Aviation operating revenues in 2022 amounted to Euro 343.4 million, equal to 58.1% of the total revenues of the Group, up 75% compared to the previous year, as a result of the post-pandemic positive trend in passenger traffic.

Portion of revenues from Aviation activities

	2022	2021
Aviation operating revenues (thousands of Euro)	343,442	195,850
Aviation revenues (% of total revenues*)	58.1	60.2
Other revenues (% of total revenues*)	41.9	39.8

*net of state and regional contributions
Source: SEA

The Non-Aviation business however provides a wide and segregated offer, managed both directly and under license to third parties, of commercial services for passengers, operators and visitors to the Airports, in addition to the real estate segment. The revenues from this area consist of the market fees for activities directly carried out by the Group and from activities carried out by third parties under license and of royalties based on a percentage of revenues generated by the licensee, usually with the provision of a guaranteed minimum. This segment includes also income from warehouse, space and office rental to cargo business operators, such as cargo handlers, transport companies and couriers.

Non-Aviation Business operating revenues reported in 2022 totalled Euro 232.0 million (+98.9% on the previous year following recovery in traffic volumes) and represented 39.3% of total Group revenues.

Portion of revenues from Non Aviation activities

	2022	2021
Non-Aviation operating revenues (thousands of Euro)	231,982	116,650
Non-Aviation revenues (% of total revenues*)	39.3	35.9
Other revenues (% of total revenues*)	60.7	64.1

*net of state and regional contributions
Source: SEA

Specifically:

- the retail segment (stores, catering, car rentals and banks) reports revenues of Euro 94,358 thousand, up 153%. This increase is more than proportional with the rise in passenger traffic and benefited from the full operability of the new building F at the Linate terminal (opened in June 2021), the end of discounts granted to tenants during the pandemic, and revenue management efforts during the year;

- the parking business, due to the increase in traffic and the recovery of airport operator activities, was up 95% on 2021, generating Euro 65,789 thousand in 2022. The less-than-proportionate growth as compared to traffic is attributable to the greater competitive pressures on passenger parking by other operators, which has led to a reduction in prices, and to the share of parking revenues for the airport operators, the performance of which is less dependent on traffic;

- the Premium Services segment saw an increase of Euro 13,359 thousand (+205%) as a result of both the recovery of traffic and the reopening of the VIP lounges, which were closed in 2021 due to the health emergency.

E-COMMERCE

From 2020, the COVID-19 pandemic brought great changes to the tourism sector. Social distancing and less sociability made the digital channel even more important. Though passenger traffic in 2022 did not quite reach the same level as in 2019 (-15% in January to November), e-commerce turnover grew by as much as 48%.

The propensity to purchase remains in line with market trends, highlighting significant growth in the use of mobile devices (+170% via app and mobile vs. 2021), accounting for 31% of all e-commerce sales.
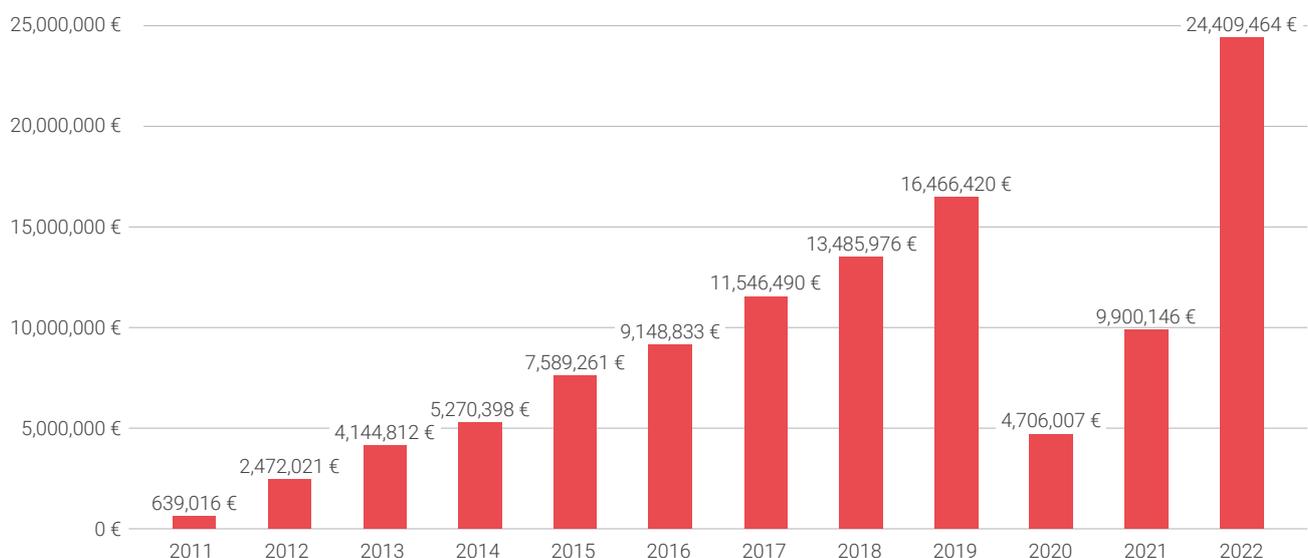
Source: SEA

Since 2022, to better respond to the needs of consumers, the e-commerce site has also sold Malpensa Express train tickets.

Value generated and distributed to stakeholders

In 2022, SEA generated economic value of Euro 734.8 million, a 125.9% increase on the previous year.

Statement of the economic value generated and distributed by the Group (thousands of Euro)

		2022	2021	2020
Economic value directly generated		**734,840**	**325,232**	**246,515**
a) Revenues	Operating revenues	734,840	325,232	246,515
Economic value distributed		**472,821**	**318,500**	**301,317**
b) Reclassified operating costs	Reclassified consumable material costs and other operating costs	247,313	147,594	134,710
C) Commercial costs	Commercial costs	3,985	1,977	2,039
d) Employee salaries and benefits	Personnel costs	192,527	138,642	134,262
e) Payments to providers of capital	Dividends distributed in the year	2	2	6
	Financial charges	18,188	21,428	20,313
f) Payments to the Public Administration	Current income taxes and tax charges	10,329	8,738	9,303
g) Investments in the community	Donations, sponsorship and communication	478	118	684
Economic value	Calculated as the difference between the economic value generated and the economic value distributed	**262,019**	**6,732**	**(54,802)**

64.3% of this amount (Euro 472.8 million) was distributed to stakeholders in the form of payments and other forms of transfers (+48.5% on the previous year), increasing from Euro 318.5 million to Euro 472.8 million.

The main recipients were suppliers, who were distributed Euro 247.3 million (Euro 147.6 million in the previous year), equal to 52.3% of the total and human resources, receiving Euro 192.5 million (40.7% of the overall value distributed).

The value distributed to capital providers was Euro 18.2 million, equating to 3.8% of the distributed value, (Euro 21.4 million in 2021). The value distributed to the public administration in taxes and duties amounted to Euro 10.3 million, representing 2.2% of the total value distributed.

Finally, the value distributed to society and to the local area amounted to 0.1% and related to donations to service-sector entities and associations supporting cultural, humanitarian, scientific and sports projects.

Economic value distributed in 2022

52.3% Value distribuited to suppliers of goods and services

40.7% Value distribuited to employees

3.8% Value distribuited to capital providers

2.2% Value distributed to public administration

0.1% Value distributed to the community

0.8% Other
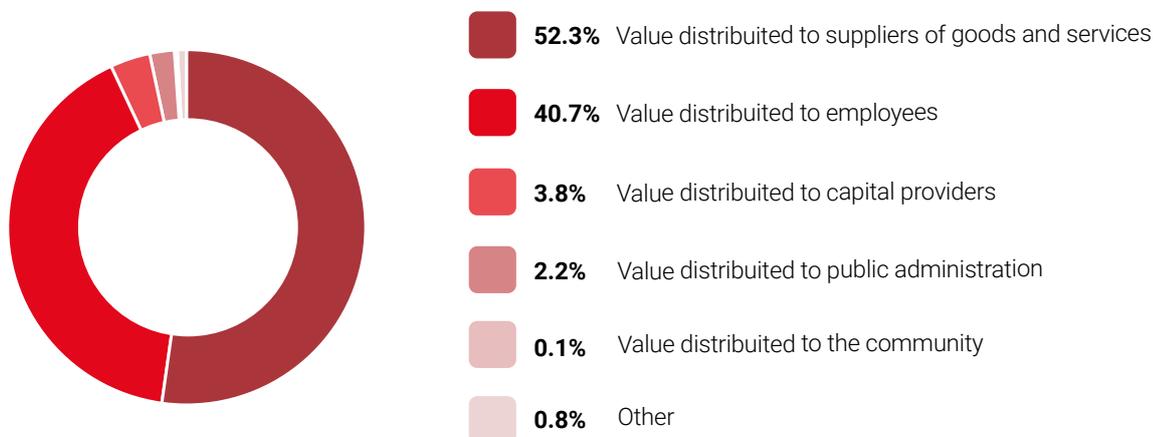
Source: SEA

EU Taxonomy

As part of the European Union's strategy and the European Commission's Sustainable Finance Action Plan, a central role is taken by the classification system or "taxonomy" of sustainable activities, which is set out in Regulation (EU) 2020/8525 of June 18, 2020. This provides a unified system for classifying economic activities that can be considered environmentally sustainable.

The Taxonomy Regulation establishes a classification of environmentally sustainable economic activities. At the date of this report, the European Commission has adopted Delegated Regulations establishing these technical screening criteria regarding only the first two environmental objectives: climate change mitigation and climate change adaptation.

Any company subject to the obligation to publish a Non-Financial Statement must include within the NFS information on how and to what extent the company's activities relate to economic activities considered environmentally sustainable under Articles 3 and 9 of the Regulation.

Specifically, for the 2022 reporting year, non-financial reporting must include:

- the share of their turnover coming from products or services associated with economic activities that are considered environmentally sustainable in accordance with Articles 3 and 9 of the Regulation;

- the share of their capital expenditures (CapEx) and the share of their operating expenditures (OpEx) related to assets or processes associated with economic activities considered environmentally sustainable in accordance with Articles 3 and 9 of the Regulation.

KPIs must be reported with reference to both "eligible activities" (as listed in the Delegated Regulations) and "aligned activities" (satisfying the technical screening criteria).

APPROACH ADOPTED BY SEA IN APPLYING THE DELEGATED REGULATION

On the basis of analysis of the required regulations, the economic activities covered by the EU Taxonomy identified as relating to SEA - as described in Annex 1 and 2 of the Delegated Regulation - were:

Annex 1 - Substantial contribution to climate change mitigation

a. **Low Carbon Airport Infrastructure**
Construction, modernisation, maintenance and management of infrastructure necessary for net zero operation from aircraft unloading or for the airport's own operations, as well as for the supply of electricity and preconditioned air to parked aircraft. (...).

b. **Urban and suburban transport, road passenger transport**
Purchase, financing, leasing, rental and management of vehicles for passenger transport by road in urban and suburban areas. (...) Economic activities in this category also include long-distance bus services, special rentals, excursions and other occasional bus services, airport shuttles (including within airports), management of school buses and transport buses. (...).

Annex 2 - Substantial contribution to climate change adaptation

Airport infrastructures

1. The economic activity has implemented physical and non-physical solutions ("adaptation solutions") that substantially reduce the most important physical climate risks that are material to that activity.

2. The physical climate risks that are material to the activity have been identified from those listed in Appendix A to this Annex by performing a robust climate risk and vulnerability assessment with the following steps:

    a. screening of the activity to identify which physical climate risks from the list in Appendix A to this Annex may affect the performance of the economic activity during its expected lifetime;

    b. where the activity is assessed to be at risk from one or more of the physical climate risks listed in Appendix A to this Annex, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity;

    c. an assessment of adaptation solutions that can reduce the identified physical climate risk.

Indicators of SEA's economic activities[9]

The taxonomy-eligible revenue and investment (CapEx) indicators for climate change mitigation are presented below. Indicators regarding operating expenses, or OpEx, related to climate change mitigation have not been reported, as they were not significant. For climate change adaptations, the only minimally significant indicator of CapEx was reported.

2022	Total (Euro thousands)	% Aligned	% Non aligned
Total revenue	**734,840**		
Aligned revenue			
■ Passenger transport within airport grounds (electric buses)	753	**0.1%**	**99.9%**
Total CapEx	58,483		
Aligned CapEx	**5,474**	**9.4%**	**90.6%**
■ Grounds electric mobility (vehicles and infrastructures)	3,868		
■ Energy efficiency	1,606		

Source: SEA

[9] *Despite the fact that, as per the Commission Delegated Regulation (EU) of March 9, 2022, the Taxonomy included the "High efficiency co-generation of heat/cold and electricity from fossil fuels", which is potentially attributable to SEA Energia (a subsidiary until 29/09/2022), it was decided not to report any related data concerning European Taxonomy eligibility or alignment, since SEA was engaged purely in the ordinary management of SEA Energia, refraining from planning or carrying out any extraordinary activities from the publication of the call for tenders in July 2021 right up until its sale.*

COMMITMENT

STRATEGY INTEGRATED ESG GOALS

SEA Group's ESG goals are integrated into corporate strategy as outlined in the 2023-2027 Sustainability Plan approved by the Board of Directors. Furthermore, the Sustainability Plan is provisionally aligned with the Business Plan, which identifies various medium-term sustainability goals.

SEA's Sustainability Strategy Framework is aligned with the policies and frameworks for the sustainability of the international aviation industry (e.g. EU Pact for Sustainable Aviation, Destination 2050, Sustainability Strategy for Airports), the 2020-2023 Strategic Priority and Materiality Matrices, and the Airports Council International (ACI) Europe Sustainability Strategy for Airports.

The SEA Framework is thus divided into the three environmental, social and economic impacts, and subdivided into three topics, as shown in the diagram below.

ESG Strategic topics

Strategic Pillars	Strategic topics	Items
ENVIRONMENTAL IMPACTS	**Net Zero 2030 Airports**	— Reduction of Scope 1 and 2 CO_2 emissions — Offsetting of remaining Scope 1 and 2 emissions — Reduction of Scope 3 CO_2 emissions
	Green & Resilient Infrastructures	— Green certification — Climate adaptation & resilience — Water management — Waste management
	Good Neighborhood	— Noise management — Biodiversity policy
SOCIAL IMPACTS	**High quality travel**	— Quality of passenger services — Accessibility and services for PRMs
	Empowered people	— Valuing diversity — Eliminating the gender pay gap
	Partnership with community	— Support for social projects in the local area — Promoting local employment
ECONOMIC IMPACTS	**Sustainable Supply Chain**	— Apply ESG criteria in purchasing decisions — Monitor the level of ESG risk in the supply chain
	Modal Shift	— Increase accessibility to airports by promoting green transport solutions
	Economic development	— Strengthen air connectivity to improve the catalytic impact of airports

Source: SEA

SEA believes that sustainable development must necessarily limit negative environmental impacts, respond to the social expectations of stakeholders and generate both societal and systemic value for the socio-territorial context.

Cross-cutting factors enabling the achievement of sustainability goals

SUSTAINABLE GOVERNANCE	Sustainability codes and policies	— Stakeholder engagement & materiality
	ESG-based remuneration	— Board committees and sustainability
SUSTAINABLE FINANCE	ESG-linked Loan	— ESG Rating
	Sustainability Financing Framework	— Participation in EIB PATH framework
ESG RISKS	ESG risk definition process	— ESG Trends Monitoring & Mapping
	Materiality & Risks	
ESG ACCOUNTABILITY	CSRD	— ESG Assessment
	Taxonomy	— Digital ESG Reporting

Source: SEA

To complement the Framework, cross-cutting enabling factors and processes have been identified in order to integrate governance with sustainability goals, new sustainable finance capital raising opportunities and corporate and ESG risks, and to invest in disclosure and accountability towards stakeholders.

Certification systems are in place for monitoring each of the nine strategic topics (except for two, for which they are not envisaged). Several of them - e.g. the Airport Carbon Accreditation Level 4+ - are significant drivers of the sustainability performance improvement process, while others document acquired competences (e.g. continuous improvement processes, the identification of best practices, the measurement of KPIs) that certify the firm and ongoing commitments made.

Sustainability Vision 2030

The Sustainability Vision that SEA aims to achieve by 2030 for Linate and Malpensa airports is divided into three strategic areas, as shown in the diagram below.

Sustainability Vision of Milan airports to 2030

TOWARDS "NET ZERO" AIRPORTS
Linate and Malpensa among the **first European airports committed to Net Zero Carbon**

GREEN&RESILIENT INFRASTRUCTURES
100% new projects **with Sustainability Certifications**
Climate risk assessment and infrastructure adaptation

GOOD NEIGHBORHOOD
Maintenance at Malpensa of the same noise footprint **in 2030** as in 2018
Introduction of **green charges** related to noise impact

PARTNERSHIP WITH COMMUNITY
Local employment at Malpensa >50% of total airport jobs by **2026**
Joint Fundraising & **Social Investment Program**

EMPOWERED PEOPLE
Eliminating the male/female pay gap
40% women in **managerial** roles **by 2030**

HIGH QUALITY TRAVEL
Linate and Malpensa continually **above the EU average in the ACI ASQ (>4.1)**

MODAL SHIFT
Airport accessibility with low-impact transport methods: **40% in 2030**

ECONOMIC DEVELOPMENT
Returning the socioeconomic impact of airports **to 2019 levels by 2026**

SUSTAINABLE SUPPLY CHAIN
Adoption of ESG criteria in 100% of purchasing evaluations for goods and services

■ Environmental ■ Economic ■ Social

Source: SEA

In the Environmental area, SEA has set itself the goal:

■ of ambitiously cutting CO_2 emissions by 2030 to Net Zero (see the chapter on "Natural Capital", and the section on "Environmental Externalities" in this document) and significantly cutting Scope 3 emissions, from other operators in the airport ecosystem;

■ of constructing all new infrastructures to energy efficiency and circular economy criteria, and making sure they are resilient to the effects of climate change and green certified;

■ of limiting the acoustic footprint of each airport and managing the distribution of its effects in the best possible way, in order to keep it at or below volumes reported from 2018 until 2035.

In the Social area, which embraces value generation strategies for the benefit of passengers, partners and local communities, SEA has set itself the goal:

■ of constantly investing in improving the excellence of environments, services and customer experience, with a view to placing both airports among the highest perceived quality rankings of European airports;

■ of developing a working environment that is based on full gender equality, is increasingly inclusive and which values diversity;

- of working in partnership with non-profit organisations to effectively direct resources to help people deal with emergencies and critical problems in the communities in which the airports operate, and in other contexts, including international ones.

Feeding sustainable value pursued by SEA by 2030 into the economic dimension envisages:

- progressively applying ESG criteria to the selection of suppliers and procurement processes, guiding the commercial approach through a Code of Conduct and a Sustainability Procurement Policy, including specific ESG criteria in specifications and contracts, and carrying out audits to verify the compliance of suppliers with such ESG criteria;

- in close partnership with local institutions and land transport operators, developing ways of connecting airports that favour collective transport and, in general, solutions with low CO_2 emissions;

- building a network of links and connections with global destinations able to serve the local community and promote its economic development ambitions by integrating the manufacturing system into global value chains and by enhancing of the value of Milan and Lombardy as a destination of interest.

For each of the aforementioned goals, complete, detailed operational plans are being developed and updated, which see the Company engaged in the identification of projects, the allocation of resources for their use, and the integration of specific actions within the Business Plan.

Climate change: decarbonisation goals

In 2021, both SEA airports obtained Airport Carbon Accreditation Level 4+ Transition certification, issued for planning that identifies a precise path to reducing Scope 1 and 2 emissions and engages with other airport operators to reduce Scope 3 emissions, setting the goal of cutting emissions by 97% compared to those of 2010, by 2030.

The Decarbonisation Plan was enriched by SEA in 2022 with a wide range of measures that place the Company on a path to significantly reducing its carbon footprint. In the near future, these measures will be progressively supplemented and developed in line with expected regulatory changes and technological innovations, in order to build up a framework of interventions and investments capable of guaranteeing the achievement of the Net Zero goal by 2030.

The following graph summarises the main measures of the Decarbonisation Plan that are already underway or due to be implemented in the Milan airports over the next four years.

Main decarbonisation measures of the Milan airports (2023-2026)

SCOPE 1
SCOPE 2
SCOPE 3

Reduced aircraft emissions generated with APUs

— Installation of a **new 400hz system** at Linate's apron

— Replacement and revamping of **400hz facilities at Malpensa**, with latest-generation equipment

Hydrogen production at MXP for ground mobility

— By the end of 2024, H2 production will begin at MXP (Project OLGA to power the first airport connections with operational vehicles and buses for the 2026 Winter Olympics)

Electrification of ground mobility

— Between 2023 and 2025, **159 endothermic vehicles** in the company's fleet will be replaced with **108 BEVs** (electric) and 51 HEVs (hybrids)

— **13 electric Cobuses** will be kept operative

Reducing Aircraft Emissions LTO-Cruising Cycle

— ENI available to supply **4,000 tonnes of SAF** with 20% fixed blend in 2023

— SEA will encourage early use of SAF with an **incentive plan (Euro 500 thousand for 2023)**

Energy efficiency of buildings 2023-2026:

— Installation of **LED bulbs**

— Supervisory system to regulate **air conditioning units**

— **34 UTA** plant upgrade

— Implementation of electric refrigeration units

Projected impact: **-10 thousand tonnes CO_2/year** when fully operational

Charging facilities for electric vehicles outside the grounds

— Installation of **4 ultra-fast charging stations** at MXP and LIN

— Linate **- 5 300kw HPCs** (10 total stations)

— Malpensa **- 3 300kw HPCs and 1 75kw HPC** (7 total stations)

Recharging facilities for electric vehicles on grounds

— Introduction at LIN and MXP of **52 charging stations (104 stations)** for BEV/PHEV vehicles

Source: SEA

APPENDIX

APPENDIX: OTHER SUSTAINABILITY PERFORMANCES

SUSTAINABLE DEVELOPMENT GOVERNANCE

Public policy positions and participation

SEA is involved in the following national and/or international sector associations:

Assaeroporti - Italian Association of Airport Managers, with the duty to protect and strengthen the position of airport managers, developing their functionality and interacting with the governing institutions to ensure the development of air transport.

Assoclearance - Italian Association for the Management of Clearance and Slots, comprising airlines and Italian airport managers, with the duty to optimize distribution of time slots and allocate slots to airlines.

Assolombarda - National Association of small, medium and large enterprises, with the objective of protecting the interests of members in their dealings with external parties involved in various fields making available a wide range of specialist services which contribute to business development.

ATAG Air Transport Action Group - Association which represents all actors involved throughout the air transport industry chain, in order to encourage communication between the various actors and promote sustainable air transport development.

UNIVA Varese - Association of companies within the Confindustria System, in order to encourage the development of provincial industry, promoting collaboration between businesses.

ACI Europe - *Airport Council International* - Association of European airports aimed at ensuring effective communications and negotiations regarding legislative, commercial, technical, environmental, passenger and other aspects.

IGI - Large Infrastructure Institute is a research center focused on public tender issues.

AIGI - Italian Association of Legal Counsel, with the scope to promote, train and develop legal councils and their role in Italy.

ORGANISATIONAL MANAGEMENT

Our people

Temporary by gender as of December 31 (No.)

Temporary staff	2022			2021		
	Female	Male	Total	Female	Male	Total
Linate	18	39	**57**	2	21	**23**
Malpensa	82	69	**151**	7	20	**27**
Total Group	**100**	**108**	**208**	**9**	**41**	**50**

Source: SEA

Employees by contract type, gender and location as of December 31 (No.)

		2022			2021		
		Female	**Male**	**Total**	**Female**	**Male**	**Total**
Permanent	Linate	314	680	**994**	335	761	**1,096**
	Malpensa	401	959	**1,360**	426	1,102	**1,528**
	Total permanent	**715**	**1,639**	**2,354**	**761**	**1,863**	**2,624**
	SEA Energia	-	-	**-**	5	22	**27**
	Total Group	**715**	**1,639**	**2,354**	**766**	**1,885**	**2,651**
Temporary	Linate	1	4	**5**	3	4	**7**
	Malpensa	-	3	**3**	-	1	**1**
	Total temporary	**1**	**7**	**8**	**3**	**5**	**8**
	Total				764	1,868	**2,632**
	Total Group	**716**	**1,646**	**2,362**	**769**	**1,890**	**2,659**

Note: SEA Energia's staff are on permanent contracts, of which 5 women (1 at Linate and 4 at Malpensa) and 22 men in 2021 (8 at Linate and 14 at Malpensa).
Source: SEA

Employees by employment category and gender as of December 31 (No.)

	2022			2021				
	Female	**Male**	**Total Group**	**Female**	**Male**	**Total Group**	**SEA Energia**	**Total Group**
Full time	**570**	**1,609**	**2,179**	**580**	**1,801**	**2,381**	**25**	**2,406**
Linate	265	673	**938**	283	746	**1,029**		
Malpensa	305	936	**1,241**	297	1,055	**1,352**		
Part time	**146**	**37**	**183**	**184**	**67**	**251**	**2**	**253**
Linate	50	11	**61**	55	19	**74**		
Malpensa	96	26	**122**	129	48	**177**		
Total	**716**	**1,646**	**2,362**	**764**	**1,868**	**2,632**		
SEA Energia	-	-	**-**	5	22	**27**	27	
Total Group	**716**	**1,646**	**2,362**	**769**	**1,890**	**2,659**		**2,659**

Note: SEA Energia's staff are broken down as follows in 2021: 25 full-time employees (3 women and 22 men) and 2 part-time employees (women). Source: SEA

Contract type data indicates a marginal share of temporary contract workers, representing 0.3% of total employees as of December 31, 2022, with part-time workers representing 7.7%. Outsourced employees reached a significant share as of December 31, 2022, equal to 8% of the total personnel of the Group, in order to face the higher than forecast increase in traffic. Malpensa is the airport with the most staff, accounting for 58% of the corporate population. There are no non-guaranteed hours employees.

Outgoing employees by location, gender and age grouping (No.)

	2022									
	<30			30-50			>50			**Total**
	Female	**Male**	**Total**	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**	
Linate	-	4	**4**	8	4	**12**	24	110	**134**	**150**
Malpensa	-	1	**1**	1	3	**4**	23	146	**169**	**174**
Total	**-**	**5**	**5**	**9**	**7**	**16**	**47**	**256**	**303**	**324**
Turnover	**0.0%**	**22.7%**	**17.9%**	**3.4%**	**1.1%**	**1.8%**	**10.6%**	**25.8%**	**21.1%**	**13.7%**

	2021									
	<30			30-50			>50			**Total**
	Female	**Male**	**Total**	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**	
Linate	-	2	**2**	4	8	**12**	12	36	**48**	**62**
Malpensa	-	-	**-**	-	2	**2**	9	42	**51**	**53**
Total	**-**	**2**	**2**	**4**	**10**	**14**	**21**	**78**	**99**	**115**
Turnover	**0.0%**	**11.8%**	**8.3%**	**1.3%**	**1.4%**	**1.4%**	**4.7%**	**6.8%**	**6.2%**	**4.3%**

Note: intra-group transfers are not considered. Source: SEA

Regarding contract terminations, 62% involved administrative staff and 89% were the result of the pension support plan and incentivised redundancy. The outgoing population was 83% male, 94% of whom over 50 years of age. 54% of the outgoing population was from Malpensa airport.

Incoming employees by location, gender and age grouping (No.)

| | 2022 | | | | | | | | | |
| | <30 | | | 30-50 | | | >50 | | | Total |
	Female	Male	Total	Female	Male	Total	Female	Male	Total	
Linate	-	7	**7**	8	23	**31**	-	7	**7**	**45**
Malpensa	-	3	**3**	-	4	**4**	-	2	**2**	**9**
Total	**-**	**10**	**10**	**8**	**27**	**35**	**-**	**9**	**9**	**54**
Turnover	**0.0%**	**45.5%**	**35.7%**	**3.0%**	**4.3%**	**3.9%**	**0.0%**	**0.9%**	**0.6%**	**2.3%**

| | 2021 | | | | | | | | | |
| | <30 | | | 30-50 | | | >50 | | | Total |
	Female	Male	Total	Female	Male	Total	Female	Male	Total	
Linate	4	5	**9**	3	3	**6**	-	5	**5**	**20**
Malpensa	-	1	**1**	-	2	**2**	-	-	**-**	**3**
Total	**4**	**6**	**10**	**3**	**5**	**8**	**-**	**5**	**5**	**23**
Turnover	**57.1%**	**35.3%**	**41.7%**	**1.0%**	**0.7%**	**0.8%**	**0.0%**	**0.4%**	**0.3%**	**0.9%**

Note: intra-group transfers are not considered.
Source: SEA

The 54 hires were 59% managers and office workers and around 85% male. 65% of new hires were between 30 and 50 years old. 83% of hires were recruited for Linate airport.

Employees by professional level, gender and age grouping at December 31 (No.)

| | 2022 | | | | | | | | | |
| | <30 | | | 30-50 | | | >50 | | | Total |
	Female	Male	Total	Female	Male	Total	Female	Male	Total	
Executives	-	-	**-**	2	14	**16**	4	26	**30**	**46**
Managers	-	-	**-**	36	69	**105**	68	87	**155**	**260**
White-collar	6	20	**26**	215	340	**555**	348	578	**926**	**1,507**
Blue-collar	-	2	**2**	15	208	**223**	22	302	**324**	**549**
Total	**6**	**22**	**28**	**268**	**631**	**899**	**442**	**993**	**1,435**	**2,362**

| | 2021 | | | | | | | | | |
| | <30 | | | 30-50 | | | >50 | | | Total |
	Female	Male	Total	Female	Male	Total	Female	Male	Total	
Executives	-	2	**2**	1	14	**15**	4	25	**29**	**44**
Managers	-	-	**-**	38	67	**105**	65	102	**167**	**272**
White-collar	7	15	**22**	253	393	**646**	352	666	**1,018**	**1,686**
Blue-collar	-	2	**2**	18	236	**254**	26	348	**374**	**630**
Total	**7**	**17**	**24**	**313**	**718**	**1,031**	**449**	**1,155**	**1,604**	**2,632**

Source: SEA

61% of the corporate population is over 50, predominantly composed of white-collar and blue-collar workers; all management staff are also over 50 years of age. The airport with the oldest population on average is Linate.

SEA manages the compulsory hiring of employees of protected categories in full compliance with the requirements of the applicable legislation. As of December 31, 2022, 120 employees belonged to protected categories (121 as of December 31, 2021), of whom four belonged to categories referred to by Article 18 of Law 68/99 (five in 2021).

Industrial Relations

The trade unionisation rate in the Group is in line with the previous year.

SEA Group Trade Union membership

	Number of trade union memberships	Trade Union memberships	% trade union membership
31/12/2022	11	CGIL; CISL; CUB-TRANSPORT; FLAI; SIN.PA; U.G.L.; UIL; USB; ADL VARESE; LABOUR: COBAS VARESE	55%
31/12/2021	11	CGIL; CISL; CUB-TRANSPORT; FLAI; SIN.PA; U.G.L.; UIL; USB; ADL VARESE; LABOUR; SI COBAS	57%
31/12/2020	11	CGIL; CISL; CUB-TRANSPORT; FLAI; SIN.PA; U.G.L.; UIL; USB; ADL VARESE; LABOUR; SI COBAS	57%

Main agreements with Trade Union Organisations in 2022

In 2022, the agreements signed concerned the following main topics:

- accelerated early retirement and voluntary redundancy plan;
- welfare (e.g. fuel coupons);
- optimisation and updating of salary policies;
- operational efficiency improvements through the introduction of multi-skilled figures;
- investments in training on the job through the introduction of ad hoc assignments (Instructors on the Job);
- improvements in staff security and drafting of the outsourced personnel integration policy.

	2022	2021	2020
Number of agreements signed with the Trade Unions	8	6	2

Source: SEA

With regard to worker health and safety, March 19, 2020 saw the activation of the COVID-19 committee, consisting of union and company representatives pursuant to Article 1, paragraph 1, no. 9), of the Ministerial Decree of March 11, 2020 - Protocol shared March 14, 2020 and still in force.

In relation to the minimum notice period for operational amendments, the time necessary for the adoption of such may significantly vary, according to the issue for which the amendment is necessary and the availability of the Trade Union Organisations - according to that established by the regulation in force at the time - or where no regulation is in force (and therefore a trade union agreement or where sufficient a communication campaign is applied).

In the first case, the average quantifiable notice time is one month and in the second case two weeks. In relation to the change of shifts, company practices (in line with the Confindustria interpretation of Article 3 point three, first paragraph of the Inter-confederal Agreement of April 18, 1996 between Confindustria, Intersind, Asap and Cgil, Cisl, Uil and Cisnal and Cisal and Confail), SEA provides 15 days of notice between communication to the Trade Unions and implementation.

The amendments for which (e.g. collective dismissals, lay-off schemes) the law establishes specific procedures were excluded from the cases already reported and therefore the number of days of the duration of the procedure and the frequency of the various stages scheduled.

MANAGEMENT OF ENVIRONMENTAL RESOURCES

Raw materials

As SEA is a supplier of services, the principal raw materials consumed, in addition to electricity consumption (including the gasoline and petrol utilised for operations at the airport), are the liquids for the de-icing of aircraft during the winter season amid particular weather conditions. Consumption is therefore tied to the trend in winter season weather conditions.

Malpensa - Raw material consumption

	2022	2021	2020
Kilfrost ABC3 TYPEII (Litres)	687,960	683,603	770,814
Solid de-icing material (Kg)	2,125	8,950	7,725
Liquid de-icing material (Kg)	131,227	211,335	427,620

Linate - Raw material consumption

	2022	2021	2020
Kilfrost ABC3 TYPEII (Litres)	179,023	158,461	163,617
Solid de-icing material (Kg)	-	-	-
Liquid de-icing material (Kg)	24,401	95,300	163,460

Source: SEA

TAXONOMY

Economic activity	Code	Absolute capital expenditure	Share of capital expenditure	Criteria for substantial contribution		Criteria for "do no significant harm"							Share of capital expenditure aligned with Taxonomy, 2022	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards			
	Code	€/000	%	%	%	S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	A	T
A. TAXONOMY-ELIGIBLE ACTIVITIES															
A.1 Environmentally sustainable activities (aligned with Taxonomy)															
Urban and suburban transport, road passenger transport	6.3	3,868	6.6	6.6	0		S		S	S			6.6	A	
Low Carbon Airport Infrastructure	6.17	1,606	2.7	2.7	0		S	S	S	S	S		2.7	A	
Capital expenditure for environmentally sustainable activities (aligned with Taxonomy) (A.1)		**5,474**	**9.4**	**9.4**	**0**										
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (activities not aligned with Taxonomy)															
Urban and suburban transport, road passenger transport	6.3	0	0												
Low Carbon Airport Infrastructure	6.17	0	0												
Capital expenditure for environmentally sustainable activities (aligned with Taxonomy) (A.1)		**0**	**0**												
Total (A.1 + A.2)		**5,474**	**9.4**												
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY															
Capital expenditure for activities not eligible for Taxonomy (B)		**53,009**	**90.6**												
Total (A + B)		**58,483**	**100**												

Economic activity	Code	Absolute capital expenditure	Share of capital expenditure	Criteria for substantial contribution		Criteria for "do no significant harm"							Share of capital expenditure aligned with Taxonomy, 2022	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards			
		€/000	%	%	%	S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	A	T
A. TAXONOMY-ELIGIBLE ACTIVITIES															
A.1 Environmentally sustainable activities (aligned with Taxonomy)															
Urban and suburban transport, road passenger transport	6.3	753	0.1	0.1%	0%		S		S	S			0.1	A	
Turnover from environmentally sustainable activities (aligned with Taxonomy) (A.1)		**753**	**0.1**	**0.1%**	**0%**										
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (activities not aligned with Taxonomy)															
Urban and suburban transport, road passenger transport	6.3	0	0												
Turnover from activities eligible for the Taxonomy but not environmentally sustainable (activities not aligned with Taxonomy) (A.2)		**0**	**0**												
Total (A.1 + A.2)		**753**	**0.1**												
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY															
Turnover from environmentally sustainable activities (aligned with Taxonomy) (A.1)		**734,087**	**99.9**												
Total (A + B)		**734,840**	**100**												

ANALYSIS OF SCOPE OF MATERIAL TOPICS AND RECONCILIATION WITH GRI STANDARDS

Material topics	GRI topic reconciliation	Boundary	
		Party impacted	Type of impact
Promotion of sustainable mobility	Ground travel connections	Group, Airport operators Public Administration	To which the Group contributes
Containment of land consumption	Water and effluents	Group, Airport operators	Caused by Group and directly connected through a business relationship; To which the Group contributes
	Biodiversity		
	Waste		
Initiatives to reduce indirect CO_2 emissions	Energy	Group, CNA, Suppliers, Airport operators	To which the Group contributes
	Emissions		
Containment of noise impact	Noise	Group, Airport operators	Caused by Group and directly connected through a business relationship
	Customer health and safety		
Reduction of direct CO_2 emissions and pollutants	Energy	Group, Suppliers	Caused by Group and directly connected through a business relationship
	Emissions		
Low-impact construction methods inspired by the circular economy	Procurement practices	Group, Suppliers	Caused by Group and directly connected through a business relationship
	Supplier environmental assessment		
	Supplier social assessment		
Safeguarding employment and minimising the social impact of downsizing	Employment	Group, (included temporary)	Caused by the Group
	Labour/Management Relations		
	Occupational health and safety		
Initiatives to reduce the gender gap	Diversity and equal opportunity	Employees	Caused by the Group
Talent Retention & Acquisition	Employment	Employees	Caused by the Group
	Training and education		
Paying the utmost attention to health and safety when managing customer experiences	Service quality	Group, Airport operators Public Administration	Caused by Group and directly connected through a business relationship
	Customer health and safety		
Technological innovation in safety and security management	Service quality	Group, Airport operators	Caused by Group and directly connected through a business relationship
	Customer health and safety		
Collaborative airport ecosystem to improve quality, efficiency, and safety	Service quality	Group, Airport operators	Caused by Group and directly connected through a business relationship
	Customer health and safety		
Re-launch of air connectivity to support the local area	Market presence	Group, Airport operators	Caused by Group and directly connected through a business relationship
Digitisation to improve passenger service quality	Service quality	Group, Airport operators	Caused by Group and directly connected through a business relationship
Structured methods of stakeholder communication and involvement	Indirect economic impacts	Group, Airport operators Public Administration	Caused by Group and directly connected through a business relationship
	Local communities		
Strategic orientation to the creation of long-term value	Anti-corruption	Group	Caused by the Group
	Economic performance		
	Indirect economic impacts		
Definition and updating of a Strategic Sustainability Plan	N/A	Group	Caused by the Group
Inclusion of ESG performance in the management incentive system (MBO)	N/A	Group	Caused by the Group

GRI CONTENT INDEX

Statement of use	SEA has reported in accordance with the GRI Standards for the period 01/01/2022-31/12/2022
GRI used	GRI 1: Foundation (2021)
Applicable GRI Sector Standard	Airport Operators Sector Disclosures (2014)

GRI Standard	Disclosure		Pages N°	Omission			GRI Sector Standard Ref. No.
				Requiremet omitted	Reason	Explanation	
GRI 2: General Disclosures (2021)	2-1	Organizational details	7-9				
	2-2	Entities included in the organization's sustainability reporting	4-5				
	2-3	Reporting period, frequency and contact point	4-5				
	2-4	Restatements of information	4-5				
	2-5	External assurance	179-181				
	2-6	Activities, value chain and other business relationships	9-10				
	2-7	Employees	83-84; 164-165				
	2-8	Workers who are not employees	83-84; 164-165				
	2-9	Governance structure and composition	15-16	Points iv, vii e viii	Information not available	We are committed to defining the Company's position in this regard within the deadline of the 2023 NFS	
	2-10	Nomination and selection of the highest governance body	15-16	Point b	Not relevant	The criteria for the nomination and selection of the highest governance body are not established internally, but are the responsibility of the two main shareholders	
	2-11	Chair of the highest governance body	15				
	2-12	Role of the highest governance body in overseeing the management of impacts	17	Points b e c	Information not available	We are committed to defining the Company's position in this regard within the deadline of the 2023 NFS	
	2-13	Delegation of responsibility for managing impacts	17	Point b	Information not available	We are committed to defining the Company's position in this regard within the deadline of the 2023 NFS	
	2-14	Role of the highest governance body in sustainability reporting	17				

GRI Standard	Disclosure	Pages N°	Omission			GRI Sector Standard Ref. No.
			Requiremet omitted	Reason	Explanation	
	2-15	Conflicts of interest			Information not available	*There is currently no conflict of interest policy. We are committed to defining the Company's position in this regard within the deadline of the 2023 NFS*	
	2-16	Communication of critical concerns			Information not available	*We are committed to defining the Company's position in this regard within the deadline of the 2023 NFS*	
	2-17	Collective knowledge of the highest governance body			Information not available	*We are committed to defining the Company's position in this regard within the deadline of the 2023 NFS*	
	2-18	Evaluation of the performance of the highest governance body			Not relevant	*Not established internally, but under the responsibility of the two main shareholders*	
GRI 2: General Disclosures (2021)	2-19	Remuneration policies	17	*Point a*	Information not available	*There is currently no remuneration policy. We are committed to defining the Company's position in this regard within the deadline of the 2023 NFS*	
	2-20	Process to determine remuneration			Information not available	*There is currently no procedure for determining remuneration. We are committed to defining the Company's position in this regard within the deadline of the 2023 NFS*	
	2-21	Annual total compensation ratio	17	*Point b*	Not relevant	*This point is not made explicit, since the remuneration of the person receiving the maximum salary in 2022 was lower than in 2021*	
	2-22	Statement on sustainable development strategy	2-3				
	2-23	Policy commitments	7; 19-20; 36-37				
	2-24	Embedding policy commitments	19-20; 36-37				
	2-25	Processes to remediate negative impacts	103-104				
	2-26	Mechanisms for seeking advice and raising concerns	21				

GRI Standard	Disclosure		Pages N°	Omission			GRI Sector Standard Ref. No.
				Requiremet omitted	Reason	Explanation	
GRI 2: General Disclosures (2021)	2-27	Compliance with laws and regulations	21				
	2-28	Membership associations	164				
	2-29	Approach to stakeholder engagement	35-42				
	2-30	Collective bargaining agreements	167				
GRI 3 MATERIAL TOPICS							
GRI 3: Material Topics (2021)	3-1	Process to determine material topics	37-42				
	3-2	List of material topics	39-42				
Promotion of sustainable mobility							
GRI 3: Material Topics (2021)	3-3	Management of material topics	53-62; 171				
Infrastructure development compatible with biodiversity and reduced land consumption							
GRI 3: Material Topics (2021)	3-3	Management of material topics	63; 78-81; 116; 171				
GRI 303: Water and Effluents (2018)	303-1	Interactions with water as a shared resource	78				
	303-2	Management of water discharge-related impacts	78				
	303-3	Water withdrawal	78				
	303-4	Water discharge	74				
	AO4	Quality of storm water by applicable regulatory standards	75				
GRI 304: Biodiversity (2016)	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	80-81				
	304-2	Significant impacts of activities, products, and services on biodiversity	80-81				
GRI 306: Waste (2020)	306-1	Waste generation and significant waste-related impacts	79-80				
	306-2	Management of significant waste-related impacts	79-80				
	AO6	Aircraft and pavement de-icing/anti-icing fluid used and treated (m^3 and/or tons)	75				

GRI Standard		Disclosure	Pages N°	Omission			GRI Sector Standard Ref. No.
				Requiremet omitted	Reason	Explanation	
Reduction of direct CO$_2$ emissions and pollutants							
GRI 3: Material Topics (2021)	3-3	Management of material topics	63-70; 77-78; 116; 171				
GRI 302: Energy (2016)	302-1	Energy consumption within the organization	77-78				
	302-3	Energy intensity	78				
GRI 305: Emissions (2016)	305-1	Direct (Scope 1) GHG emissions	64-66				
	305-2	Energy indirect (Scope 2) GHG emissions	64-66				
	305-3	Other indirect (Scope 3) GHG emissions	65-68				
	305-4	GHG emissions intensity	65-66				
	305-7	Emissions of NOx, SOx and other significant emissions	69-70				
	AO5	Ambient air quality levels according to pollutant concentrations in micrograms per cubic meter (µg/m^3) or parts per million (ppm) by regulatory regime	69-70				
Initiatives to reduce indirect CO$_2$ emissions							
GRI 3: Material Topics (2021)	3-3	Management of material topics	63-70; 116; 171				
Actions to contain noise impact							
GRI 3: Material Topics (2021)	3-3	Management of material topics	63; 71-73; 125-127				
A07: Noise (2014)	AO7	Number and percentage change of people residing in areas affected by noise	71-72				
GRI 416: Customer Health and Safety (2016)	416-1	Assessment of the health and safety impact of product and service categories	71-73; 125-129				
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services				*During the reporting period, no cases of non-compliance were reported*	
	AO9	Total annual number of wildlife strikes per 10,000 aircraft movements	126				
Low-impact construction methods inspired by the circular economy							
GRI 3: Material Topics (2021)	3-3	Management of material topics	104-107; 171				
GRI 204: Procurement practices (2016)	204-1	Proportion of spending on local suppliers	139				
GRI 308: Supplier environmental assessment (2016)	308-1	New suppliers were screened using environmental criteria	105-106				
GRI 414: Supplier social assessment (2016)	414-1	New suppliers were screened using social criteria	105-106				

GRI Standard	Disclosure		Pages N°	Omission			GRI Sector Standard Ref. No.
				Requiremet omitted	Reason	Explanation	
Employment protection and minimising the social downsizing impact							
GRI 3: Material Topics (2021)	3-3	Management of material topics	82-83; 171				
GRI 401: Employment (2016)	401-1	New employee hires and employee turnover	165-166				
	401-2	Benefits provided to full-time employee that are not provided to temporary or part-time employees	92-93				
GRI 402: Labour/ Management Relations (2016)	402-1	Minimum notice periods regarding operational changes	167				
GRI 403: Occupational Health and Safety (2018)	403-1	Occupational health and safety management system	87				
	403-2	Hazard identification, risk assessment, and incident investigation	90				
	403-3	Occupational health services	89-90				
	403-4	Worker participation, consultation, and communication on occupational health and safety	87-88				
	403-5	Worker training on occupational health and safety	89				
	403-6	Promotion of worker health	88-89				
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	90				
	403-9	Work-related injuries	91				
	403-10	Work-related ill health	91				
Initiatives to reduce the gender gap							
GRI 3: Material Topics (2021)	3-3	Management of material topics	86; 171				
GRI 405: Diversity and equal opportunity (2016)	405-1	Diversity of governance bodies and employees	15; 86				
	405-2	Ratio of basic salary and remuneration of women to men	86				

GRI Standard	Disclosure		Pages N°	Omission			GRI Sector Standard Ref. No.
				Requiremet omitted	Reason	Explanation	
Talent retention & acquisition							
GRI 3: Material Topics (2021)	3-3	Management of material topics	85; 171				
GRI 404: Training and education (2016)	404-1	Average hours of training per year per employee	84-85				
	404-2	Programs for upgrading employee skills and transition assistance programs	85				
	404-3	Percentage of employees receiving regular performance and career development reviews	85				
Paying the utmost attention to health and safety when managing customer experiences							
GRI 3: Material Topics (2021)	3-3	Management of material topics	127-129; 171				
Technological innovation in safety and security management							
GRI 3: Material Topics (2021)	3-3	Management of material topics	108-110; 171				
Collaborative airport ecosystem to improve quality, efficiency, and safety							
GRI 3: Material Topics (2021)	3-3	Management of material topics	71-73; 112-114; 125-129; 171				
Re-launch of air connectivity to support the local area							
GRI 3: Material Topics (2021)	3-3	Management of material topics	118-123; 171				
GRI 202: Market presence (2016)	AO1	Total number of passengers annually, broken down by passengers on international and domestic flights, and broken down by origin-and-destination and transfer passengers, including transit passengers	119-122				
	AO2	Total annual number of aircraft movements by day and by night, broken down by commercial passenger, commercial cargo, general aviation and state aviation flights	119-122				
	AO3	Total amount of cargo tonnage	123				
Digitisation to improve passenger service quality							
GRI 3: Material Topics (2021)	3-3	Management of material topics	108-110; 116; 127-135; 171				

GRI Standard	Disclosure		Pages N°	Omission			GRI Sector Standard Ref. No.
				Requiremet omitted	Reason	Explanation	
Structured methods of stakeholder communication and involvement							
GRI 3: Material Topics (2021)	3-3	Management of material topics	135; 138-151; 171				
GRI 203: Indirect economic impacts (2016)	203-1	Infrastructure investments and services supported	135				
	203-2	Significant indirect economic impacts	138-151				
	413-1	Operations with local community engagement, impact assessment and development programs	135				
GRI 413: Local communities (2016)	413-2	Operations with significant actual and potential negative impacts on local communities	138-151				
	A08	Number of persons physically or economically displaced, either voluntarily or involuntarily, by the airport operator or on its behalf by a governmental or other entity and compensation provided				*During the year no cases of voluntary or involuntary displacements were reported*	
Strategic vision oriented to long-term value							
GRI 3: Material Topics (2021)	3-3	Management of material topics	38-42; 171				
GRI 201: Economic performance (2016)	201-1	Direct economic value generated and distributed	154				
	201-3	Defined benefit plan obligations and other retirement plans	93				
GRI 205: Anti-corruption (2016)	205-3	Confirmed incidents of corruption and actions taken	21				
Definition and updating of a Strategic Sustainability Plan							
GRI 3: Material Topics (2021)	3-3	Management of material topics	38-42; 171				
Insertion of ESG performance in the management incentive system (MBO)							
GRI 3: Material Topics (2021)	3-3	Management of material topics	17; 38-42; 171				

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**INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,
PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016
AND ART. 5 OF CONSOB REGULATION N. 20267 OF JANUARY 2018**

To the Board of Directors of
Società per Azioni Esercizi Aeroportuali – SEA S.p.A.

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (the "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Società per Azioni Esercizi Aeroportuali – SEA S.p.A. and its subsidiaries (the "Group") as of December 31, 2022 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 24, 2023 (the "NFS").

Our limited assurance engagement does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph "*EU Taxonomy*" and in the section "*Taxonomy*" of the Appendix of the NFS.

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and the "*Global Reporting Initiative Sustainability Reporting Standards*" established by GRI – Global Reporting Initiative ("*GRI Standards*"), which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

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Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our auditing firm applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the *GRI Standards*. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" ("ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

1. analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art. 3 of the Decree and taking into account the adopted reporting standard;

2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;

3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Group;

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3

4. understanding of the following matters:

- business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
- policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
- main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a) of this report;

5. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management of Società per Azioni Esercizi Aeroportuali – SEA S.p.A. and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:

  a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
  b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.

- for the following company, Società per Azioni Esercizi Aeroportuali – SEA S.p.A., which we selected based on its activities, its contribution to the performance indicators at the consolidated level and its location, we carried out site visits and remote meetings, during which we have met the management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Group as of December 31, 2022 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the *GRI Standards*.

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4

Our conclusion on the NFS does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph "*EU Taxonomy*" and in the section "*Taxonomy*" of the Appendix of the NFS.

DELOITTE & TOUCHE S.p.A.

Signed by
Matteo Bresciani
Partner

Milan, Italy
April 12, 2023

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

SEA MilanAirports