



CONSOLIDATED NON-FINANCIAL STATEMENT 2020
PURSUANT TO ITALIAN LEGISLATIVE DECREE 254/2016

SUSTAINABILITY REPORT

SEA

MilanAirports

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LETTER TO THE STAKEHOLDERS

2020 witnessed the emergence of a clear paradox for both SEA and the air transport sector as a whole.

While dealing with the most severe crisis in its history following the COVID-19 pandemic and the government restrictions put in place to contain its spread, Europe's aviation sector faced mounting pressure from community institutions to drastically accelerate its sustainability commitments, and its decarbonisation programme in particular. The sector was urged to accelerate the pace of its environmental and social commitments at a time when the financial sustainability of airports and other flight operators had never been so threatened.

It is not the strongest of the species that survives, nor the most intelligent; it is the one most adaptable to change.

Charles Darwin

The pandemic hit our industry hard - and more so than any other. In 2020, airports saw 1.32 billion passengers, 7 thousand European routes and 6 million movements fewer than the previous year, resulting in total net losses of Euro 33.6 billion.

Passenger numbers and flights at the Milan airports dropped by 75% and 60% respectively compared to 2019, generating financial losses of an unprecedented scale for SEA. Contingent damage was coupled with a

serious concern for the sector's recovery to pre-pandemic traffic levels, which is forecast to be lengthy (not less than three to four years) and which will involve a structural transformation that risks reducing profitability in the medium-to-long term.

The desire for a sustainable economic recovery expressed in the EU's Green New Deal - especially in terms of carbon footprint reductions - shone a light on air traffic and was subsequently translated into dedicated transport policy guidelines through the Sustainable and Smart Mobility Strategy.

The EU's road map of regulatory actions (the introduction of environmental excise duties on jet fuel, the required use of low-impact fuels, the removal of free carbon credits for aviation) - together with the European Investment Bank's decision to halt funding for airport expansion projects - places air transport in a particularly difficult situation with regard to the changes that need to be made.

SEA has not, however, used its reduced ability to generate economic value as an excuse for inaction on the sustainability front. In fact, the past year has seen us formalise our approach - starting with a Sustainability Plan to complement our 2021-2025 Business Plan - and implement cross-departmental projects that actively involve stakeholders.

We felt that "teaming up" both in-house and with other players in the supply chain to implement a well-defined set of initiatives was the best way to pursue our ongoing commitment to ESG topics, given the financial instability that is likely to accompany us for some time.

We have insisted on the ongoing alignment of departmental initiatives, analysing the most effective and convenient ways to define them in terms of sustainability. We have also worked on partnership models with third parties inspired by the creation of "shared value", which has allowed us to avoid suspending initiatives such as the airport's migration to an electric vehicle fleet. In addition, we have been able to prevent the postponement of the circular economy projects due to be implemented at maintenance sites and to provide innovative space for manoeuvre, allowing us to come to a pioneering agreement with Ticino Park to protect biodiversity in the natural areas surrounding transport infrastructure.

The progress we have made has strengthened our belief that we must pursue a collective commitment to sustainability through this period of difficult economic recovery. We believe that the current situation provides us with an opportunity to finalise our transition to an ESG model, leaving behind the idea that companies must generate value *for* stakeholders and instead embracing a more comprehensive understanding of long-term value as the result of the generation of value by companies *and* their stakeholders.

After all, this "systematic" understanding of value is a natural consequence of the role played by airports in accelerating the performance of regional economic players, mitigating negative effects, and fostering collective resilience in critical situations such as the one we currently find ourselves in.

This was demonstrated by Malpensa airport, which played a crucial role in providing health care supplies to Italy during the lockdown (approx. 1 billion masks, 200 million hospital gowns and more than 2,500 critical care devices travelled through Cargo City) and in reactivating global production chains, allowing Northern Italy's manufacturing sector to recover ground in terms of exports to more distant and dynamic markets. 2020 saw a decline of over 10% for Italian exports, while Malpensa continued to represent a crucial logistical structure for the main "Made in Italy" production chains, carrying 13% of exports in value terms for the furniture sector, 12.6% for fashion and approx. 7% for mechanics.

The European aviation industry is rapidly becoming aware of the need to join forces in response to the dual challenge of (economic-financial and socio-environmental) sustainability. In recent months, airports, airlines, handlers, and air navigation service providers have made an unprecedented effort to collectively rethink the sector from a sustainable perspective, focusing on reducing CO₂ emissions, protecting and developing human capital, mitigating externalities (in terms of noise and biodiversity) and further improving safety measures for passengers and workers (with regard to their health in particular).

We unequivocally share these priorities, and this Non-Financial Statement describes the work we have done and are set to do on these topics, as well as in other areas included in our materiality profile.

For the second year, this document is divided into sections on the various types of capital we oversee to ensure our performance meets the expectations of our shareholders and stakeholders. This methodological framework seeks to underline the fact that financial capital is worthless without non-financial assets such as human, intellectual, social-relational, and natural capital.

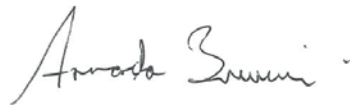
Following the pandemic - which has drastically hindered our ability to generate financial capital, just as we are being urged to make a greater effort to support others - the challenge will be to overcome this paradox by making good use of our platform of non-financial services and by partially offsetting our limited budget.

We may not reach the goals we set ourselves in the time and manner we imagined a year ago.

But we can certainly say we made the best use of our time and approached our commitments wisely.



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 2020 Non-Financial Statement (hereinafter the “NFS”) - now in its fourth edition - concerns the Group’s performance during the year ended December 31, 2020, 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”, defined in 2016 and 2014 respectively by the Global Reporting Initiatives (GRI), and the relative updates, in accordance with the GRI Standards: Core option. 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 topic-specific GRI Standards associated with each topic identified as material.

The document has been prepared as necessary to ensure 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. The materiality matrix was presented to the Control, Risks and Sustainability Committee on November 24, 2020, and was approved by the Board of Directors on December 21, 2020.

This document thus contains a description of the major policies applied by the undertaking, the management models and results achieved by the Group in 2020 (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 scope of information and data regarding social and environmental aspects includes companies consolidated line-by-line in the Group’s 2020 Consolidated Financial Statements.¹

The financial reporting scope is the same as for the Group’s 2020 Consolidated Financial Statements.

In 2020, no significant changes in relation to the size, ownership structure and supply chain of the Group took place.

In order to permit an assessment of performance over time, a comparison with the figures from the years 2019 and 2018 has been included where possible. In addition, in the interest of providing an accurate account of performance and ensuring the reliability of the data, the use of estimates has been kept to a minimum and appropriately disclosed where applicable.

The restatements of the data published within the previous NFS are also appropriately indicated in this document.

This report was approved by the Board of Directors on March 25, 2021.

The document also uses the following terms:

- SEA for SEA S.p.A.;
- SEA Energia for SEA Energia S.p.A.;
- SEA Prime for SEA Prime S.p.A.

This Declaration has been subjected to a conformity assessment (“limited assurance engagement” according to the criteria indicated by the ISAE 3000 Revised standard) by Deloitte & Touche.

The audit was carried out according to the procedures indicated in the “Report of the Independent Auditors” included in this document.

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

This document is also available from the SEA Group’s website, “<http://www.seamilano.eu>” in the section “Sustainability”.

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.

Company

COMPANY OVERVIEW

Overview

COMPANY

SEA (Società Esercizi Aeroportuali) Group manages the Milan airport system based on a forty-year agreement signed in 2001 with ENAC, which renewed the previous concession of May 7, 1962. 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, 2020:** 2,788

HIGHLIGHTS 2020

- Total revenues:** Euro 286.0 million
- EBITDA:** Euro -26.6 million
- Net profit:** Euro -128.6 million
- Passengers:** 9.5 million
- Aircraft movements:** 117.8 thousand
- Cargo:** 512.1 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 aircrafts, the management of airport security and the development of commercial services for passengers, operators and visitors, through a wide and differentiated offer.

Via its subsidiary SEA Energia, SEA Group produces enough electricity, heat and district cooling to cover its energy needs, and transfers unused residual energy to third parties.

Mission

The mission of SEA is to create value for all parties directly involved in the 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.

Public Shareholders

8 entities/companies

Municipality of Milan ^(*)	54.81%
Municipality of Busto Arsizio	0.06%
Other public shareholders	0.08%
Total	54.95%

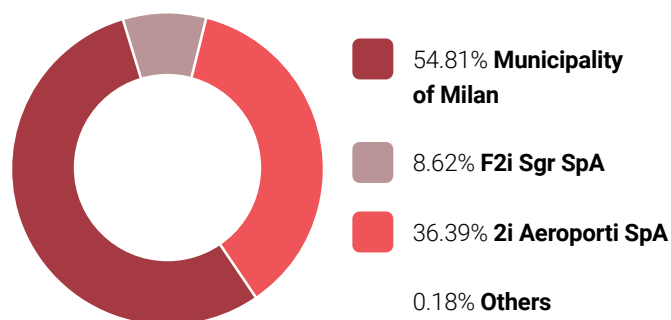
Private Shareholders

2i Aeroporti SpA	36.39%
F2i Sgr SpA ^(**)	8.62%
Other private shareholders	0.04%
Total	45.05%

^(*) Holder of Class A shares

^(**) On behalf of F2i - second Italian Fund for infrastructure

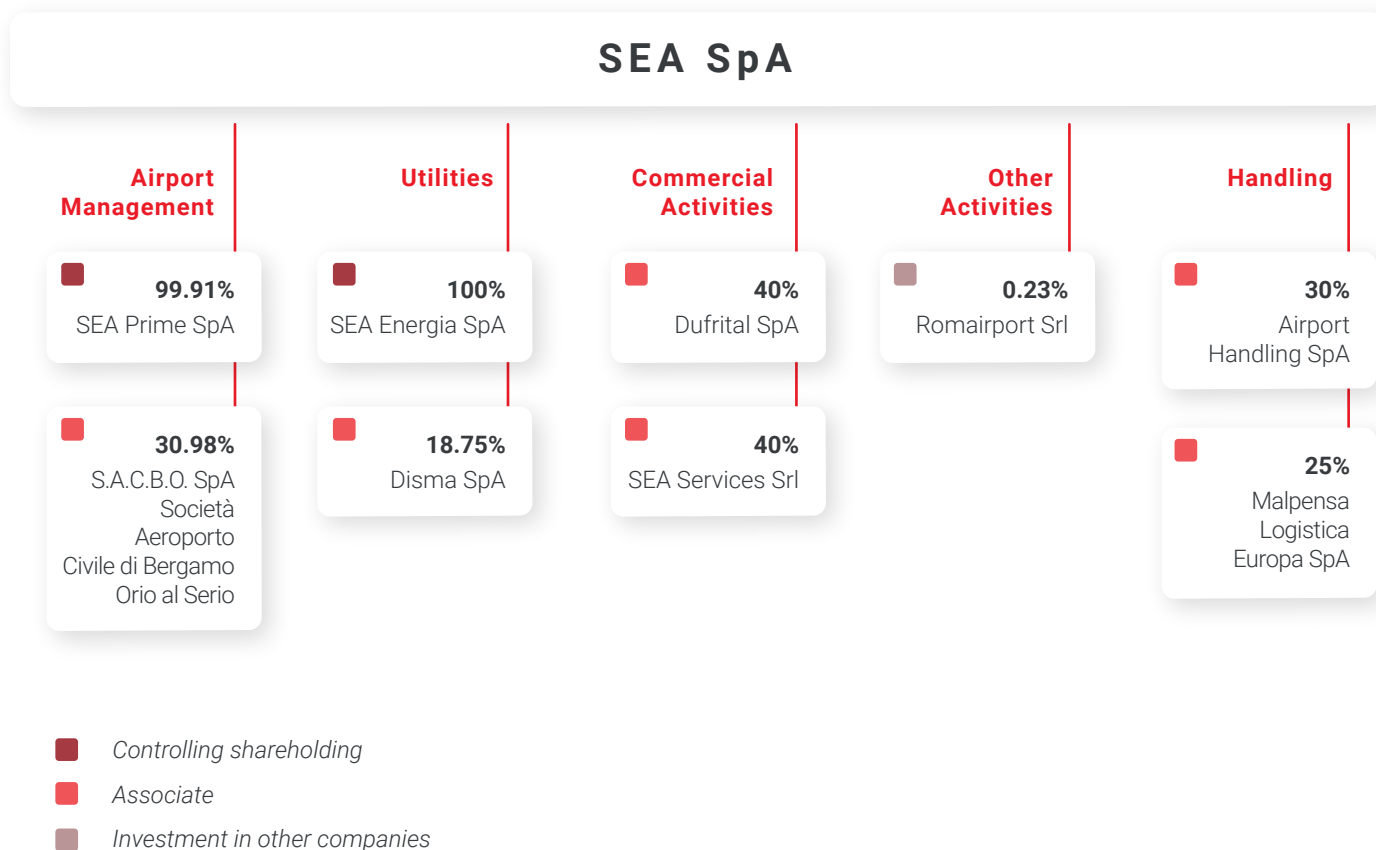
Share Capital Structure



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 organized 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.

SEA GROUP STRUCTURE AND INVESTMENTS IN OTHER COMPANIES

Direct investments of SEA SpA at December 31, 2020



Value creation model

SEA considers the successful generation of corporate value to be highly dependent on its ability to formulate effective responses to pressures deriving from the context in which it operates (the aviation sector is one of the industries most conditioned by external trends), by virtue of the conscious and balanced management of the capital governing the generation of said value. Increasing shareholder value is a goal which involves extensive co-interests with the socioeconomic players active in the regions in which SEA operates. The Group manages infrastructure capable of ensuring global accessibility and connectivity that act as catalysts within the local socioeconomic context for of trade, tourism, foreign investment, and the productivity of the manufacturing system.

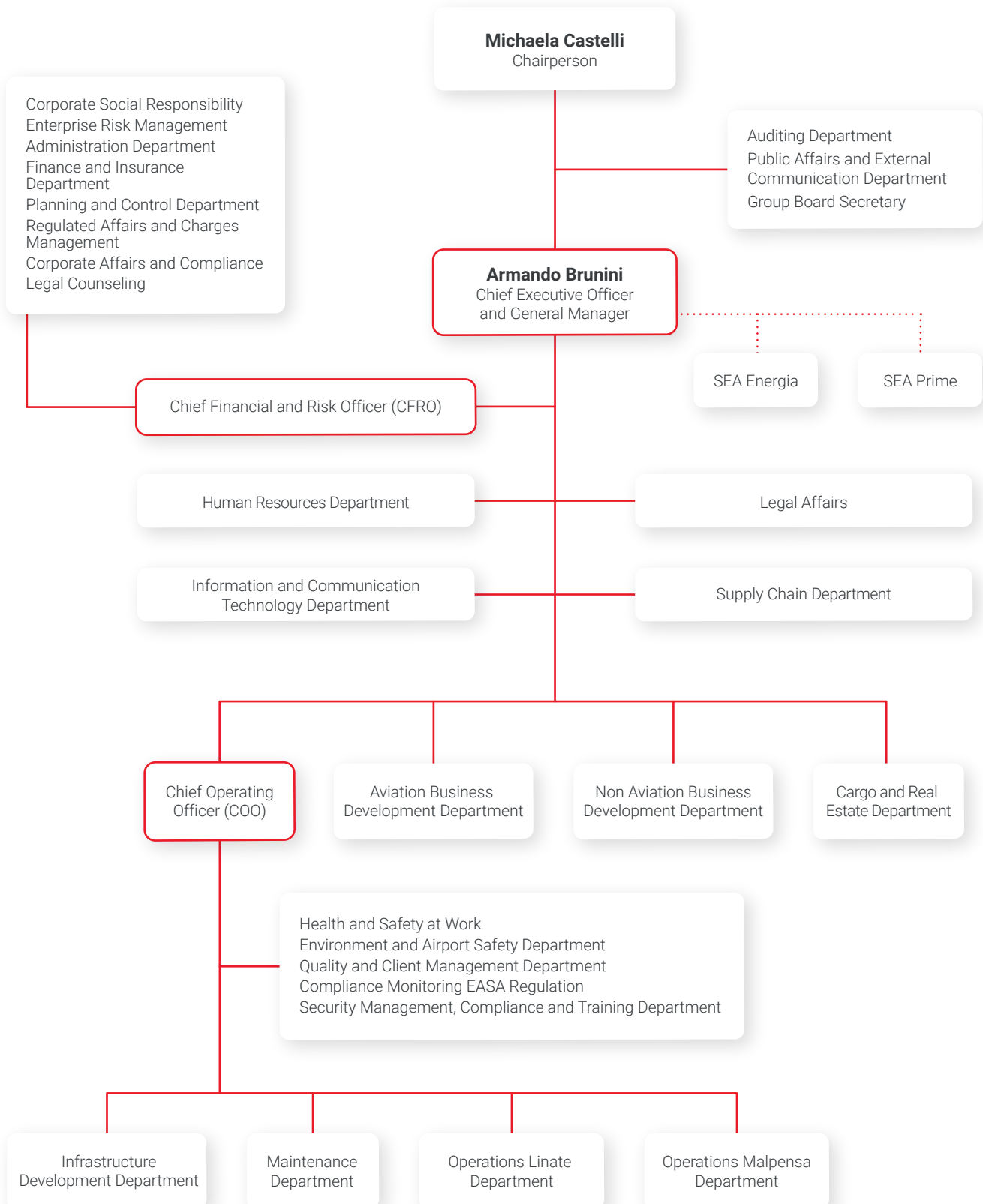
SEA's sustainable value creation model



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



Organisational approach to the pandemic

Following the health emergency caused by the development of the epidemiological crisis, SEA set up a Crisis Committee on March 1, 2020, which met for the first time on March 10, 2020. The Crisis Committee comprised members of the senior management team and employees from all company departments. It was tasked with coordinating and monitoring crisis-management activities. The Crisis Committee later evolved into the COVID Action Group, in compliance with the ENAC Guidelines. The Action Group was coordinated by the airport manager's senior management team and saw the participation of the Accountable Manager and employees from the company departments affected by the issues faced.

The COVID Action Group was tasked with coordinating crisis-management activities, implementing corrective and mitigation actions in a timely manner, and continuously monitoring them once they were in place. Furthermore, in line with the airport procedures (e.g., the Airport Regulations and the Airport Plan in the event of a flu pandemic), various stakeholders, including an Air Health Representative (with whom SEA collaborated on an ongoing basis) participated in defining the specific issues to be explored and the shared actions to be implemented. Until its dissolution, and under the control of ENAC, the group collaborated with the public and private entities tasked with performing emergency activities.

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 2020, Linate handled 4.3% of passengers, 5.8% of aircraft movements and 0.1% of cargo in Italy.²

MALPENSA AIRPORT

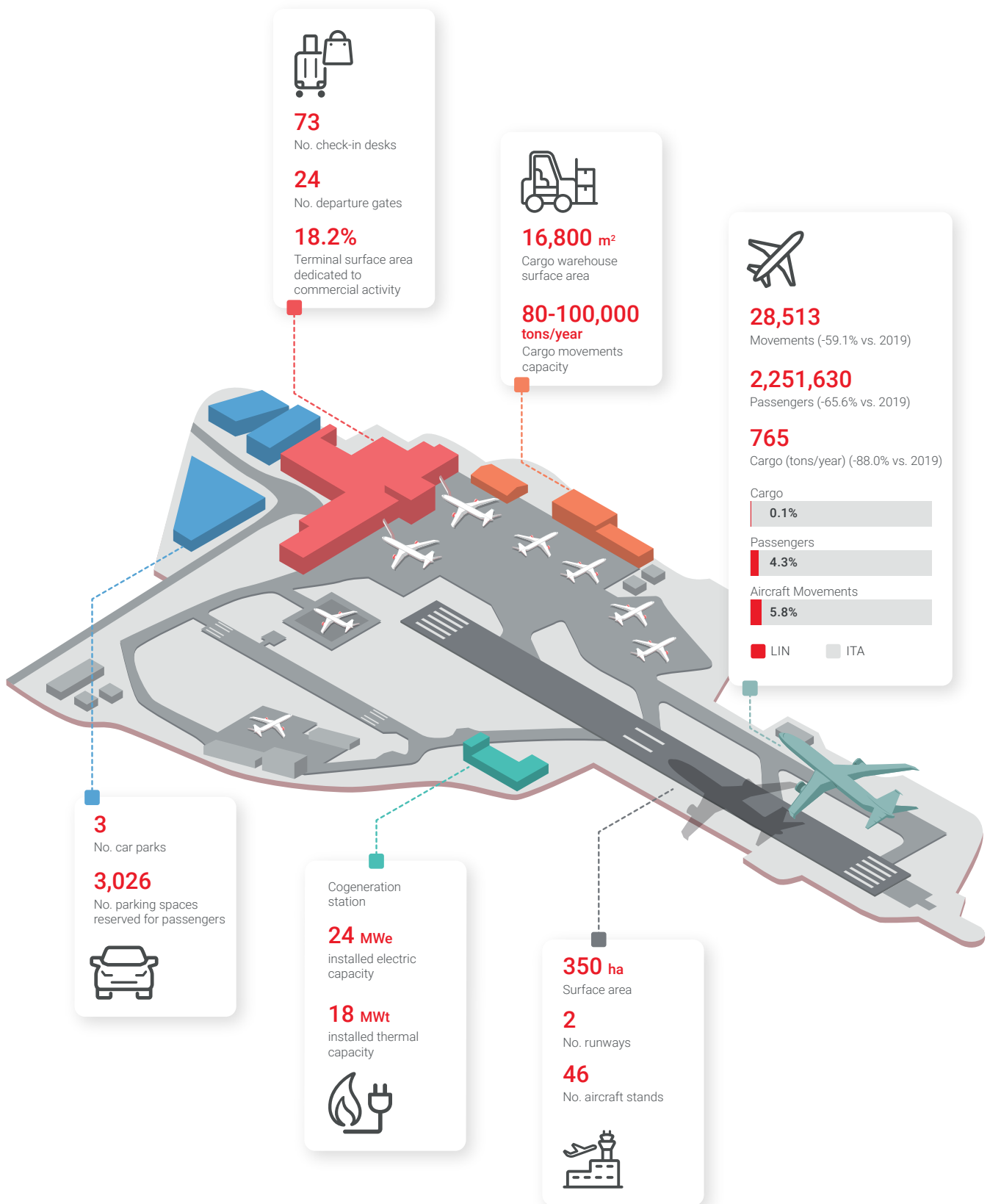
Malpensa Airport is located in the south-west of Varese province, 48 km from Milan, with rail connections to the city and a road system, including a motorway, which connects the airport with the major regions of Northern Italy and Switzerland. The airport covers 1,220 hectares within 7 municipalities: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

In 2020, Malpensa managed 13.1% of overall movements, 13.7% of passenger traffic and 61.4% of cargo transported in Italy.³

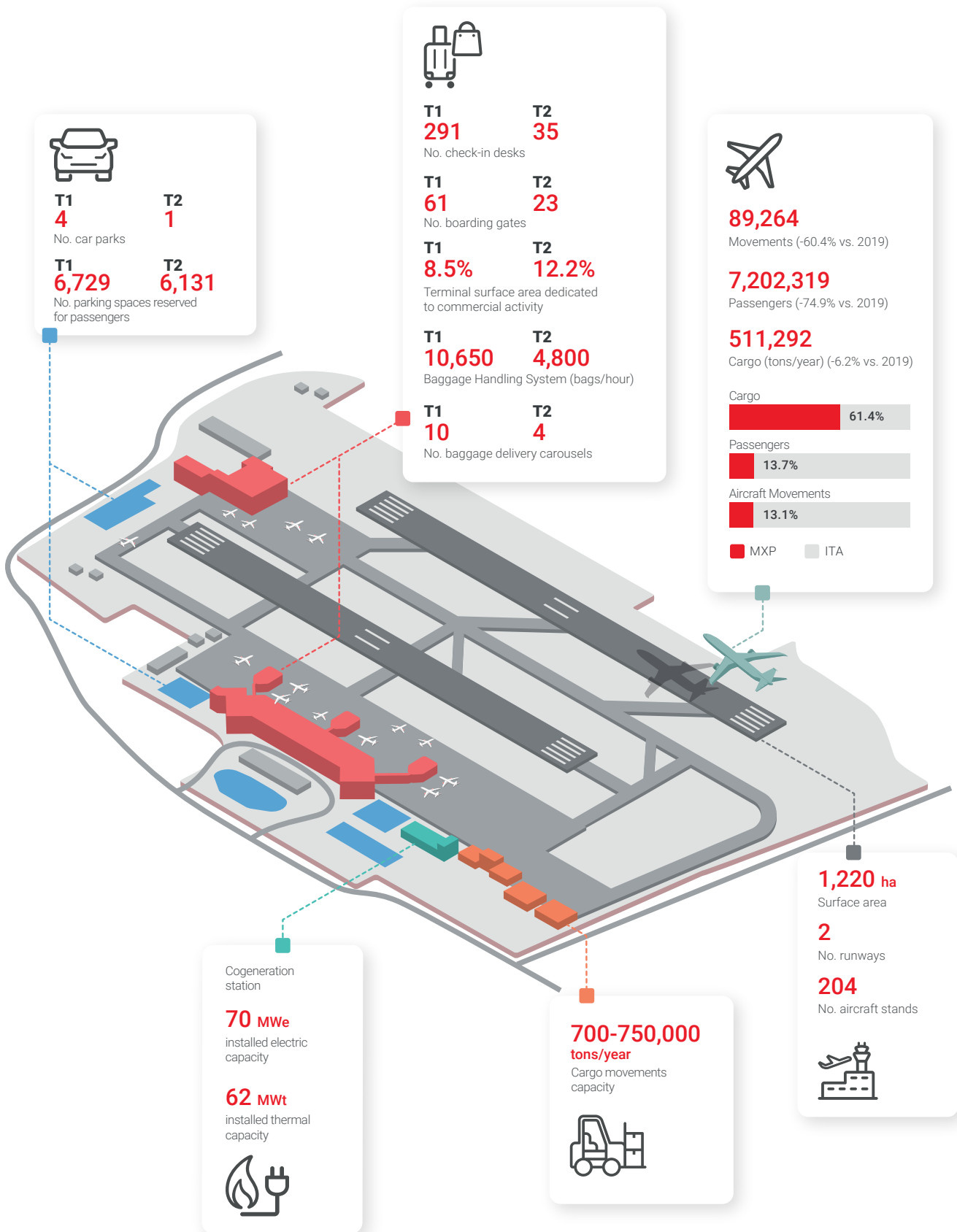
² Source: Assaeroporti (www.assaeroporti.it).

³ Source: Assaeroporti (www.assaeroporti.it).

LINATE AIRPORT



MALPENSA AIRPORT



CORPORATE GOVERNANCE

The Corporate Governance structure is voluntarily based (as SEA is not a listed company) on the recommendations and principles of the "Self-Governance Code for listed companies" of Borsa Italiana. The SEA Corporate Governance structure is based on a traditional model and is composed by 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, a Remuneration Committee and Ethics Committee have been set up within the Board;
- Board of Statutory Auditors.

The structure of powers and duties complete the Governance structure.

Board of Directors

The Board of Directors of SEA is composed of 7 executive and non-executive members. The Board of Directors in office at December 31, 2020 was appointed by the Ordinary Shareholders' Meeting of April 19, 2019. 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 Independent Directors. The Board of Directors of SEA has established the remuneration of the Chairman, the Vice Chairman and the other Directors on the basis of that agreed by the appointing Shareholders' Meeting. The remuneration of the Board of Directors in 2020 was Euro 564 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 at December 31, 2020

Office	Board of Directors		Control, Risks and Sustainability Committee	Remuneration and Appointments Committee	Ethics Committee	Indep.	Age group	
	Members	Executive Non-Exec.					*	*
Chairperson	Castelli Michaela		X		X	X	X	
Vice Chairman	Corritore Davide		X		X	X		X
CEO/GM	Brunini Armando	X						X
Director	Barletta Pierfrancesco		X	X		X	X	
Director	Gianguialano Patrizia		X	X		X		X
Director	Mazza Rosario		X	X	X	X	X	
Director	Rovelli Luciana		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 specific attention to information received from the Chairman and from the SEA Control, Risks and Sustainability Committee, in addition to periodically reviewing results in comparison with forecasts. In addition, the Board of Directors 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 legislative provisions, comprehensively cover gender diversity within the Board of Directors and Board of Statutory Auditors. The self-assessment process recommended by the Self-Governance Code is also used as a tool to assess diversity levels and the adequacy of the professional skills possessed by the Board of Directors. The competent company department created a questionnaire, which was used as an essential tool for directing and assisting the Board of Directors through the self-assessment process. The questionnaire was submitted to the Remuneration and Appointments Committee, which suggested it be sent to Directors in a meeting on February 26, 2020. The results of the self-assessment process were examined by the Board of Directors on May 4, 2020, resulting in an overall positive opinion in terms of how the corporate boards were composed and functioned.

INTERNAL COMMITTEES TO THE BOARD OF DIRECTORS

The Board of Directors of SEA, in line with the recommendations of the Self-Governance Code, has internally set up through resolutions additional committees comprised of Non-Executive Independent Directors, with proposal and consultation functions and has set the number of members and relative duties. These committees regularly carry out their duties through meetings, with minutes prepared and maintained by the Company.

Meetings held by the Board of Directors and the Committees in 2020

Board of Directors	Control, Risks and Sustainability Committee	Remuneration and Appointments Committee	Ethics Committee
12	8	4	3

For the discharge of their duties, the committees may access the information and company departments necessary. The committees may in addition utilize 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 Chairman 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.

SEA Board of Statutory Auditors Structure 2020

Office	Members	In office from	In office until
Chairperson	Cotroneo Rosalba	16/11/2016	Approval 2021 FS
Statutory Auditor	Casiraghi Rosalba	04/05/2016	Approval 2021 FS
Statutory Auditor	Contessi Daniele *	19/04/2019	Approval 2021 FS
Statutory Auditor	Pozzoli Stefano	19/04/2019	Approval 2021 FS
Statutory Auditor	Scuteri Valeria	19/04/2019	Approval 2021 FS
Alternate Auditor	Coppola Antonia	19/04/2019	Approval 2021 FS

* In office since September 24, 2020, he has taken over following the resignation of Andrea Manzoni.

In 2020, the total remuneration of the Board of Statutory Auditors was Euro 290 thousand.⁴

Systems of powers and duties

On January 8, 2019, the Board of Directors appointed a Chief Executive Officer 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

SEA's remuneration policy reflects its position as a service-based company focused on operating performance excellence and the quality of the service provided to customers, in order to aligning the corporate interest with the objective of creating value for shareholders.

The policy seeks 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 positions in relation to the result and responsibility areas of each role. Group profitability is the principal objective of Management, shared at all levels and is the condition upon which the individual bonus is based. In addition to the economic-financial aspects, performance is also measured on the achievement of objectives related to ESG topics based on environmental protection, dialogue with and safeguarding of employees, and customer service level indicators. The short-term managers' incentive programme was suspended in 2020 as a result of the severe economic hardship faced by the Company due to the pandemic. Below it is outlined a summary of the ESG topics and the aligned managerial objectives for 2019, with an indication of their minimum and maximum % weight.

⁴With regard to the comprehensive nature of the remuneration awarded to public sector managers - Article 24, Paragraph 3 of Legislative Decree No. 165/2001 - the remuneration owed to Ms Cotroneo is paid directly to the Ministry for the Economy and Finance so that it may be added to the fund used to finance the remuneration and performance of managers.

Managerial performance reviews with regard to ESG topics

Cluster	ESG Topics	No. of managers	% Weight (min-max)
Environment	<ul style="list-style-type: none"> ■ Energy saving ■ Smart and Sustainable Mobility ■ Environmental strategy/planning ■ Atmospheric emissions 	12	10-40%
Health and Safety	Accident gravity index	27	10-35%
Service quality	Passenger service operating performance	22	10-40%
Governance	231/01 Model: Efficacy and Updates	1	35%
Employee	People Engagement	2	20%

Source: SEA

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.

This Organisational and Management Model was modified to integrate the new offences listed by Decree 231/2001 at December 20, 2019 (the date of the Model's last approval), and 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 and compliance with the Model, ensuring it is up to date. It was appointed by the Board of Directors on May 22, 2019 and comprised 4 members as at December 31, 2020, (an one SEA Director without operational powers, two independent external members, one of whom functions as Chairman of the Body 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 boards 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 "Whistle-blowing"). 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 Ethics Code;
- 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;
- the control activities.

The SEA Supervisory Board met 8 times in 2020; minutes were drawn up for each meeting. The SEA 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 Energia and SEA Prime 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 Energia and SEA Prime, 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.

The risk prioritisation methodology was updated in 2020 to acknowledge the need to assign greater importance to short-term financial risks in light of the pandemic, which has significantly influenced the Group's results and business activities.

ETHICS CODE AND ETHICS COMMITTEE

The SEA Ethics Code - 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 Ethics Code 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 boards, 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 Ethics Code and formalised through specific provisions in the relevant contracts.

The rules of the Ethics Code 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 Ethics Code is a prerequisite for establishing and/or continuing their relationship with SEA. SEA has set up an Ethics Committee that is designated to ensure the Ethics Code's dissemination, compliance, correct interpretation and updating. As of May 22, 2019, the Committee is composed of the Chairman representing the Company's Board of Directors (who functions as Chairman of the Committee), a Non-Executive Director and managers from the "Human Resources" and "Auditing" departments. The Ethics Committee met 3 times in 2020 to discuss the dissemination and implementation status of the Code.

The subsidiaries SEA Energia and SEA Prime have adopted their own Code of Conduct and have appointed as Ethics Committee the Parent Company's Ethics Committee. Following the Parent Company's approval of the new Ethics Code, the Codes of Conduct for SEA Energia and SEA Prime are being revised to assess the changes made by the parent company to the Ethics Code and, consequently, to define its adoption or adaptation.

The dissemination and publication of the Organisation and Management Model, pursuant to Legislative Decree No. 231/2001, and the Ethics Code continued in 2020 through the following initiatives:

- the updating of information relating to the various

components of the Model on the Company Intranet and in the HR section;

- the provision of the Ethics Code and the Organisation and Management Model in the dedicated Intranet section for newly recruited employees;
- publication of the updated 231/01 "Mapping of Risks" on the Company Intranet and its distribution to those employees assigned tasks in the identified risk areas.

In 2020, information and training on Legislative Decree No. 231/2001 and the SEA Model was structured as follows:

- a refresher on the Decree, Organisation and Management Model, anti-corruption measures and whistleblowing for Executives;
- training on the Decree and on the Organisation and Management Model, anti-corruption measures, and Whistleblowing to five newly appointed Executives and middle managers of "sensitive areas" by members of the Supervisory Board;
- training sessions dedicated to newly hired managers and employees (14);
- information/training brochures for all employees (excluding Executives) on the 231/2001 Model, anti-corruption measures and whistleblowing, distributed via the company intranet with a "read and sign" notification.

ANTI-CORRUPTION POLICY

SEA, aware of the adverse effects of corrupt practices on economic and social development within its operating scope, is committed to prevent and counteract the occurrence of offences in the performance of its activities. For SEA, the prevention of corrupt practices, in addition to being a legal obligation, represents one of the principles which marks how the Company acts, also in view of the strategic importance of the sector in which it operates and the importance of the legal and social framework in which its business is rooted. The corruption prevention policy is expressed through a process which SEA has adopted through:

- the Ethical System, whose components - Ethical Vision, Diamond of Values and the Principles of Relationships with Stakeholders - constitute strategic policies and are designed to identify the decision-making values and principles to which the company aspires and undertakes to consistently preserve in pursuing its mission;

- the Ethics Code, which defines the principles and rules of conduct which must inspire the work of the Company, its employees and collaborators, members of its corporate boards and, more generally, its stakeholders;
- The Organisation and Management Model pursuant to Legislative Decree No. 231/2001 that also includes corruption offences.

SEA's Corruption Prevention Policy requires staff to adhere to the principles of transparency, clarity, correctness, integrity and fairness in the performance of their activities. In particular, behaviours and practices that may also only appear illegal or collusive, payments that may seem to be unlawful, attempts at bribery and favouritism, direct or indirect solicitation for personal and career advantages for oneself or for others and, more generally, acts that violate applicable laws and regulations in relationships and business relations, are prohibited. SEA proposes to apply correctness, fairness, integrity, loyalty and professional rigour to operations, behaviours and the way of working both in internal relations and in relations with external parties, by paying the utmost attention to full compliance with the law, in addition to the observance of company procedures. A focus on ethics (transparency, loyalty and honesty in the behaviour toward external and internal parties) is an indispensable approach for credibility in SEA's conduct toward shareholders/investors, customers and, more generally, the entire civil and economic context in which they operate, in order to transform the knowledge and appreciation of the values that widely inspire the company's mode of operation into competitive advantage. Those who work in the name and on behalf of SEA are aware that they are resorting to punishable offences, in the event of corrupt behaviour and violation of the law on corruption - on the criminal level, the administrative level and the disciplinary level (in accordance with the provisions of the national collective bargaining agreements). SEA also requires its "Business Partners" to comply with applicable laws, including Legislative Decree No. 231/2001, the Ethics Code and the Organisation and Management Model as per Legislative Decree No. 231/2001 - General Section, on the basis of clauses with which non-compliance will result in the contract's rescission. SEA considers reporting as an effective tool to counteract corruption and encourages the reporting of suspected corruption through dedicated "whistleblowing" channels. SEA guarantees that no employee shall be sanctioned, fired, demoted, suspended, or discriminated against for having refused to adopt unlawful conduct, even if such refusal were to result in adverse consequences for the Company's business, or for having made a report in good faith of any alleged corruption or

violation of the SEA Corruption Prevention Management System.

Management System for the Prevention of Corruption

Confirming its commitment to the prevention and combating 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 Management System for the Prevention of Corruption, 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 was confirmed during an annual audit carried out by the certifying body in November 2020.

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 of the subsidiaries SEA Prime and SEA Energia, in order to identify the risks linked to corruption. 42 audits were also carried out (15 of which at SEA, 14 at the subsidiary SEA Prime and 13 at the subsidiary SEA Energia) - 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 2020, information and training on anti-corruption measures and the SGPC was structured as previously described for Legislative Decree No. 231/2001 and the SEA Model.

Anti-Corruption Focal Point

The Company has employed an Anti-Corruption Coordinator since 2014, a role currently filled by the Corporate Affairs and Compliance Legal Counselling Manager. The Anti-Corruption Coordinator also acts of behalf of

the subsidiaries SEA Energia and SEA Prime.

The anti-corruption focal point deals with any communication on corruption, including toward third parties; the role, prerogatives and responsibilities are therefore not comparable with those provided for by applicable legislation in relation to the Anti-Corruption Manager (namely, the person in charge pursuant to Law 190/2012).

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 Ethics Code, of the Organisational Management Model, as per Legislative Decree No. 231/2001, or of the Corruption Prevention 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 was made available to the subsidiaries SEA Energia and SEA Prime in 2020.

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 Affairs Department.

In 2020, 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 a Ethics System with the aim of establishing conditions to ensure the principles of maximum transparency, clarity, fairness, integrity and equality are observed when car-

rying 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

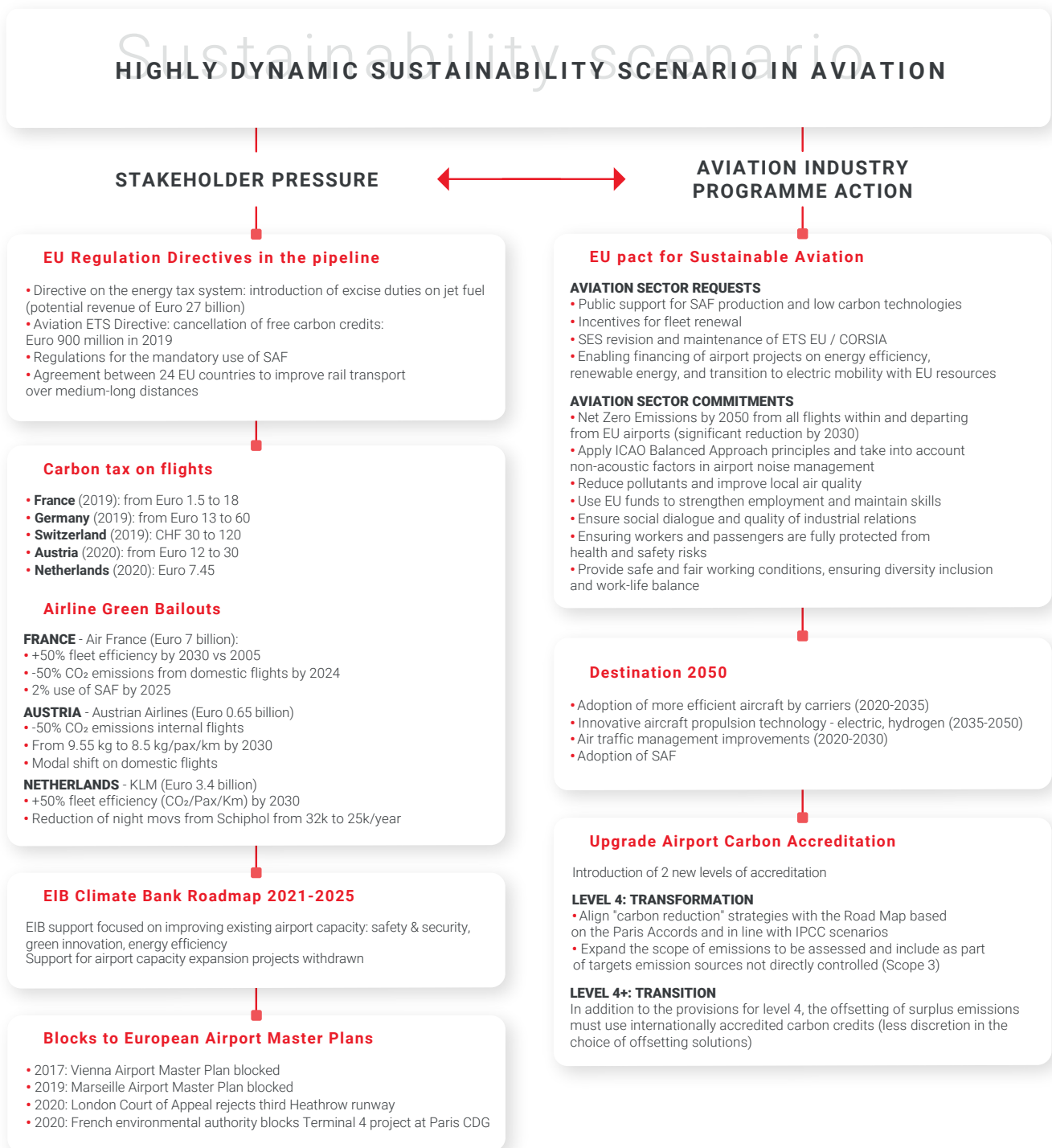
Sustainable

Scenario and

Strategy

SUSTAINABILITY SCENARIO

In addition to arising from a growing awareness of the important role played by social and environmental variables in generating long-term value, SEA's sustainability strategy is also partly the result of investigations into the stimuli and pressures of its context of reference. In recent years - and from 2019 onwards in particular - an increasing number of institutions, market players and organisations in the air transport sector have begun to prepare their frameworks, guidelines, recommendations and signs of change from an "ESG" perspective. Pressure to do so further increased in 2020 despite the severe crisis resulting from the pandemic. The main elements of this scenario are classified and briefly described below.



Contribution of air transport to CO₂ emissions

Key Facts

- CO₂ emissions from aviation grew by 27.6% in Europe between 2013 and 2019, in contrast to other ETS sectors such as energy and manufacturing (-19.7%).
- Climate Action Tracker (an independent climate policy institute) considers the 2030 target emissions for international aviation to be “highly insufficient”. According to its assessment, the 2030 international aviation target would result in climate warming of over 4°C if all other sectors followed the same approach.
- The CORSIA programme, promoted by ICAO - which aims to neutralise growing CO₂ emissions generated by international flights from 2021 onwards - was updated in July 2020 to raise the baseline above which airlines must offset emissions, allowing them to scale back their decarbonisation commitments until at least 2027.
- The technological disruption resulting from “zero-emission” aircraft models (electric or hydrogen) is expected no earlier than 2035 (for short-medium-haul routes).
- By 2050, over 10 billion passengers will be transported over a total distance of around 20 billion kilometres a year by air.
- Without improvements to technology, fuel or operations, this would generate around 1,800 billion tonnes (Mt) of CO₂ (up from around 1,000 billion in 2019).
- The measure considered most capable of reducing aviation emissions is the increased use of Sustainable Aviation Fuel (in combination with offsetting).

Faced with the aviation industry's increasing contribution to the total emissions generated overall, the effort to contain Europe's carbon footprint is substantiated through two tools:

- emissions from intra-European flights have been included in the EU ETS since 2012. However, this inclusion is considered unsatisfactory by many, due to an excessive allocation of free emission allowances. Airlines receive 85% of their allowances for free;
- the emissions produced by flights between Europe and non-European destinations are part of an initia-

tive promoted by ICAO called “CORSIA”, which proposes growth in the “carbon neutral” sector starting from 2020, thereby halving the emissions produced between 2005 and 2050. The sector's strategy to achieve these objectives includes four pillars: more efficient air traffic management, improvements in aircraft fuel efficiency, the introduction of sustainable fuels and an economic compensation mechanism. CORSIA foresees a pilot phase starting in 2021, a voluntary phase from 2024, and a compulsory regime from 2027 to 2035.

Institutional initiatives

EU GREEN NEW DEAL

On December 11, 2019, the European Commission launched the “Green New Deal,” a new economic policy address based on breaking down the SDGs of the UN's 2030 Agenda, and aimed at redirecting the EU's economic development by placing a focus on decarbonisation. The policy also focuses on a circular economy (with a consequent reduction in the consumption of natural resources and the dependence on the supply of these resources), and protecting natural capital and citizens from environmental risks. The preparation of a large package of measures, partially launched in 2020, will have a significant impact on the air transport sector. With the Green Deal, EU aviation policy focuses primarily on decarbonisation and sustainability.

THE SUSTAINABLE AND SMART MOBILITY STRATEGY

The Sustainable and Smart Mobility Strategy was tabled by the European Commission at the end of 2020. It suggests aligning the transport sector with the objectives of the Green Deal and its climate goals in particular (climate neutrality by 2050). In fact, it requires a 90% reduction in greenhouse gas emissions produced by means of transport.

This new strategy outlines a road map for pursuing the green and digital transformation of European transport, aiming for zero-emissions mobility. To achieve this target, the focus will be on increasing rail traffic, as is evidenced by its objectives, which include:

- doubling high-speed rail traffic by 2030 and tripling it by 2050

- ensuring that group journeys of less than 500km within the EU are carbon neutral by 2030;
- the entry onto the market of zero-emission aircraft by 2035;
- doubling rail cargo traffic by 2050;
- 100 climate-neutral cities in Europe by 2030.

The strategy supports the adoption of “smarter transport choices” for passengers and sees the greening of cargo transport as dependent on the transition from road to rail and waterways. It has also labelled 2021 the “European Year of Rail” and aims to strengthen trans-European connections, with the Commission hoping to propose a specific action plan to promote cross-border passenger rail services.

Achieving decarbonisation is a much more demanding task for the aviation and shipping sectors than it is for other sectors. The strategy requires aviation to have priority access to sustainable fuels, an issue that will be addressed in 2021 through a dedicated legislative proposal (which should set minimum quantified SAF targets for airlines).

The EU has not yet specified how it intends to support SAF, but it can be assumed that the mandatory mixing criteria for airlines flying to/from Europe will be reviewed, along with other incentives for R&D and production financing. The current SAF price levels (2 to 7 times that of kerosene) are currently not accessible for airlines - both in terms of availability and cost.

The document does, however, recognise the work done by airports to reduce their CO₂ emissions, referring to the Airport Carbon Accreditation and stating that good practices such as these must become the new normal. Furthermore, it references the European airport industry’s commitment to achieving net-zero emissions by 2050.

The strategy also states that airports must become “multi-modal transport hubs” and announces that the Commission will present proposals to incentivise:

- the use of sustainable, renewable and low-carbon emission fuels;
- the introduction and use of new, cleaner and quieter aircraft;
- decarbonisation and the reduction of pollution with regard to internal transport within the airport grounds.

Pricing carbon based on transport could be a way to incentivise green choices and guide consumer decisions. The strategy argues that the “polluter pays” principle

must be implemented without delay across all modes of transport.

To promote informed consumer and business choices, the strategy announces a plan to establish a “European framework to uniformly measure the greenhouse gas emissions of transportation and logistics”. This should allow end users to estimate the carbon footprint of their transport choices and thus opt for more sustainable options.

The EU Emissions Trading System (ETS) is the most important tool for determining the price of carbon, and reference should be made to the updated EU ETS for aviation, which has reduced the free allowances provided to airlines (currently 85% of the total). This will increase costs for airlines, especially if the price of carbon credits increases significantly compared to current levels (more than €30/tonne).

Finally, the strategy states that fossil fuel subsidies must cease and that a review of the EU Energy Tax Directive will seek to align taxation with the EU’s climate objectives. This means that the Commission will suggest the removal of tax exemptions on jet fuel, applying a principle that shifts environmental impact onto the price of transport. However, this action entails modifications to the current EU directive on energy taxation, which requires the unanimous agreement of all EU Member States.

The chances of this initiative being successful do not currently seem very high.

European transport market dynamics

UBS Outlook

UBS expects Europe’s high-speed rail network to grow 10% a year over the next decade. Political support for rail infrastructure investments in Europe is growing significantly.

Reduction in domestic traffic to the benefit of rail in some European countries

- Air traffic at Swedish airports fell by 4% in 2019 compared to 2018 (against +3.2% recorded at a European level), decreasing on domestic routes in particular (-9%).

- Domestic air traffic in Germany has been decreasing since August 2019, down by -12% in November compared to the previous year. In parallel, the railway company Deutsche Bahn AG registered record numbers of passengers (up 20 million between 2014 and 2018) and aims to double its traffic volume in the next 20 years.

The revival of long-distance railway services

- The Austrian state-owned railway company has ordered 13 new trains to be used for long-distance overnight routes.
- The Swedish government has announced plans to expand night trains to many European destinations.
- Swiss railway operator SBB said it is considering new overnight routes due to growing market demand.

Competitive strategies adopted by high-speed rail with regard to air transport

Eurostar and Thalys provide high-speed services connecting Great Britain, France, Belgium, the Netherlands and Germany. They operate 112 trains per day and carry more than 18.5 million passengers per year. In 2020, they launched the Green Speed project, declaring five objectives in view of their merger:

- to provide an attractive alternative to flying and to increase traffic to 30 million passengers a year by 2030;
- to maximise the use of renewable energy for their train fleet and to introduce an ambitious environmental policy on waste management, plastic removal, and sustainable purchasing;
- to provide uninterrupted travel for passengers using just one ticket that covers all journeys on the network and the best connections;
- to introduce attractive travel offers and loyalty schemes;
- to guarantee a high standard of service quality.

Aviation policy and guidelines

Airline operators issued a formal response to mounting socio-institutional pressure towards the end of 2020. In November, over 20 associations (representing airlines, airports, ANSPs, trade unions, aircraft manufacturers, in-

dependent environmental study think tanks, ground handling service providers, travel retail and duty free shops, tourism, and general and commercial aviation business) representing the entire European aviation ecosystem announced their commitment to work with EU policymakers to achieve net-zero CO₂ emissions by 2050.

This declaration resulted in EU institutional leaders agreeing to sign an agreement on the environmental and social sustainability of European aviation by the end of 2021.

The agreement focuses on restoring public support for aviation and ensuring the aviation sector can access public and private funding to take the necessary steps to improve sustainability.

Public support for the survival of airlines and other aviation actors following COVID-19 is contingent on the achievement of certain sustainability objectives:

- including aviation sustainability investments in the EU taxonomy and the European Commission's Sustainable and Smart Mobility Strategy;
- making them eligible for public funding (e.g., under the EU's Next Generation initiative and the EIB's new climate transition support policy).

The aviation sector is facing severe post-pandemic financial hardship, prompting ACI Europe to promote - together with organisations representing other players in the air transport and travel ecosystem - a "sustainability package" dedicated to negotiations with the EU authorities to obtaining the resources necessary for an effective "sustainable recovery".

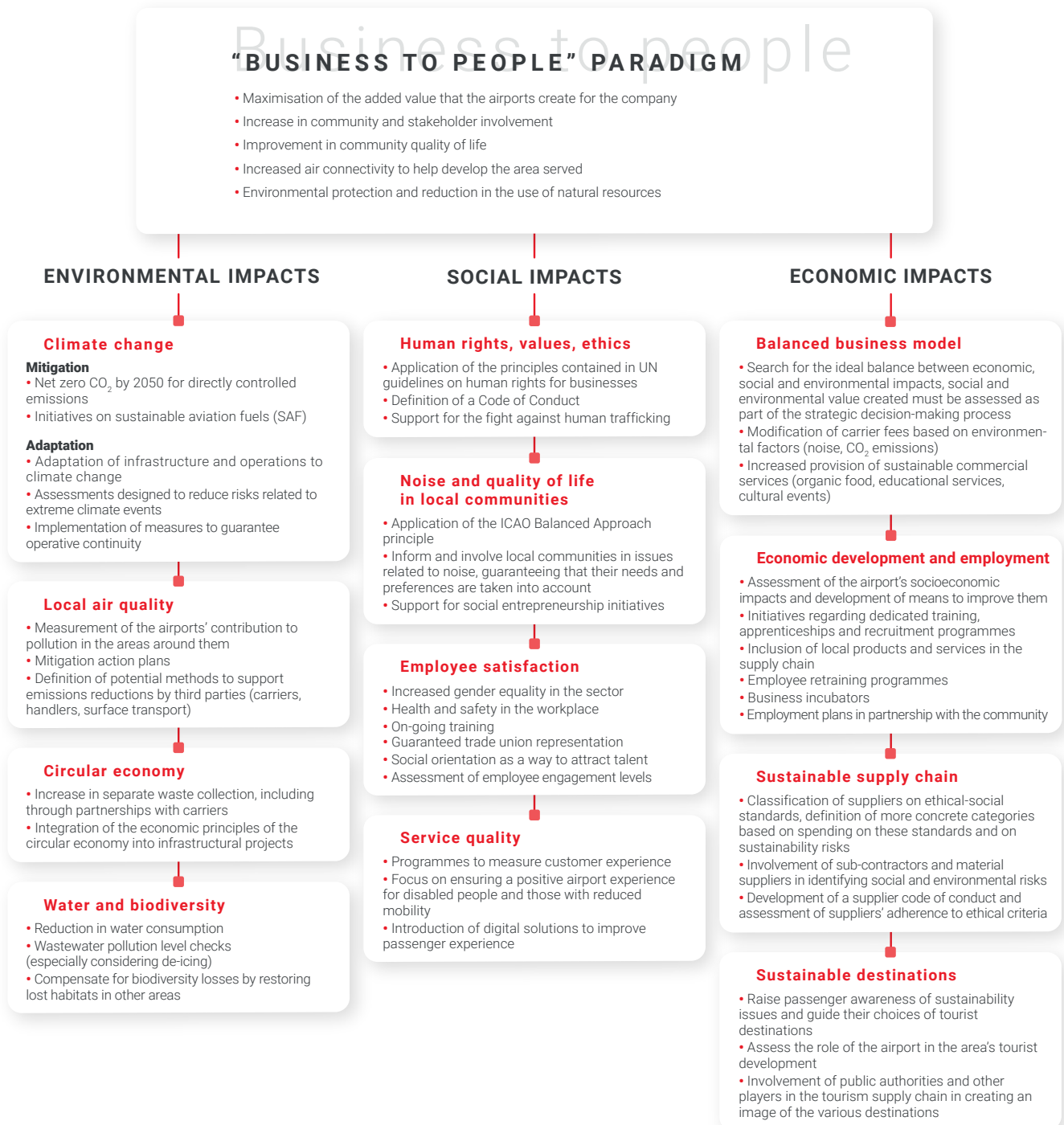
This "situational strategy" does not replace the main Framework for airports, but instead invites the latter to focus their medium-term sustainability plans on certain "focal points":

- Acceleration of the decarbonisation process in terms of their own use of "green" energy and in terms of their influence on its use by other players in the airport ecosystem. This is the avenue pursued by the Airport Carbon Accreditation system, which has been updated to include two additional levels.
- Particular attention is paid to the health and safety of airport operators and passengers, both in terms of the measures to be implemented during the pandemic, and in terms of the quality of the working and living environment of the local community, as regards minimising noise and polluting emissions in particular.

- Further investments in tools and actions to involve stakeholders (trade unions, local communities, workers) in managing the delicate transition phase towards recovery in a transparent and collaborative manner.

At the end of November 2020, ACI Europe released an updated version of its Sustainability Framework for Airports, in which it strengthens the concept of the “integrated management” of (economic, social, and environmental) sustainability components as part of the necessary evolution of airport business models in the wake of the pandemic.

ACI Europe - Sustainability strategy framework for airports



Upgrading the Airport Carbon Accreditation certification

In November 2020, the ACI Europe General Assembly issued a further response to mounting pressure on the aviation sector to rapidly reduce its carbon output.

The Airport Carbon Accreditation introduced the first major structural change since its launch in 2009, adding two new accreditation levels to the initiative:

- Level 4 - *Transformation*
- Level 4+ - *Transition*.

ACA Levels 1 to 3+ currently allow airports to flexibly manage their emissions reductions.

Levels 4 and 4+ require airports to adopt two new, more challenging approaches:

- to align their carbon management strategies and plans with the Paris Agreement, according to which global warming should be limited to no more than 2°C, and ideally to 1.5°C. These goals have been translated into several emissions reduction sce-

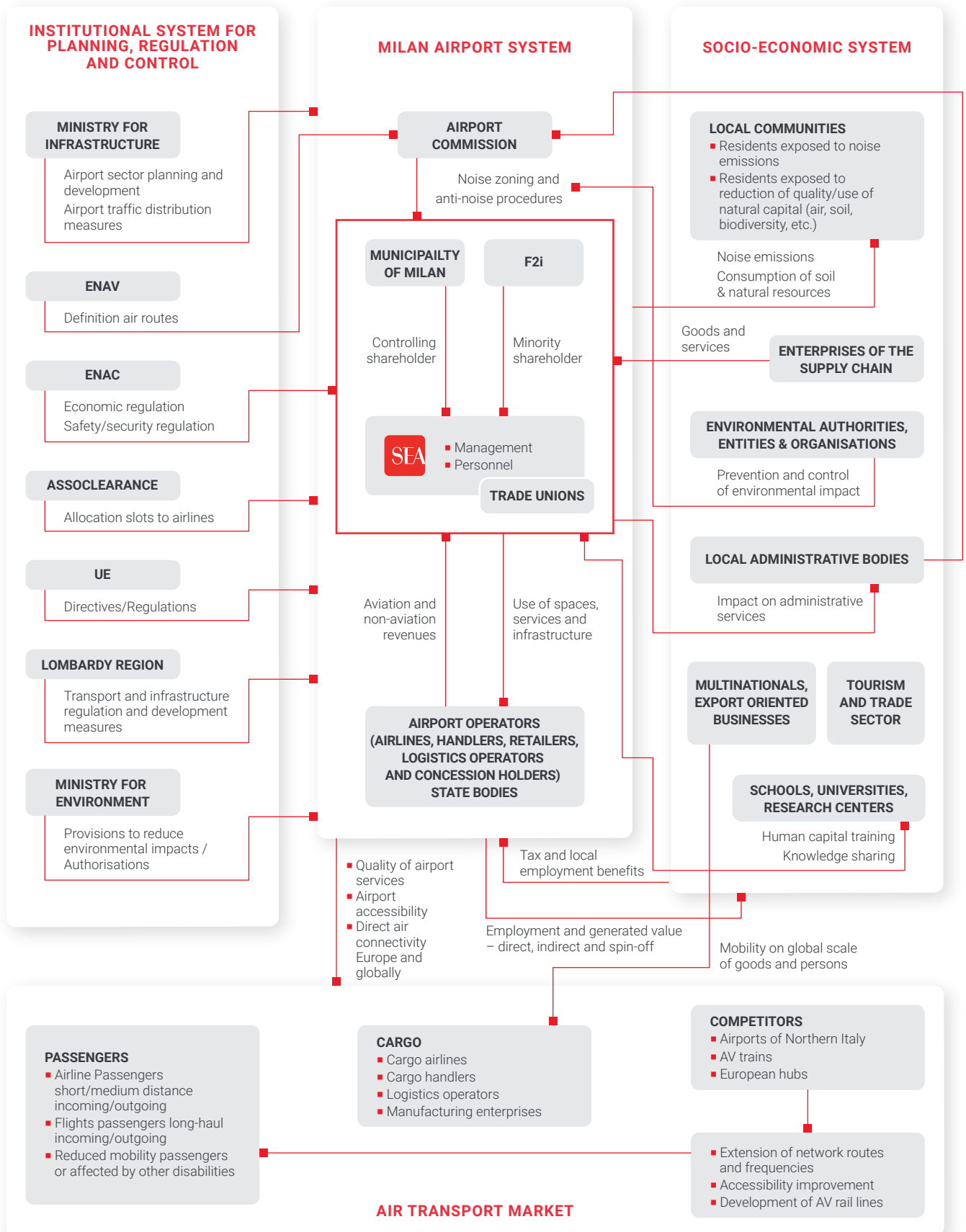
narios by the Intergovernmental Panel on Climate Change (IPCC). Airports will need to define their own reductions targets and associated emissions pathways in line with these scenarios.

- The scope of the emissions to be disclosed in the carbon footprint of airports has also been expanded to include all significant operational sources both on and off site. Airports will therefore have to include emissions sources they do not directly control (Scope 3) in their reductions targets, resulting in a need to further involve stakeholders (e.g., airlines, managers of airport accessibility services, retailers, and handlers).

Levels 4 and 4+ bring the Airport Carbon Accreditation into line with scientific and political developments in recent years. They also reflect the public expectation that airport operators must demonstrate they are reducing their own emissions and using their leverage to drive down emissions produced by third parties operating on site. In addition to the provisions for level 4, Level 4+ entails the offsetting of excess emissions by resorting to internationally recognised offsets (less discretion in the choice of offsetting solutions).

SUSTAINABILITY STRATEGY

SEA GROUP 1ST LEVEL STAKEHOLDER MAP



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



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 in 2012, which was in operation until 2018. Following its abolition in 2019 due to corporate reshuffling, the Sustainability Committee was re-established in 2020 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 Liniate, 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 representatives of the subsidiaries SEA Energia and SEA Prime.

In 2020, the Committee held two sessions on the planning and assessment of materiality assessment results.

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. An 9-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 nine 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 and Diamond of Values

During 2019, the SEA Ethics Committee highlighted the opportunity to update the organisation’s Ethical System to integrate it with the sustainability principles adopted and consolidated over time by the Company. It also suggested updating the conduct required from primary stakeholders to contribute to achieving sustainable, comprehensive and inclusive growth objectives.

A working group was thus established within the Company. Comprising the HR, Corporate Social Responsibility, Auditing and Corporate Affairs, Compliance, and Legal Counselling departments, the group is tasked with reviewing the overall contents of the Ethical System (in place since 2015) in light of new regulatory provisions and best practices.

STRUCTURE AND CONTENTS OF THE NEW ETHICS CODE

An initial draft of the document was presented to the Ethics Committee during a meeting on March 11, 2020, in the middle of the pandemic. The Committee suggested further points for reflection regarding the need to ask recipients to observe and “monitor” strict compliance with the regulations emerging from similar situations, which could result in serious harm to the health and safety of individuals.

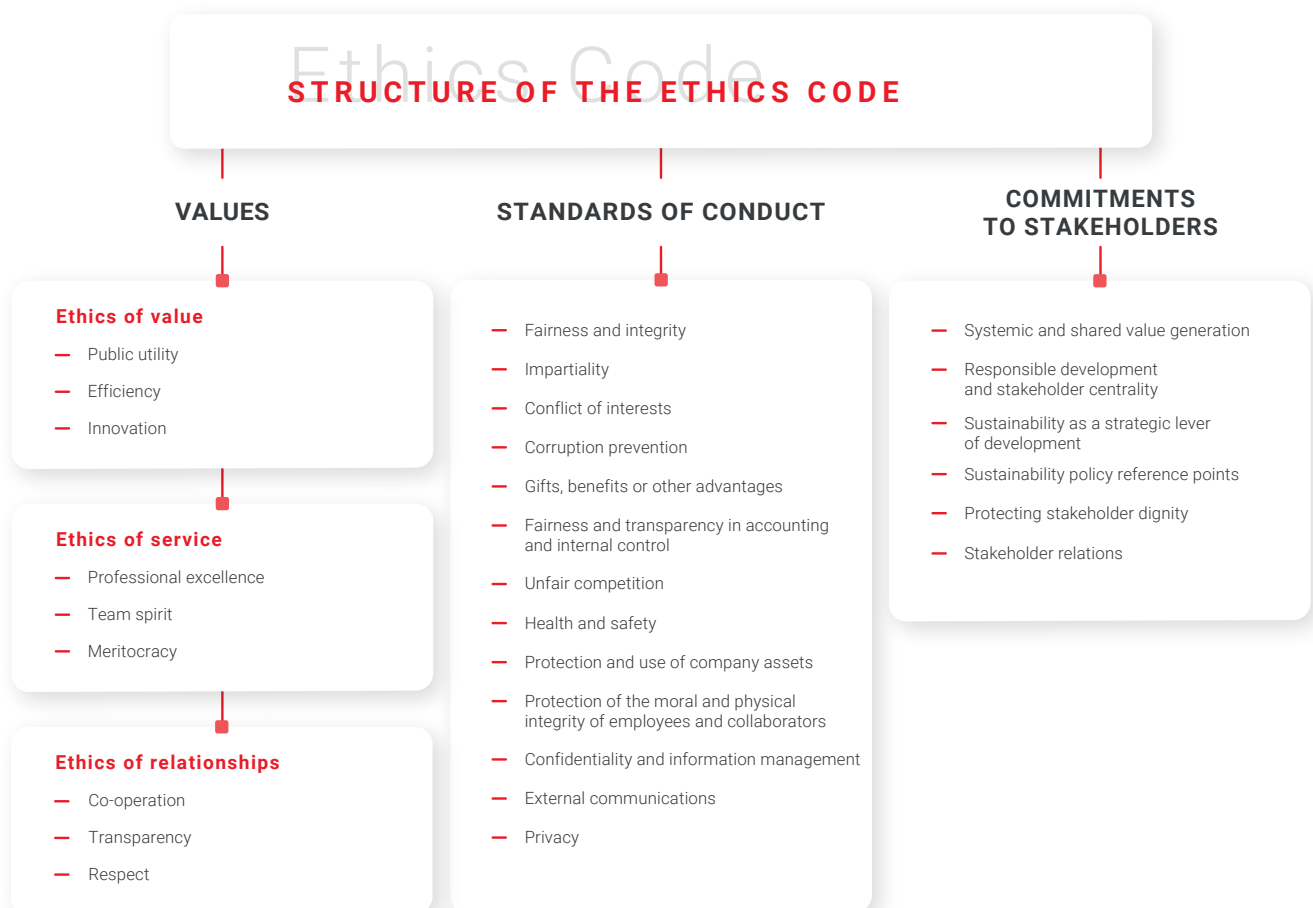
The final text of the Code was approved by the SEA Board of Directors at its meeting on December 21, 2020.

The new Ethics Code 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.



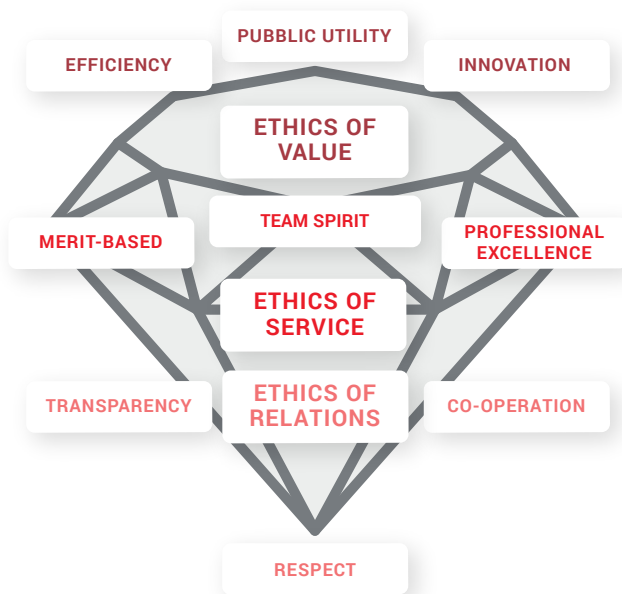
THE DIAMOND OF VALUES

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

WHAT IS MATERIALITY?

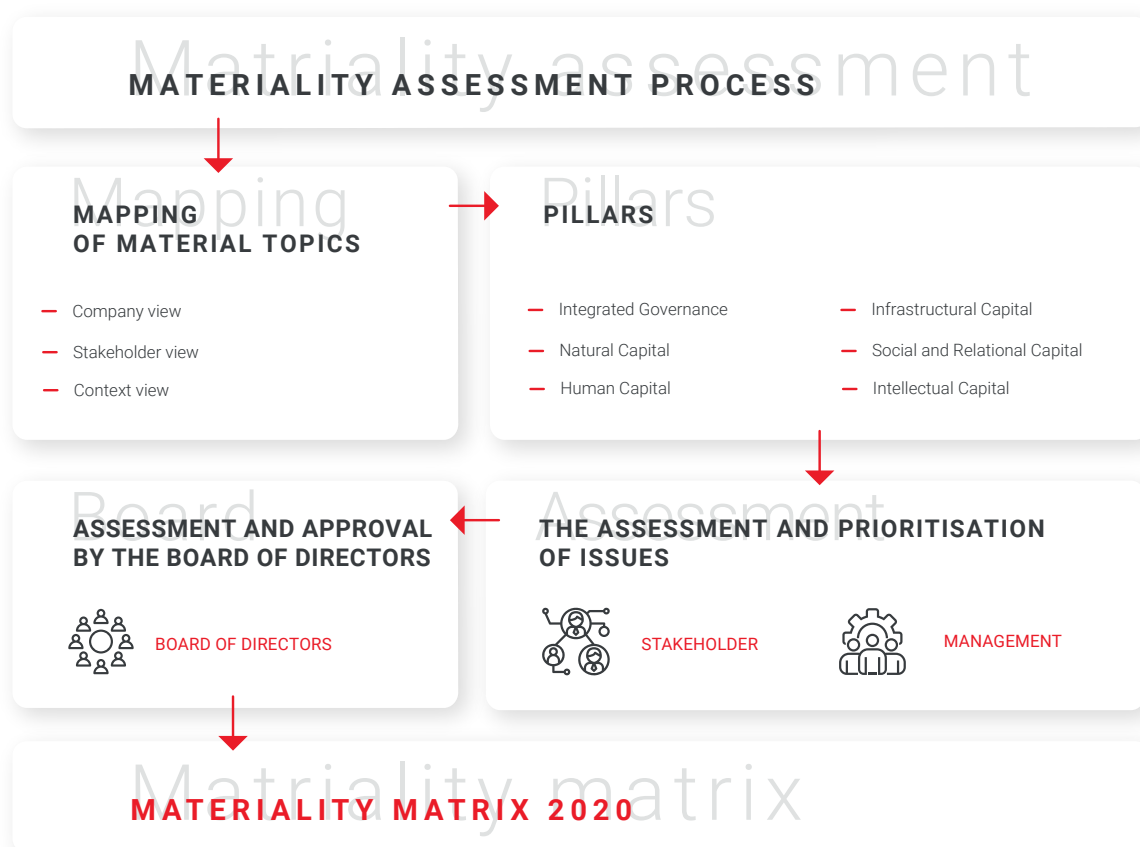
Materiality is the extent that a given element of the Company-stakeholder relationship can influence the capacity to create value. These are the two characteristics that need to be considered to assess the materiality of an element of the Company's business:

- does it produce significant impacts from a financial, social or environmental point of view?
- does it substantially influence stakeholder assessments or decisions relating to the Company?

Determining the material aspects of the Company-stakeholder relationship is not only important solely from a point of view of identifying which topics of value should be included in the sustainability report, but also to establish what are the key areas governing the stakeholder relationship which will deliver long-lasting sustainability in terms of its financial and competitive value to the Company. To be able to make an assessment relating to the materiality of an element, it is necessary to start from the broadest recognizable range of factors that determine the features of the Company's relationship with its audience. In defining materiality, strong emphasis is placed on both external stakeholders and members of management representative of SEA, given that their reasonable expectations and interests must be taken into account as an important reference point. Through a joint Company-stakeholders assessment of the relevance of these factors in terms of impact on their mutual point of view, as well as their usefulness, a range of items are defined that constitute the areas of primary commitment for sustainable development.

2020 MATERIALITY ASSESSMENT

On the basis of SEA Board discussions on January 25, 2018, the materiality matrix is undergoing a deep review, based on a broad process of stakeholder, shareholder and management engagement every three years. In the intervening years, the materiality matrix underwent a light review, based on exclusively logging and assessing internally significant aspects emerging from stakeholder interactions to determine how the ranking of the issues within the matrix might change.



The materiality matrix was reviewed in 2020 following the profound disruption to air transport caused by the pandemic. The process was divided into the following steps:

- Mapping of material topics;
- Approval of the mapping by top management;
- Assessment and prioritisation of the topics by both stakeholders and SEA management (in parallel);
- Definition of the draft materiality matrix and its dissemination with the Sustainability Committee and the Control, Risks and Sustainability Committee;
- Approval of the materiality matrix by the SEA Board of Directors.

Mapping of material topics

The mapping process led to the identification of 35 issues for potential consideration as “material topics”, to be submitted for assessment by SEA management and stakeholders.

Relevant issues - and those later defined as material topics - were identified through the desk analysis of extensive documentation produced by the Company and its stakeholders, which describes the ways in which sustainability topics are handled in the wider aviation

context. Analysis was carried out by adopting three different views, supported by the acquisition of adequate documentary sources. These three views were:

- *Company View*: identifies business development lines, consistency between corporate values and organisational practices and the mapping of main risks;
- *Stakeholder View*: identifies, through studies, surveys, workshops and opportunities for interaction, key themes in the company’s relationship with stakeholders;
- *Context View*: identifies the main emerging or rapidly developing trends and Environmental, Social and Corporate Governance issues within the industry of reference, through: a) in-depth analysis of the most common issues in the reports of main aviation and infrastructure sector players; b) examination of national and international legislative sources (hard and soft law).

The potential material topics subject to stakeholder assessment were grouped into six categories making reference to the SEA’s value creation model: integrated governance, natural capital, infrastructural capital, intellectual capital, social and relational capital, and human capital.

Assessment and prioritisation of issues

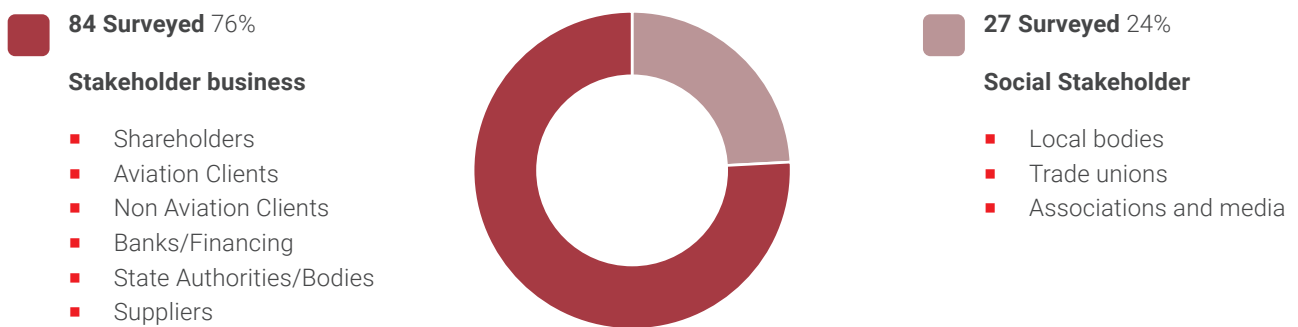
The assessment and prioritisation of issues involved:

- 111 external parties, belonging to the main categories of company stakeholders (of which 76% business and 24% social);
- 19 front-line SEA managers.

The various parties were given an online questionnaire indicating the 43 starting issues, subdivided into the six strategic areas described above. The questionnaire asked for the issues to be ranked in terms of their importance (highlighting the first three per strategic area), understood as the potential contribution of each to the minimisation of risks and maximisation of the company’s competitiveness, and to be given a value of importance on a scale from 1 to 10. The issues found to be most relevant according to the collated views of management and external stakeholders were used to compose a draft materiality matrix, which was presented to the SEA Board of Directors.

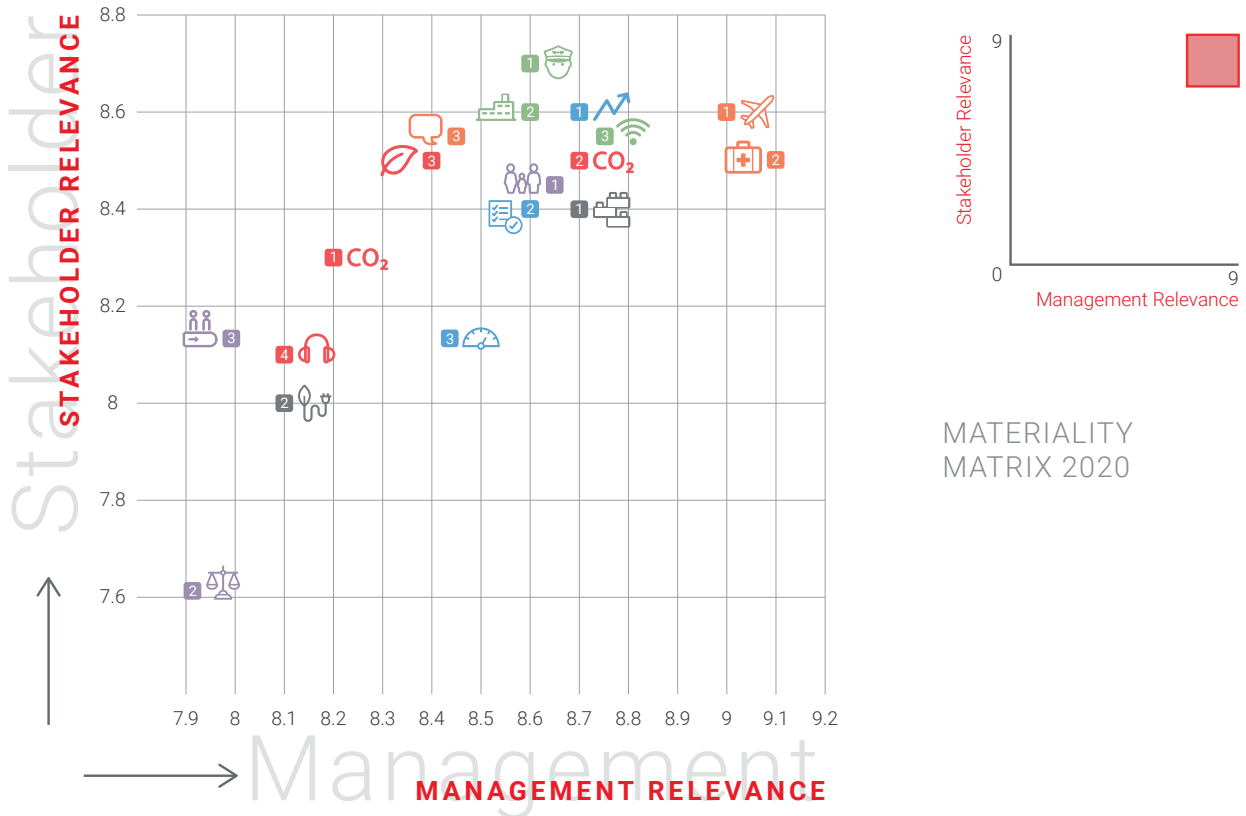
The average assessment of relevance of the 35 items was 7.7 for the senior management team and 8.1 for stakeholders.

Categories of external stakeholders involved in the review of the materiality matrix



Sharing and Approval of the Board

The draft materiality matrix presented to the SEA Board of Directors contained 15 topics. The BoD decided to add three additional topics, namely: initiatives to reduce the gender gap, the insertion of ESG performance into the MBO system, and talent retention & acquisition. The final version of the materiality matrix was approved by the Board of Directors on December 21, 2020 and includes 18 topics covering all six categories of reference.



Pillars	Materiality Issues	SDGs
Integrated Governance	<ul style="list-style-type: none"> 1 Strategic vision oriented to long-term value 2 Definition and updating of a Strategic Sustainability Plan 3 Insertion of ESG performance in the management incentive system (MBO) 	
Infrastructural Capital	<ul style="list-style-type: none"> 1 Low-impact construction methods inspired by the circular economy 2 Promotion of sustainable mobility 	
Natural Capital	<ul style="list-style-type: none"> 1 Reduction of direct CO₂ emissions and pollutants 2 Initiatives to reduce indirect CO₂ emissions 3 Infrastructure development compatible with biodiversity and reduced land consumption 4 Actions to contain noise impact 	
Human Capital	<ul style="list-style-type: none"> 1 Employment protection and minimising the social downsizing impact 2 Initiatives to reduce the gender gap 3 Talent retention & acquisition 	
Social and Relational Capital	<ul style="list-style-type: none"> 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 	
Intellectual Capital	<ul style="list-style-type: none"> 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 	

Alignment of Pillars, Material Topics and Sustainable Development Goals

SEA is committed to the 2030 Agenda for Sustainable Development promoted by the UN.

An assessment was carried out to identify which of the 17 Sustainable Development Goals were relevant to the company's business activities, in order to align its strategic vision with the material topics that support the pursuit of this vision and commitment to the 2030 Agenda.

Issues of the materiality matrix

Integrated Governance

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 medium to long-term business objectives' achievement and sustainability and of improving corporate management's envisioning and scenario planning capacity.

Insertion 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.

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.

Infrastructural Capital

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 reduction building maintenance and operating costs and the potential to reuse end-of-life materials.

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. Promotion of collaboration with transport agencies and public institutions, to increase accessibility, especially rail accessibility, to the airports with the related reduction in the use of private vehicles.

Natural Capital

Reduction of direct CO₂ 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 CO₂ emissions at the airport.

Initiatives to reduce indirect CO₂ 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.

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.

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.

Human Capital

Employment protection and minimising the social downsizing impact

Adoption of labour cost containment measures that minimise social impact, maintain professionalism, and respect the fundamental prerogatives of workers.

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.

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.

Social and Relational Capital

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.

Paying the utmost attention to health and safety when managing customer experiences

Ongoing actions to combat the spread of the pandemic, including the implementation of measures based on regulations and best practices with the aim of protecting passengers and operators from the virus. Always guarantee that the highest levels of health and safety are maintained when carrying out airport operations, promoting the gradual recovery of passenger traffic.

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.

Intellectual Capital

Technological innovation in safety and security management

Adoption of technological solutions to render passenger travel inside the airport safer and easier, guaranteeing a pleasant, touchless (i.e., avoiding contact with surfaces) and seamless experience, with a consequent reduction in congestion and waiting times.

Collaborative airport ecosystem to improve quality, efficiency, and safety

Development of partnerships with other airport players to optimise operations, achieve efficiency, effectively manage unforeseen events, and improve the quality of passenger services.

Digitisation to improve passenger service quality

Development and implementation of high value-added services that improve airport comfort and maximise the customer experience.

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 oppor-

tunity 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
External contest		
Risks associated with primary stakeholder relationships (airlines, local public sector, consumer associations, environmental associations), which could have potential repercussions on collaborative relationships and/or the Group's image.	<p>Some activities are carried out at the Group's airports by third parties in full compliance with the provisions issued by the competent bodies on protecting passenger health as a result of the spread of COVID-19.</p> <p>These activities could damage SEA's reputation if they were to result in travel disruptions such as long queues and waiting times, or inadequate security checks because of insufficient staffing or materials.</p>	SEA continuously monitors the situation and the institutions responsible for managing the pandemic, providing adequate space for related activities, and facilitators to help manage passenger flows.
ESG legislation developments: sectoral and non-sectoral legislation on environmental, social and governance issues.	<p>Both European and national institutions have been paying more attention to the commitments undertaken with regard to climate change (the Paris Agreement) in recent years, including a reduction of greenhouse gas emissions.</p> <p>As one of the sectors contributing most to the growth of CO₂ emissions, air transport is grappling with a series of counter-actions, giving weight to a trend that could result in the introduction of measures that harm the competitiveness of air transport. Such measures include the introduction of fiscal and economic policies to compensate for the pollution produced by the sector, which could result in higher ticket prices and reduced demand, and the allocation of public resources to support incentives in other sectors in competition with air transport.</p> <p>Environmental legislative restrictions could have repercussions on construction sites and ordinary and extraordinary works (waste management, excavated earth and rocks, atmospheric emissions, water supply and discharges, authorisations and concessions).</p>	<p>In 2020, over 20 associations representing the European aviation ecosystem announced their joint commitment to achieving net-zero CO₂ emissions by 2050 to political leaders of the European Union. The proposal, known as the EU Pact for Sustainable Aviation, describes in detail the ways in which the aviation sector could recover from the COVID-19 pandemic in a sustainable and more resilient manner to prevent potential future shocks, supporting the objectives of the EU's Green Deal.</p> <p>The systematic nature and quantity of checks carried out on the various environmental matrices create positive conditions for monitoring legislation, considerably limiting the possibility of unforeseen events occurring.</p>

Risk categories	Risk description	Prevention/mitigation measures
Operating and business risks		
The risk of temporary or prolonged interruptions to business processes caused by strikes, natural events, or faults, etc.	The worsening of trade union relations at third-party companies due to the ongoing pandemic could result in one or more categories of employees striking, resulting in disruptions/delays due to the interruption of some activities.	SEA is equipped with emergency management plans in case of a strike.
	A fuel depot fire could result in the closure of airport areas and air traffic suspension due to damage to infrastructure/facilities, neighbouring civilian areas, as well as a likely environmental disaster due to subsoil fuel absorption.	In addition to occupational health and safety policies aimed at preventing accidents of this type, a shared emergency management plan is in place between SEA and the depot manager.
	There has been an exponential increase in the number of positive COVID-19 cases in Italy since October 2020, and in Lombardy in particular. Should the virus infect a significant number of SEA employees such as to result in the partial closure of some operational areas, airport operations could be limited.	Back-up plans could be implemented thanks to the current drop in traffic levels and external contracts could be activated.
Safety and security risks (accidents/damage/sabotage) with potential repercussions on the environment, assets, and the health and safety of workers and/or the public.	A potential terrorist attack in one of the Group airports could have serious consequences for passengers and airport operators.	SEA invests enormous effort in the management of this risk. Similar to all Italian airport managers, safety procedures applied by the Company are based on the National Security Programme (PNS) measures. In order to ensure compliance with the provisions in the PNS, SEA drafts, implements and keeps an updated Security Programme which outlines the processes and procedures followed to apply the aspects of the National Security civil aviation programme for which it is responsible. SEA participates in periodic drills organised by the State Police and involving the competent entities and airport operators, providing ongoing support to the Security Forces in defending the airside/landside borders and the landside area. The perimeters of both airports are equipped with a video surveillance and access control system.
	A ground accident between two aircraft may result in casualties or damage to airport infrastructure.	In terms of aviation safety, the Group's Safety Management System, which is also validated and controlled by the Italian Civil Aviation Authority (ENAC), maintains the highest levels of safety and service quality, acting in line with the fundamental principles of the SEA Airport safety policy. Through the Ground Safety Report and its related indicators, SEA constantly monitors daily operations carried out in aircraft-related areas, to detect any potential incidents which might cause an air incident. For further information, reference should be made to the "Aeronautic safety" section.
Risks associated with the design and/or execution of investments in the maintenance/construction of airport infrastructures.	Having obtained technical clearance from ENAC on December 23, 2019, the Environmental Impact Assessment procedure was initiated by MATTM in July 2020. The Master Plan is a long-term strategic planning tool for managing airport development. A negative outcome of the EIA procedure would make it impossible for the Group to pursue the planned infrastructural developments needed to support growth in the Cargo sector in particular.	The Master Plan envisages a 60 hectare expansion south of the current airport structure. As this plan involves part of the Ticino Park area, whose transformation could have a potential environmental and economic impact on the surrounding municipalities, the Group has focused strongly on local stakeholders in designing the project currently being approved. This was achieved by establishing an open dialogue with the communities and a technical roundtable with the Ticino Park Authority.
Risks associated with the inability of IT systems to support current and/or future business needs in terms of infrastructure, data integrity, and access and/or availability of data/IT systems.	The vulnerability of airport systems may increase with increasingly aggressive cyber-attack strategies, new Digital Transformation technologies - which could heavily impact the Group's IT department - and the increase in attacks during the pandemic.	To protect against potential critical issues such as these, the Group will continue to invest in and improve IT security, and data integrity and security on an ongoing basis. An ISO 27001 certification was obtained for core processes in 2019.

Risk categories	Risk description	Prevention/mitigation measures
Risks associated with air, water and soil pollution and the management of compensation/reduction initiatives.	Environmental risks include both internal risks generated by Group activities with potential environmental effects, and external risks that may 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 associated with the excessive consumption of natural and energy resources and with SEA Energia's methods of producing electricity and heat (e.g., use of non-renewable sources).	Together with all airports belonging to the ACI Europe network, SEA has committed to the NetZero 2050 target of zero CO ₂ emissions by 2050. Linate and Malpensa have participated in ACI Europe's Airport Carbon Accreditation certification programme since 2009. The road map towards zero emissions has, however, only partially been achieved within the airport industry and within SEA itself.	Investments are envisaged in this area, such as the gradual replacement of the company's endothermic fleet (runway buses and operational vehicles) with electric/hybrid vehicles, as well as the definition of a specific Sustainability Plan.
Risks associated with the management and disposal of waste generated by airport operators (e.g., carriers, handlers), by retail and catering establishments in the terminals, and by 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. This objective refers to the total waste generated within the grounds or as a result of the activities of the Airport Operator, airlines, and sub-concessionaires. Third parties must be involved in order for this target to be achieved.	Increasing the Group's percentage of separate waste collection requires the involvement of a number of players operating at the airports, with which SEA has initiated and is still pursuing specific initiatives.
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.	Ordinary activities and a potential future increase in night flights may cause noise pollution in areas adjacent to the airport grounds.	The Company constantly monitors the noise levels produced by airport operations using special detection units.
Risks associated with the management and development of the necessary skills/resources for carrying out business activities (e.g., selection, training, retention, internal communications) and the management of relations with trade unions.	The ageing of the company workforce is also due to the extension of the working age introduced under recent pension reforms and could impact operations in terms of reduced efficiency/productivity (particularly the use of new technologies, higher absenteeism and/or health problems).	In order to better manage this risk, SEA has implemented numerous initiatives, aimed, on the one hand, at recruiting younger staff (including the drafting of a recruitment plan for the under-35's) and, on the other, at developing and maintaining skills, and the physical and psychological well-being of employees at the Group.

Other considerations

Considering the nature and the geographic location of the activities carried out by the Group, as well as the preparatory controls for obtaining mandatory airport passes for anyone working in the airport, we do not indicate any human rights breach risks regarding the supply chain. 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

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 carried out in compliance with the specific programming instruments, subject to the control and approval of ENAC, which governs the infrastructural operations within the airports.

The Master Plan is the long-term planning instrument for the upgrade and expansion of the airport infrastructures. Beginning with the airport development expectations (in terms of role, traffic, types of flights served, needs expressed by the region etc.), it identifies and describes the general situation, analysing the functional allocation of the various areas of the airport and identifies the main infrastructure which need to be constructed, assigning different priority levels and quantifying the extent of the investment required. The Master Plan prepared by the airport manager was approved by ENAC in relation to the technical-aeronautic aspects and by the Ministry for the Environment for the environmental impact aspects. The authorization process then involves an assessment of the planning elements expressed by the "Conference of Services", in which all the regional entities interested in the development of the airport participate.

The short/medium-term actions are implemented through the Four-Year Action Plan, a document requested and approved by ENAC, through which the airport manager defines the infrastructure which it intends to construct, in compliance with the indications contained in the Master Plan, within a more limited timeframe compared to the general situation which characterizes this latter document.

Development of infrastructure investments

In the 2018-2020 three-year period investments were carried out for a total value of Euro 278.2 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. In 2020, Euro 5.3 million in non-repayable state grants was collected to finance the extension of the railway line from T1 to T2 at Malpensa and to construct a railway station at Terminal 2.

Infrastructural investments (millions of Euro)

	2020	2019	2018	Total 2018-2020
Malpensa Terminal 1	10.5	18.5	7.8	36.8
Malpensa Terminal 2	6.5	1.9	2.3	10.7
Malpensa Cargo	0.6	1.1	4.8	6.5
Linate	20.5	24.2	7.4	52.1
Flight infrastructure	3.5	34.0	14.0	51.4
Various actions	16.2	30.4	20.7	67.3
Plant & Equipment	7.2	24.0	22.3	53.5
Total	64.9	134.1	79.2	278.2

Note: The total does not include the "IFRS 16 fixed assets" account amounting to Euro 11.9 million for 2019 and Euro 2.9 million for 2020; in addition, the 2019 value for Terminal 1 includes Euro 3.3 million relating to the construction of a new General Aviation Terminal at Malpensa Airport.

Source: SEA

INVESTMENTS AT MALPENSA AIRPORT

Airport activities were strongly impacted by the COVID-19 emergency during 2020.

The main work carried out on airside infrastructures at the airport mainly concerned:

- upgrading existing areas and projects related to the objectives of maintaining/increasing the levels of safety and operational functionality at the airport;
- repaving some sections of the runways, taxiways, and aircraft aprons;
- extraordinary maintenance works on numerous visual aid lights (e.g., replacement of stop bar control devices, installation of LED runway guard lights, etc.), which improved system functionality and reliability and also resulted in system upgrades with a view to energy efficiency.

Numerous interventions were carried out to improve functionality and the level of comfort offered to passengers at Terminal 1. In particular:

- implementation of a project to upgrade and standardise public toilets;
- unification and updating of the fire detection system;
- completion of the first phase of earthquake protection works on the roof;
- revamping of loading bridges at satellites "A" and "B";
- installation of a self-service bag drop system at the check-in area;
- start of works to upgrade the BHS system to the 3 ECAC standard.

Other interventions were carried out at Terminal 1 to manage the health emergency, including: the partial closure of some operational areas, the creation of new routes relating to the use of the central satellite for Schengen flights rather than non-Schengen flights, changes to passenger signs, and the identification of dedicated areas for carrying out COVID tests.

Terminal 2 only underwent hygiene optimisation works as it remained inactive for most of 2020. Extraordinary maintenance works were carried out on the roof and skylights of the arrivals building, and some adaptations were made to the terminal lay-out at the start of the pandemic to guarantee correct passenger flow management.

As regards the cargo segment, works were carried out on the new DHL warehouse and on the access controls in the regulated area of Cargo City. The existing UHS track layout was also replaced.

Lastly, investments made in 2020 included various extraordinary maintenance works on networks and plants (e.g., the system upgrade of computer rooms to ensure their sustained functionality, the replacement of a turbine at the SEA Energia technological centre, the modernisation of the ATM (asynchronous transfer mode) fibre optic network), the installation of charging points for electric vehicles in the executive car park at Terminal 2, and the construction of a new roof for the State Police bomb squad's specialist vehicle canopy.

INVESTMENTS IN LINATE AIRPORT

Activities carried out at Linate airport during 2020 included the opening of a new boarding area in the "F" section and the commissioning of new equipment for security checks on departing passengers. Work continues on the construction of the new "F" section on the first and second floors of the terminal, which will be completed in spring 2021. Progress was also made with regard to the "functional upgrading" project (renovation of check-in areas and construction of new vertical links between the arrivals and departures floors), and the upgrading and standardisation of public toilets. The passenger terminal underwent various transformations relating to the health emergency in 2020 (closure of some areas, marking of routes, addition/modification of public information signs, identification of dedicated areas for COVID tests and checks, etc.).

The most significant work on airside infrastructures concerned:

- the upgrading of the pavement of a section of taxiway C;
- replacement of a section of the drainage channel at the intersection between the "T" and "Z" taxiways.

Other significant projects carried out at Linate in 2020 include alterations to the airport fire prevention network to provide greater water reserves, installation of electric vehicle charging points in the executive car parks, and a series of extraordinary maintenance works on networks and systems (upgrades to the north electricity substation and the replacement of two generators contained therein; various revamping activities to innovate existing systems, improve inefficiencies, and limit consumption, etc.).

Linate Master Plan

The Linate Master Plan 2030 is based on SEA's strategy, over recent years, to consolidate the Linate Airport as a city airport, gradually modernizing its facilities and adapting areas for new airport activity services, both inside and outside of the airport grounds. In line with this strategic vision is the redevelopment of the east side of the airport facing the Idroscalo park, the so-called 'waterfront', which, in addition to creating new spaces for activities directly connected and complementary to the airport, has the potential to promote important synergies with the other planned territorial transformations. Under the current reference framework and future development prospects, significant increases in traffic levels served by the airport are not expected. This is due to current regulatory limitations (maximum 18 runway movements per hour) and the airport's configuration in a geographical area where significant infrastructural developments are limited.

The EIA decree had a positive outcome and was issued in December 2019.

The main limitations mainly concern accessibility, the study of related traffic, airport noise and the water environment. SEA - which has already launched several preparatory initiatives related to the content of the EIS, such as air quality monitoring campaigns and the definition of preliminary actions to mitigate the impact of aviation noise - is ready to work with the entities and bodies concerned to define a framework agreement to monitor and verify the requirements of the EIA decree. In August 2020, ENAC asked the Ministry for Infrastructure and Transport to initiate the urban planning compliance verification procedure, which is currently underway.

The "Malpensa 2035" Master Plan

SEA has developed a Master Plan for Malpensa airport to be applied until 2035, which is mainly focused on expanding the cargo area south of the current site. The project received technical approval from ENAC in December 2019. Approval of the 2035 Master Plan is necessary to allow Malpensa airport to equip itself with a modern strategic planning tool in line with the legislation and regulations either currently in force or issued after the current Development Plan was drawn up, which dates back to 1985. Future airport development works will take place within the existing grounds, in line with a desire to make

better use of existing spaces and infrastructure - rather than pursuing simple expansion - in order to limit the impact on the surrounding area as much as possible. An exception is the limited expansion of the areas dedicated to cargo, which is the fastest growing aviation sector, as was confirmed during the pandemic. In fact, 2020 saw a drop in the volume of goods handled (-6.2% vs. 2019) but a significant increase in the number of movements (+60% vs. 2019). This change helped consolidate Malpensa's role in the sector. In April 2020, its share of cargo traffic increased to 70% of the national total, compared to 50.8% in 2019. It can therefore be assumed that the cargo sector will return to the growth values forecast in the Master Plan once air transport restrictions are removed. The Winter Olympics scheduled to be hosted in Milan and Cortina in 2026 must also be taken into consideration. A significant uptick in passenger numbers is expected during the event, which must be managed in line with quality and efficiency standards that are commensurate with the event's importance and visibility. Within this context, ENAC - which approved the Master Plan from a technical standpoint - assessed the medium-to-long-term development scenario and the final configuration presented in the Master Plan to be valid, confirming the use of a flexible, progressive and incremental approach, which includes interventions and works that are justified by the consolidation of growth trends. This applies, in particular, to major works to extend the current capacity of the airside system, car parks, terminals and cargo areas. The Environmental Impact Study was completed and sent to ENAC in March 2020. The following July, in its capacity as the "Proposing Entity", ENAC asked the Ministry for the Environment to initiate the Environmental Impact Assessment procedure, which is currently underway. Stakeholders were given 60 days to submit comments. Below is a summary of the comments received, classified by subject and topic area.

Stakeholders who submitted observations regarding the EIS on Malpensa's Master Plan

Stakeholders	No. Observations
Public bodies (Regions, Provinces, Ticino Park, Oversight Bodies)	6
Municipalities in Lombardy	13
Municipalities in Piedmont	7
Association dues	11
Private citizens	5

Source: SEA

The issues that received the most attention from stakeholders included:

- biodiversity, in relation to environmental effects - especially on Sites of Community Interest (SCI) and Special Protection Areas (SPA) - and the occupation of heath areas in Ticino Park;
- certain design aspects and, in particular, the analysis of alternatives and site expansion;
- environmental monitoring;
- accessibility;
- noise impact;
- coherence with regional planning at a regional and a local level.

Classification of the observations regarding the EIA for Malpensa's Master Plan by topic

Topic	No. Observations
Biodiversity	43
Project framework	33
Environmental Monitoring Plan	27
Accessibility	21
Noise	21
Policy framework	20
Air	17
Water environment	14
Soil	9
Relocated areas	8
Large-scale spatial analysis	7
Landscape	6
Public health	5
Regional planning requirements	3
Environmental framework	3
Economic and social aspects	2
Institutional agreements	1
Water environment	1
Waste	1
Industrial risk	1

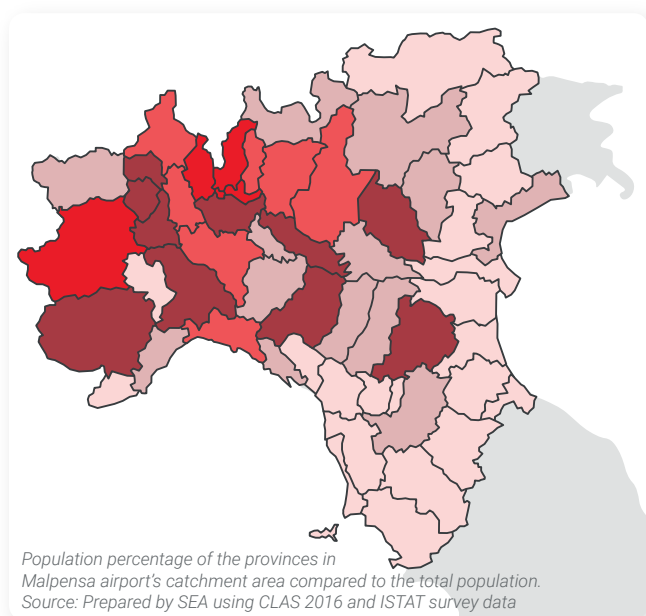
Source: SEA

Catchment area of the airport system

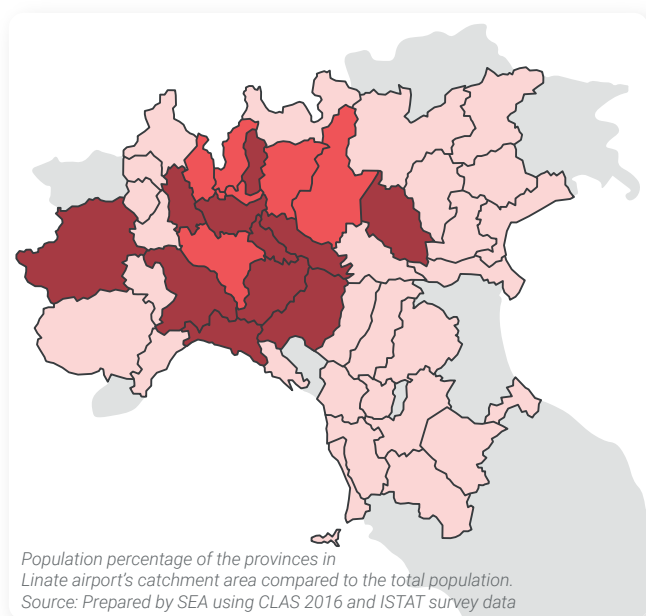
According to the established international standards, an airport's catchment area is the geographic area that includes all points within the territory from which the airport can be reached in a given amount of time using any mode of transport available.

In addition to time criteria, airport catchment areas depend on various factors, such as their proximity to competing airports, the characteristics of their commercial offers (destinations, frequency of connections, tariffs, additional services, etc.), and the efficiency of their infrastructure systems and access services (accessibility by road and rail, infrastructure service levels, presence of direct and express connections, etc.). These factors influence passenger airport choices and have the power to generate and attract greater demand, resulting in an extension of the boundaries of the catchment area in question. 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



Linate airport's catchment area



Socioeconomic features of the Milan airport system catchment area

	Catchment area	% of Italian total
Area (km ²)	135,319	44.8
Population (2017)	30,260,534	49.66
GDP 2018 (Euro mil.)	1,070,969	61.1
No. companies 2017	2,442,472	55.7
No. employees 2017	10,586,219	62.1
Exports 2017 (Euro mil.)	342,437	79.6

Source: SEA on ISTAT 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.

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 guarantee safe and efficient accessibility for all - is crucial to the competitive 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

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 strategy⁵ to promote the competitiveness and sustainable development of EU countries. At a national level, integrating the TEN-T network guidelines and the National Airport Plan criteria with the infrastructure annex to the 2020 Economic and Financial Document places Milan’s Linate and Malpensa airports in the first-level SNIT airport network, for which several projects are underway to improve (rail) accessibility by connecting the airport network to the railway and/or metro network to increase the modal share of access to airports by public transport.

Rail accessibility improvement initiatives involving Milan’s airports

Description	Airport	DEF Annex - Table
Connections to airports in some main urban hubs via metro or the RFI network (Naples, Milan Linate, Genoa, Lamezia Terme, Bergamo, Florence, Venice, Catania) through the creation of interchange stops or improvements to their accessibility or integration	Milan Linate	Priority programmes - Airports (Table V.7.1) Programmes to be submitted to feasibility projects - Airports (Table V.7.2)
Strengthening of railway services connected to Malpensa (Rho-Gallarate, South connection, North connection)	Milan Malpensa	Programmes to be subject to a project review - Airports (Table V.7.2)

Source: 2020 Economic and Financial Document, #italiaveloce Attachment
 “A resilient Italy plans for the future: new transport, logistics and infrastructure strategies”

⁵ 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.

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

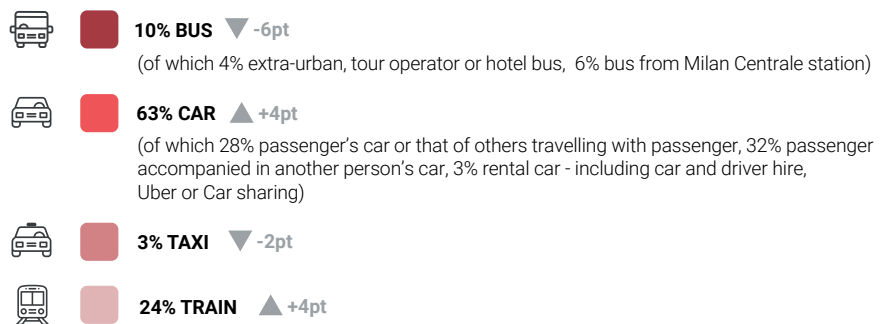
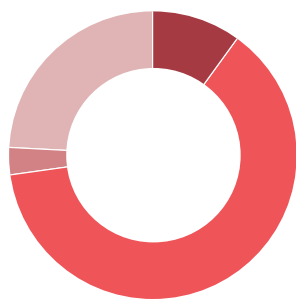
There are several ways to connect airports to their catchment area. There is no single optimal model for all situations, but rather various models that are suited, case by case, to the characteristics of the infrastructure network, the network of existing services and the airport itself.

Taking into account their individual contexts of reference, a specific strategy has been defined to improve the accessibility of Milan’s airports in the short, medium and long term and actions have already been taken to achieve this goal. In fact, SEA is as an active stakeholder in the promotion of regional infrastructural works to build new mobility services to improve existing services. The objective is to increase the quality of the travel experience offered to passengers and to expand the catchment area, promoting more sustainable methods of travel to airports to encourage a shift from the use of private vehicles to public or collective modes of transport.

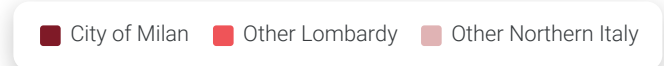
The pandemic had a significant impact on the population’s transport habits in 2020 and on the transport vehicles and services used to access the airports. The use of private vehicles increased significantly at both airports: +4 points at Malpensa and +9 points at Linate compared to the previous survey, to the detriment of public transport in several ways.

Means of passenger ground transport to Milan’s airports

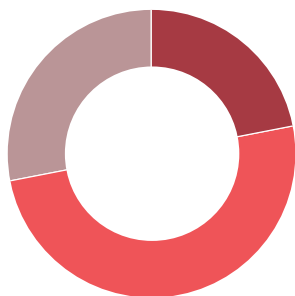
MALPENSA






ORIGIN

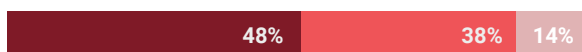


LINATE



- 
22% BUS ▼ -3pt
 (of which 11% Bus 73, 2% extra-urban, tour operator or hotel bus, 9% bus from Milan Centrale station)
- 
50% CAR ▲ +9pt
 (of which 15% Passenger's car or that of others travelling with passenger, 25% passenger accompanied in another person's car, 10% rental car - including car and driver hire, Uber or Car sharing)
- 
28% TAXI ▼ -5pt

ORIGIN



CURRENT AND FUTURE ACCESSIBILITY OF LINATE AIRPORT

Promoting landside accessibility by connecting the airport to the surrounding area and implementing innovative transport practices are both enabling factors for the sustainable development of the airport itself. A few airports with innovative transport solutions have been selected to inspire best practices for airport accessibility at Linate Airport.

Airport accessibility - best practices

	Milan Linate	London Heathrow	Amsterdam Schipol	Vienna Schwechat	Frankfurt am Main	Naples Capodichino
Type of airport	International	Intercontinental	Intercontinental	International	International	International
Total passengers	9 million (2018)	80 million	71 million	27 million (2018)	70 million (2018)	10 million (2018)
Distance from city centre	8 km	24 km	26 km	18 km from Mitte station	12 km	4 km
Journey time in a private car from the central station	25'	43'	30'	16'	14'	15' - 20'
Journey time by public transport from the central station	45'	20' (train)	18'	15' (train)	14'	29' (bus)
Landside accessibility	Car, bus, taxi	Train, car, bus, metro, taxi	Train, car, bus, bicycle, taxi	Train, car, light rail, taxi	Train, car, bus, taxi	Car, taxi, bus
Areas for innovation		Cycle access for employees	100%-electric taxi fleet	City check-in	Cycle access for employees	

Source: "New Milan Linate Intermodal Hub - Traffic Forecasting Study and Functional Layout Analysis," NET Engineering, 2019

Linate Airport is one of Italy's main city airports and is being called upon to respond to new challenges and opportunities, in 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 (Westfield), 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 by the Milan, Monza, Brianza, Lodi and Pavia Basin Programme.

Linate airport is currently accessible solely via road, from both the city centre and 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 both via a metropolitan public transport route and two shuttle services departing from Milan Centrale Station. Additional urban and suburban public transport routes connect the airport to neighbouring municipalities.

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 for Milan Linate

Road Segment	Description of the works
SP14 Rivoltana & SP415 Paultese	Developments & upgrades
SP160 & SP15b link road	Developments & upgrades
San Bovio-Longhignana section	Development of SP15b & SP160
Pedemontana Lombarda Motorway	Pedemontana completion
IPB	Pedemontana- BreBeMi inter-connection
Cassanese Bis	Completion Direction Cassanese Bis. In the absence of an adequate connection between the Cassanese Bis and the SP14 Rivoltana, this action shall have little impact in improving Linate's accessibility

Source: "Strategic Plan for the Accessibility and Mobility of Milan Linate and Milan Malpensa Airports," PWC, 2018

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. Works to connect Linate with Milan's Metro system (the M4 line) include the construction of a station directly linked to the passenger terminal. This work will further improve the quality of the services offered by the airport, whilst at the same time improving the integration of the airport structure into the urban fabric.

Such features of Milan's urban transport system (an efficient Metro line, a loop metro-style rail system linked both to the high-speed network and the regional railway networks, an efficient and broad overground public transport system) will ensure the prerequisites for a successful airport rail link service.

Furthermore, SEA has included the "Milan Linate Intermodal Hub" in its list of projects to be implemented between 2021 and 2023 with a view to embracing the challenge of sustainability and fostering resilience to future changes, in line with the forecasts of the European Recovery Plan and the Guidelines of the National Recovery and Resilience Plan (PNRR) presented by Italy to the European Commission as part of the Next Generation EU fund. Situated between Viale Forlanini and the entrance to the new M4 metro line, the new hub will improve airport accessibility, promoting the integration of various modes of transport within a functional space equipped with innovative technology, navigable routes, and a resilient structure that can adapt to new mobility needs. The area will link public road transport services to the rail transport service (which will become operational with the new M4 metro starting from 2021) and to new forms of innovative, sustainable and shared transport. This will help enhance Linate airport's role as a "hub" in the urban network, ensuring that it is no longer limited to the sole function of an air transport access terminal.

The infrastructure development works involving the area adjacent to Linate Airport include the "Segrate Porta Est metropolitan hub" project, which envisages the construction of a new high-speed railway station in Porta Est serving the railway link to the east of Milan. This link will become an interchange hub between suburban, long-distance, high-speed, and local public transport services. The project will also connect the new station to Linate airport by extending the M4 metro line, thus building a functional relationship between Linate's airport services and high-speed services along the Milan-Venice route. The second phase of the technical-economic feasibility project for the Segrate Porta Est metropolitan hub received 50% co-financing through the "Reflow 2019" CEF Call (results published in July 2020). The time scale for completion of the works is February 2026.

Developments envisaged for rail accessibility for Milan Linate

Section	Description of the works
Start-up in 2021 forecast for Milan metro line 4 (San Cristoforo FS-Linate) or "Blue Line"	The line will extend across the city for approx. 15 KM from west to east, optimizing not only the airport connection but, more generally, also that with the entire metro and urban rail system
Segrate Porta Est AV station	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

Source: "Strategic Plan for the Accessibility and Mobility of Milan Linate and Milan Malpensa Airports," PWC, 2018

CURRENT AND FUTURE ACCESSIBILITY OF MALPENSA AIRPORT

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.

Future air traffic trends will 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. Likewise, a greater number of incoming international passengers are expected to arrive at the airport, who will not necessarily have local connections in the area (e.g., relatives and friends) available to pick them up from the airport in private vehicles, resulting in greater reliance on other modes of transport.

The ability to channel demand to Malpensa rather than to connecting flights routed through other European hubs is therefore also contingent on the accessibility of the area. For this reason, it will be necessary to develop a modern and efficient airport access system comprising a network of rapid, integrated and resilient road infrastructures, and an integrated railway network at a regional, supra-regional and international level, thereby strengthening shared rail transport services connected to Malpensa. 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: airport bus services, taxis, NCC (chauffeured car-hire), and car-sharing options. 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 connections with airport, both in terms of journey time reduction and ease of access.

Developments envisaged for road accessibility for Milan Malpensa

Road segment	Description of the works
SS 341 bypass and Gallarate road link	The works will span 9.4km in total and the road network will be located near the arrival point of the Pedemontana Lombarda, in order to provide a quick route from northern Lombardy to Milan (SS11 and west ring road) via the A4 (towards Turin).
Pedemontana Lombarda	Completion (segment A between the A8 and A9 motorways, segment B1 from the interconnection with the A9 to the SP 35, and the Como and Varese ring roads have all been completed to date).
SS 336	Upgrading works
By-pass to the Sempione SS 33 between Rho and Gallarate	The bypass consists of a 30km single carriageway, with one lane in each direction. The planned route would split from the SS 33 in Rho, at the intersection with Milan's west ring road, and would cut through various municipalities, from Pogliano Milanese to Busto Arsizio, ending in Samarate, where it would join the SS 341 bypass (also planned), thereby creating a connection with the A8 motorway
SS 336 dir	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 Vigeveno
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 SS 33, SS 336 and SP 49 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
SP 40 bypass	SP 40 bypass (from SP 14, to Via Aspesi in Samarate, to the new SS 341)
"Milano Laghi" A8	Creation of a fifth lane on the "Milano Laghi" A8 motorway.

Source: "Analysis, Evaluation and Technical Assistance to the Process of Involving Local Stakeholders in the Development of a Strategic Access Plan for Malpensa and Linate Airports," PTS CLAS, 2019

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 Bellinzona and Malpensa is approximately two hours but the opening of the Ceneri Base Tunnel in April 2021 will accelerate the service, cutting the travel time between Lugano and Bellinzona by approximately 15 minutes.

Rail access to Malpensa was compared with a selection of comparable European airports: Leonardo da Vinci (Rome Fiumicino), Franz Josef Strauss (Munich), Gardermoen (Oslo) and Schwechat (Vienna). These airports are comparable in terms of:

- volume of passenger traffic
- distance between the airport and its reference city.

In Europe, Oslo has a highly successful rail-to-airport transport system approximately 50 km from the city centre, with a high-speed express service (up to 210 km/h, at times 250 km/h), and high-frequency trains (a train every 10 minutes, with trip times of 19 to 22 minutes).

Surface accessibility - benchmarking city-airport connections between Malpensa and a selection of European airports

Express
Regional train
every 30' (147 per day)*
37' - 51'
13 €

Modal share of railway accessibility
15% (2019)

MTT **
67'

Distance from city center
48 km

Passengers
28.7 million (2019)

MILAN MALPENSA

Express
Regional train
every 15' (110 per day)
32'
14 €

Modal share of railway accessibility
30% (2018)

MTT **
47'

Distance from city center
23 km

Passengers
43.5 million (2019)

ROME FIUMICINO

S Lines
Regional train
every 10' (260 per day)
40' - 43'
10,80 €

Modal share of railway accessibility
34% (2018)

MTT **
52'

Distance from city center
38 km

Passengers
47.9 million (2019)

FRANZ JOSEF STRAUSS

Express
AV
every 10' (179 per day)
19'
9,70 - 19 €

Modal share of railway accessibility
48% (2015)

MTT **
29' - 32'

Distance from city center
50 km

Passengers
28.4 million (2019)

GARDERMOEN

Express
Regional train
every 30' (230 per day)
16'
2,40 - 11 €

Modal share of railway accessibility
43.4% (2017)

MTT **
46'

Distance from city center
20 km

Passengers
31.6 million (2019)

SCHWECHAT

* Milan Centrale and Milan Cadorna

** Maximum Transfer Time with the city (total travel time)

Source: "The Development of Railway Intermodality to Milan Malpensa - Scenarios and Operational Proposals," CERTeT Bocconi University, 2017; ACI Europe, ASQ, DOXA, 2018

Surface accessibility - benchmarking other railway connections between Malpensa and a selection of European airports

Airport	Railway connections
Milan Malpensa	S connection services with Switzerland (S50 Bellinzona-Lugano-Varese-Gallarate-Malpensa Terminal 1/Terminal 2 line)
Rome Fiumicino	Regional connections to/from other stations in Rome (Ostiense, Tiburtina et al). Daily high-speed trains connecting the airport to other Italian cities (Florence, Bologna, Padua, Venice, Pisa, La Spezia, Genoa)
Munich	Airport served by two suburban lines (S1 to Passau, S8 to Ismaning)
Vienna	Suburban connections (S7 line to locations east of Vienna) Long-distance lines connecting all main Austrian cities (Linz, Salzburg, Innsbruck, Bregenz)
Oslo	Regional connections (R10, R11) with southern Norway and with some locations north of Oslo Long distance line (L12) connecting the suburban area of Oslo

Source: "The Development of Railway Intermodality to Milan Malpensa - Scenarios and Operational Proposals," CERTeT Bocconi University, 2017

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 and the development of the Rho - Gallarate line.

Developments envisaged for rail accessibility for Milan Malpensa

Section	Description of the works
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 center and Milan Malpensa airport. Development of the section between Parabiago and Gallarate, with the quadrupling of the line, will follow
Milan Malpensa Terminal 2 - Gallarate Connection	Double track connection between Milan Malpensa and RFI's Gallarate-Varese Line. Ferrovienord and SEA have obtained European co-financing through the "Reflow 2019" CEF Call for the executive design and construction of the works (outcome of the call published in July 2020)

Source: "Railway accessibility at Malpensa - In-depth evaluation of the scenarios in 2024, 2026 and 2030", Bocconi University - GREEN; December 2020

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 in 2020 for the construction of new railway connections between Lombardy's three main airports and the RFI and FNM networks, has highlighted 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. 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

It is a precise commitment adopted by SEA to combine the fundamental value of protecting our environmental heritage with development. Its environmental and energy policy is based on the following principles:

- extensive compliance with regulatory requirements;
- an ongoing commitment to improving the environmental and energy performance;
- education and involvement of all actors involved in the airport system for a commitment towards respecting and protecting the common heritage represented by the environment in which it works;
- priority given to the purchase of products and services which adopt similar environmental sustainability parameters, with particular attention to energy saving, the reduction of atmospheric and noise emissions and water conservation;
- identification of sources and controls of CO₂ emissions produced, both direct and indirect, through the involvement of the stakeholders, in order to reduce greenhouse gas emissions in line with the Kyoto protocol and subsequent international agreements and conventions;
- 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 phenomenon concerning interaction with the ecosystem;
- a highly developed system of listening and communication with a wide range of external actors to ensure transparency and sharing.

The commitment to reduce environmental impacts increases the need to integrate key issues of environmental management into the strategies and economic/financial management of the Company. Through periodic monthly committees, SEA provides stakeholders

working in the aviation sector with information on the environment and operational safety externally, this ensures a correct relationship with the local territory and institutions.

Environmental externalities

CO₂ 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 CO₂ 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 CO₂ emissions by airport managers, operators, aircraft and by all those working within the airport system.

The Airport Carbon Accreditation established four possible levels for accreditation:

- Mapping - checking of emissions under the direct control of the airport manager (scope 1 and 2);
- Reduction - creation of an emission reduction plan (scope 1 and 2);
- Optimization - calculation of the emissions produced by the airport stakeholders and their involvement in the reduction plans (scope 3);
- Neutrality - the achievement of Carbon Neutrality in terms of emissions under the direct control of

the airport operator (Scopes 1 and 2), with the purchase of offsets.

In 2020, SEA confirmed its European leadership positioning for both Linate and Malpensa airports within the 3+ neutrality grouping, together with 52 other airports, of which 4 are Italian (Naples, Rome, Treviso and Venice), representing 27.2% of European traffic.

NetZero2050

In June 2019, SEA committed to the "NetZero2050" resolution promoted by ACI Europe, which requires its 500 members to reach "net zero" CO₂ 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 "off-set 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.

NetZero2050 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.

CO₂ 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 Group's companies themselves. Scope 3 emissions include:

- the LTO cycle of aircraft (Landing Take Off cycle) - 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 travels.

The emissions intensity value proportional to turnover was significantly higher in 2020 than in previous years due to the sharp drop in revenues owing to the pandemic.

The same caution should also be applied to the interpretation of performance set out below.

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

	2020			2019			2018		
	Malpensa	Linate	Total	Malpensa	Linate	Total	Malpensa	Linate	Total
Scope 1	579.2	800.7	640.3	227.5	347.5	256.4	261.7	278.3	267.0
Scope 2 Location-based	1.1	0.5	0.9	1.0	0.3	0.8	0.2	0.8	0.4
Scope 1 and 2 Location-based	580.3	801.2	641.2	228.5	347.8	257.2	261.9	279.1	267.4
Scope 3	1,393.6	710.6	1,205.3	2,009.8	881.8	1,738.7	2,150.7	943.3	1,765.1

Please note: since 2020, the index for CO₂ emissions produced by the SEA Group will be calculated based on the Group's turnover (net of IFRIC). As such, the values for 2018 and 2019 have been restated with respect to the data reported in the 2019 NFS.

Source: SEA

CO₂ emissions of the SEA Group (tons)

	2020		2019		2018	
	Malpensa	Linate	Malpensa	Linate	Malpensa	Linate
Scope 1	107,830	56,730	122,172	59,051	121,816	60,809
Scope 2 Location-based	199	33	529	43	90	172
Scope 2 Market-based	335	55	809	66	133	255
Scope 3	259,426	50,350	1,079,163	149,840	1,001,157	206,066

Note: The "Table of national standard parameters: coefficients used for the inventory of CO₂ emissions in the UNFCCC national inventory" (average values for years 2017-2019) emission factors were used for Scope 1 emissions in 2020. This data can be used for the calculation of emissions from January 1, 2020 to December 31, 2020 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 2020 [277.6g CO₂/kWh. Source: "Atmospheric emission factors of gases in the national electricity sector and in main European companies" ISPRA 317/2020] compared to that used for 2019 [316.4 gCO₂/kWh. Source: "Atmospheric emission factors of gases in the national electricity sector and main European companies" ISPRA 303/2019].

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 2020 was 465.89 gCO₂/kWh, Source: European Residual Mixes 2019, AIB; in 2019 equal to 483.33 gCO₂/kWh, Source: European Residual Mixes 2018, AIB; in 2018, equal to 476.53g CO₂/kWh, Source: European Residual Mixes 2017).

Since 2020, the total for Scope 3 emissions includes the following items and is calculated as follows: employee business travels, 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 and cargo 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. For this reason, the data for 2018 and 2019 reported in the 2019 Non-Financial Statement (relating to business travel items only) have been restated. The aforementioned Scope 3 emissions are those calculated to obtain Airport Carbon Accreditation using methods recognised and verified by the accreditation system. Due to the COVID-19 pandemic, the ACA Program manager (WSP) has extended the duration of the previous accreditation by one year, and as such, the 2018 Scope 3 emissions are those most recently certified. The Scope 3 emissions for 2019 and 2020, calculated using the same criteria, are not currently certified.

Finally, Scope 1, 2 and 3 emissions are expressed in tons of CO₂. However, the effect of methane and nitrous oxide on total greenhouse gas emissions (CO₂ equivalents) is negligible, as stated in the related technical literature.

Source: SEA

The drop in emissions in 2020 was in part due to the COVID-19 pandemic.

The table below, on the other hand, shows the emissions produced by the airport operator (SEA SpA) 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".

CO₂ emissions of SEA SpA (tons)

	2020			2019			2018		
	Malpensa	Linate	Total	Malpensa	Linate	Total	Malpensa	Linate	Total
Scope 1 + Scope 2	86,107	15,937	102,044	100,518	20,368	120,886	95,459	18,912	114,371
Scope 3	259,426	50,350	309,776	1,079,163	149,840	1,229,003	1,001,157	206,066	1,207,223

Note: Scope 1 and 2 emissions are categorised as methane gas consumption for energy production. The data relating to Scope 3 also include data for SEA Energia personnel.

Source: SEA

SEA SpA GHG intensity (kg/unit of traffic)

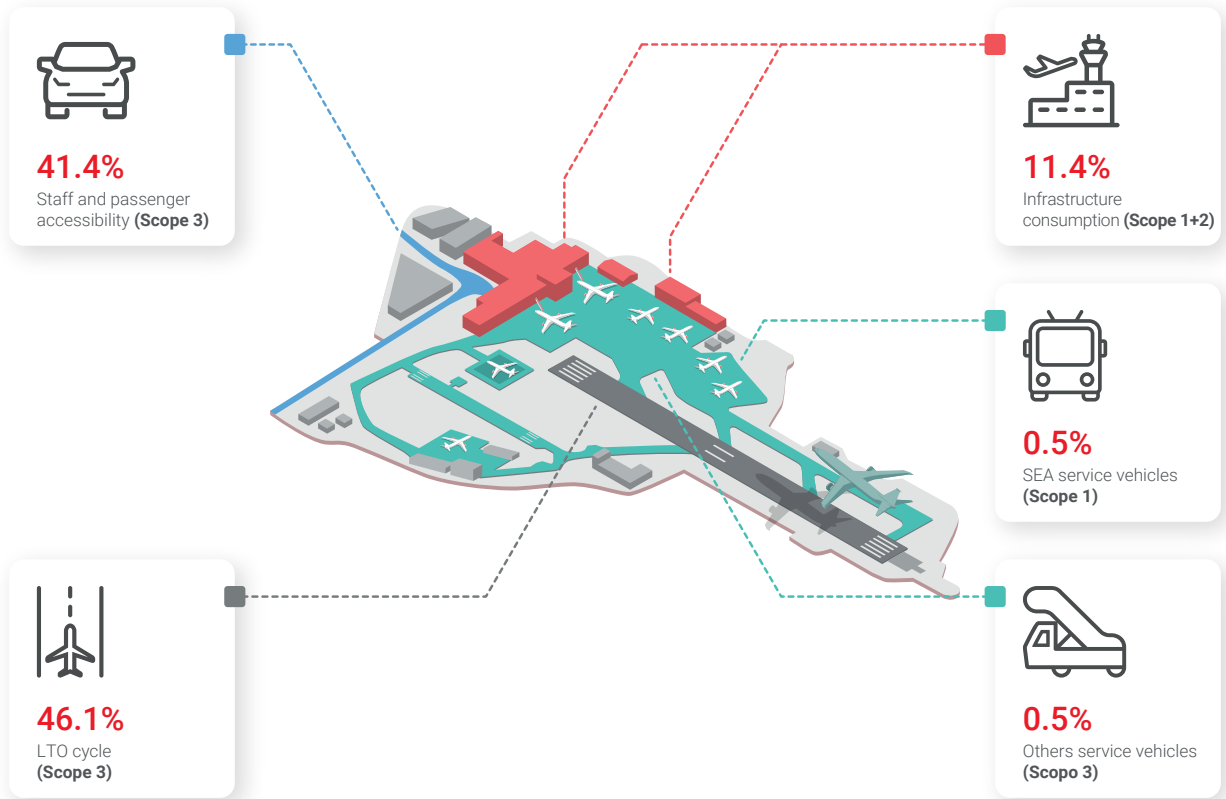
	2020			2019			2018		
	Malpensa	Linate	Total	Malpensa	Linate	Total	Malpensa	Linate	Total
Scope 1 and 2	7.0	7.1	7.0	2.9	3.1	3.0	3.2	2.0	2.9
Scope 3	21.1	22.3	21.3	31.6	22.7	30.2	33.2	22.2	30.6

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

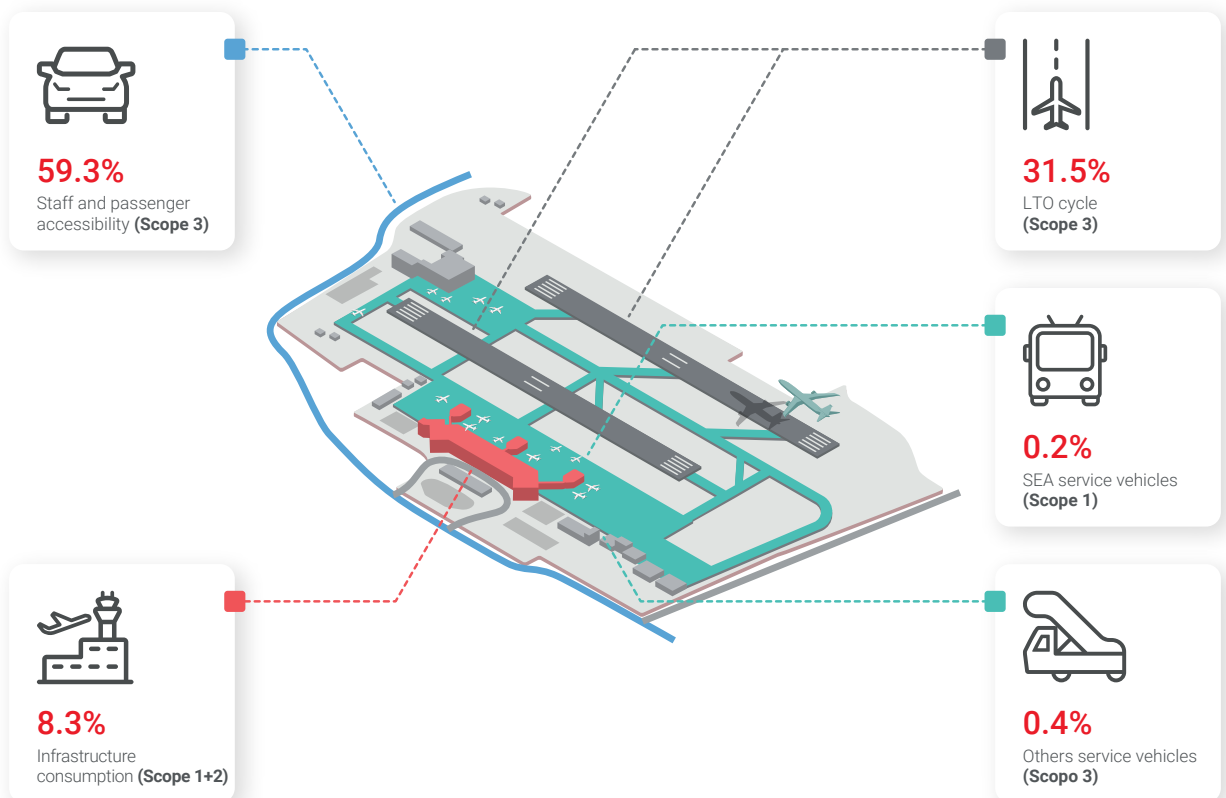
Source: SEA

Breakdown of SEA SpA CO₂ emissions into Scope 1, 2 and 3 (% of total emissions)

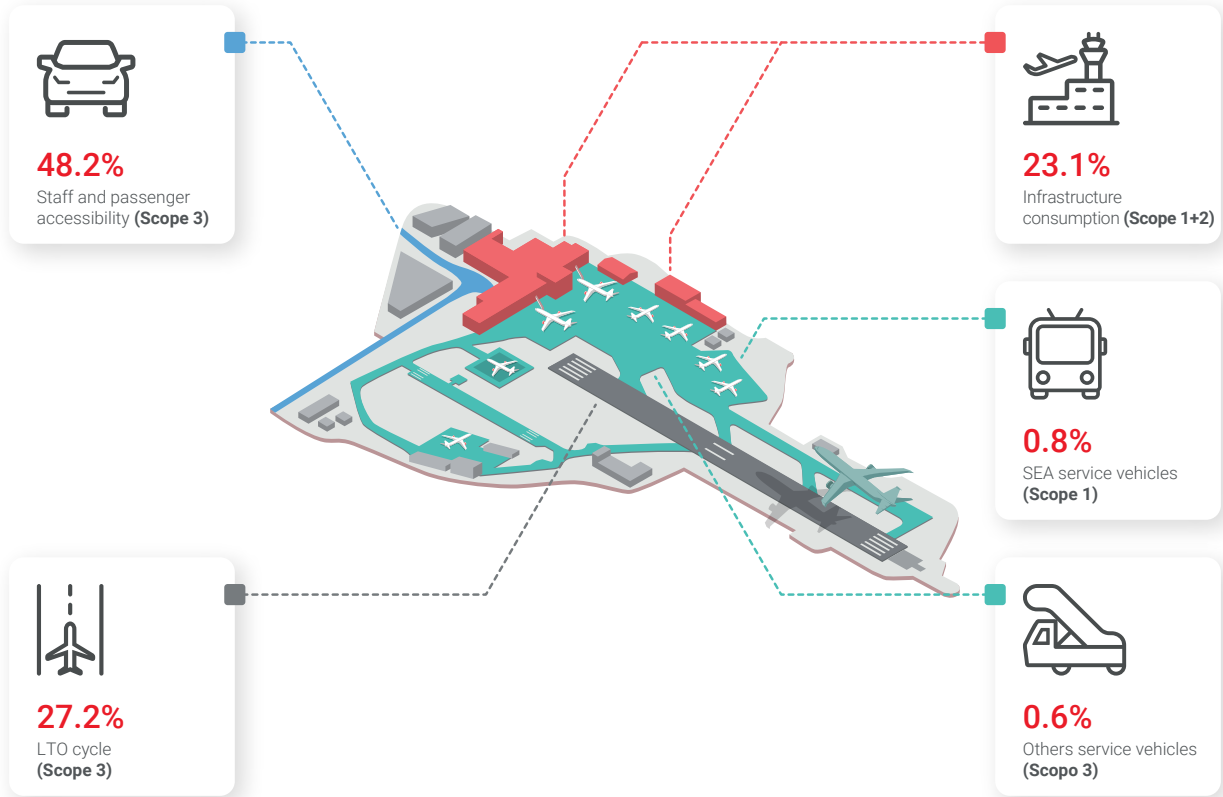
LINATE AIRPORT 2019



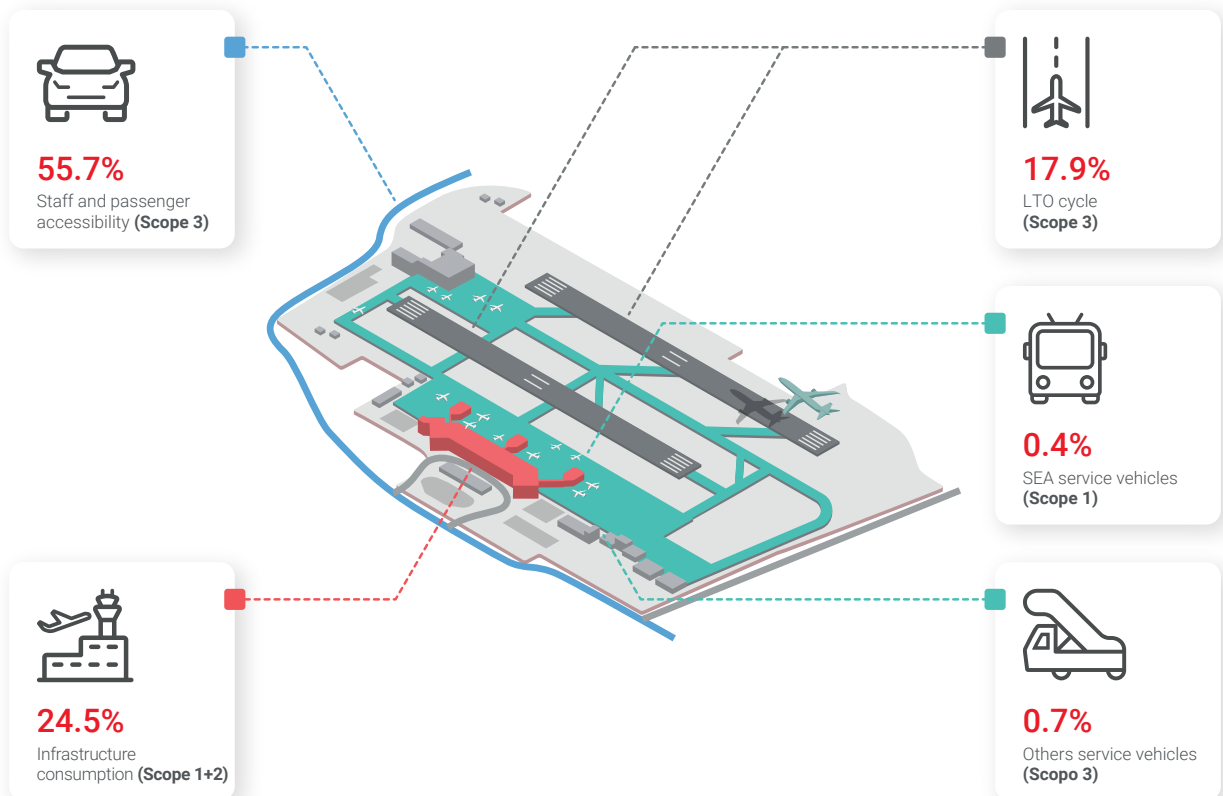
MALPENSA AIRPORT 2019



LINATE AIRPORT 2020



MALPENSA AIRPORT 2020



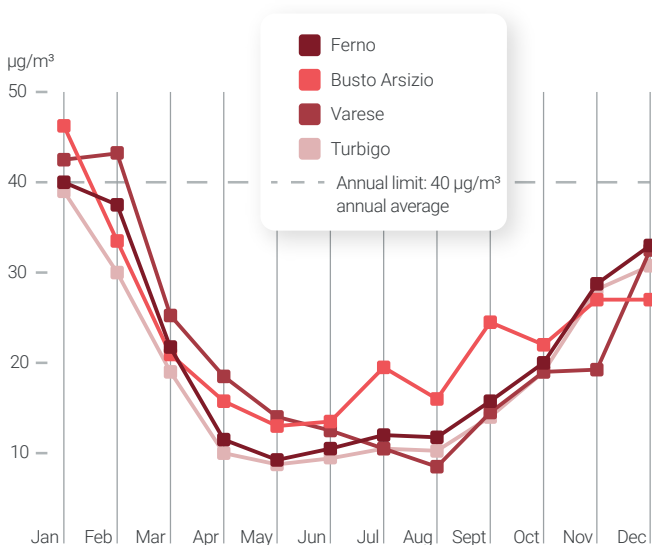
In 2020, the greatest share of CO₂ emissions generated by airport activities falls into Scope 3, relating primarily to the aircraft LTO cycle, passenger and employee mobility, and handler operating vehicles, equal to 74.3% for Malpensa and 76.0% for Linate. The percentage of emissions produced under the airport operator’s responsibility (Scope 1 and 2 - airport energy consumption and use of operating vehicles necessary for airport activities) is equal to 25% at Malpensa and 24% at Linate (the percentage was 9% at Malpensa and 12% at Linate during 2019, prior to the pandemic).

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 Landing and Take-Off (LTO) cycles.

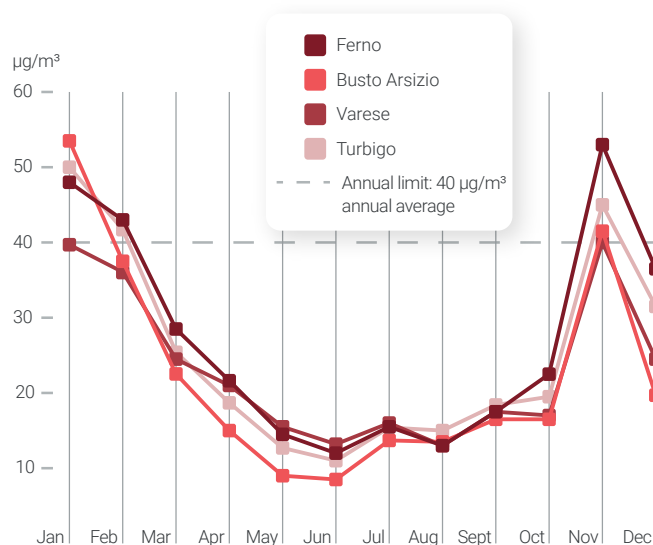
SEA is not directly involved in and cannot control airline-specific processes, such as the technological evolution of fleets, their emissions efficiency or the definition of flight routes and scenarios. Nor can it directly control the amount of external vehicular traffic, which is closely correlated with the level of intramodality of the territorial context in which the airport is located. 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 158 monitoring stations. In the province of Varese, the air quality recording network comprises 7 fixed stations, 2 mobile stations and 4 gravimetric sampling instruments for the measuring of soft dust. 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). The Turbigo control unit has been included because it is indicative of air quality in the areas south of Malpensa airport.

Malpensa surrounding area monitoring - average nitrogen dioxide (NO₂) monthly values



Source: Arpa Lombardia, 2020

Monitoring of the areas surrounding Malpensa - average particle (PM10) monthly values



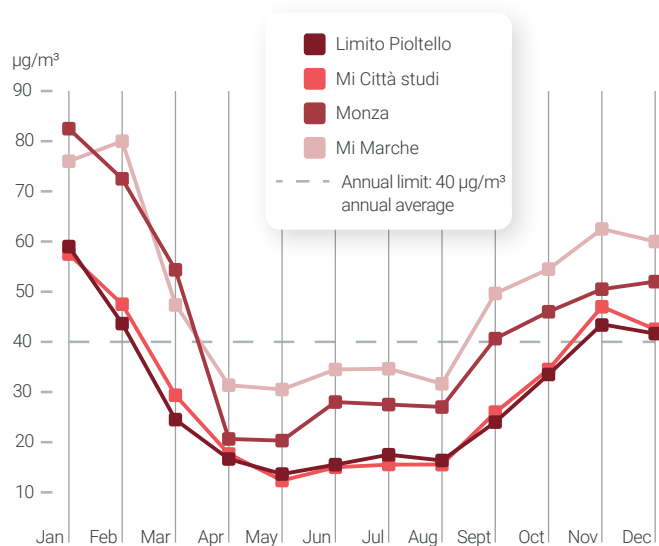
Source: Arpa Lombardia, 2020

Mono-nitrogen oxide in general (NO_x) is produced during the combustion process due to the reaction which, at high temperatures, takes place between nitrogen and oxygen in the air. Therefore, these oxides are directly emitted into the atmosphere following all high temperature combustion processes (heating plant, vehicle motors, industrial combustion, power stations, etc.), by oxidization of the atmospheric nitrogen and, only to a small degree, by oxidization of the oxygen particles contained in the combustible utilized.

AIR QUALITY IN THE LINATE AREA

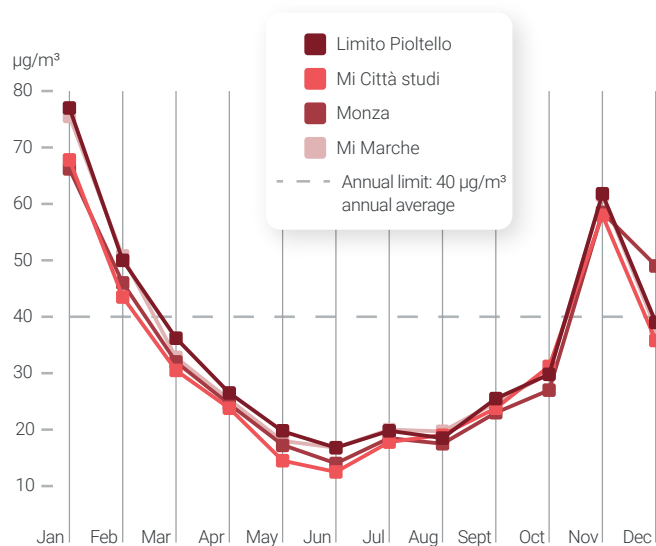
For Linate the average monthly values are considered, established by monitoring stations in the immediate vicinity of the airport (Limite-Pioltello) and of other stations in urban areas (Milan-Città Studi, Milan-Marche, Monza).

Linate surrounding area monitoring - average nitrogen dioxide (NO₂) monthly values



Source: Arpa Lombardia, 2020

Monitoring of the areas surrounding Linate - average particle (PM10) monthly values



Source: Arpa Lombardia, 2020

Overall, based on the range of data collected from the areas neighbouring the two Milan airports, over the years - although the airports comprise a significant source of emissions - no significant differentiation exists between the quality of air compared with other areas of the provinces.

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 14 permanent field stations (10 at Malpensa and 4 at Linate) and 4 mobile stations, the latter used for specific studies. 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). The LVA index is set from 65 to 75 dB(A), for 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 represents the 2016 update to 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	22,317	2,168	50-54	15,916	1,380
60-64	14,043	1,185	55-59	483	250
65-69	469	213	60-64	1	7
70-74	1	7	65-69	0	0
Over 75	0	1	Over 70	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.

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 2016 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).

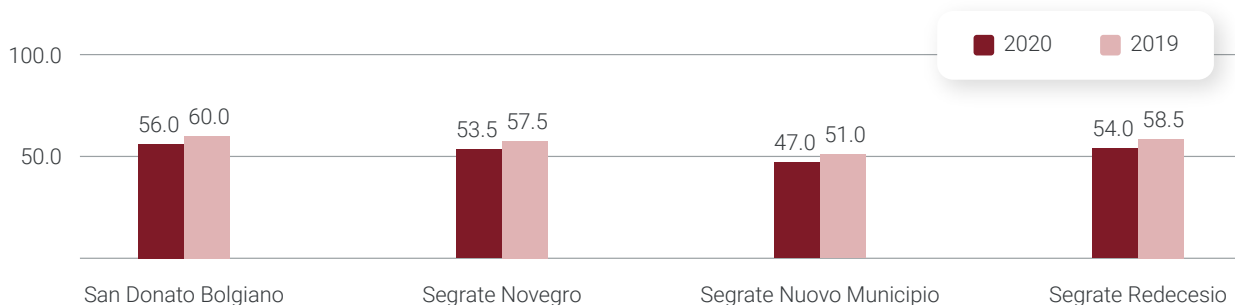
Malpensa - LDEN and LNIGHT exposure

db LDEN bracket	Population	Buildings	db LNIGHT bracket	Population	Buildings
55-59	29,467	17,248	50-54	13,219	7,947
60-64	2,760	2,416	55-59	756	955
65-69	535	507	60-64	104	235
70-74	2	60	65-69	0	20
Over 75	0	0	Over 70	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. The boundaries of each zone are identified by the Airport Commissions, according to Italian Ministerial Decree of October 31, 1997. The Linate Commission approved zoning in 2009, while the Malpensa Commission is continuing works with the collaboration of all stakeholders. The solutions identified over recent years were consolidated, in 2017, in a shared reference scenario. The development of traffic naturally makes the work of the Commission a constant commitment over time to gradually identify the best possible ways to continue minimizing impacts on surrounding areas and populations. In 2019, the Commission's technical group formed by ARPA and SEA produced noise scenarios as a basis for zoning. The scenarios were presented to the Commission in July 2019.

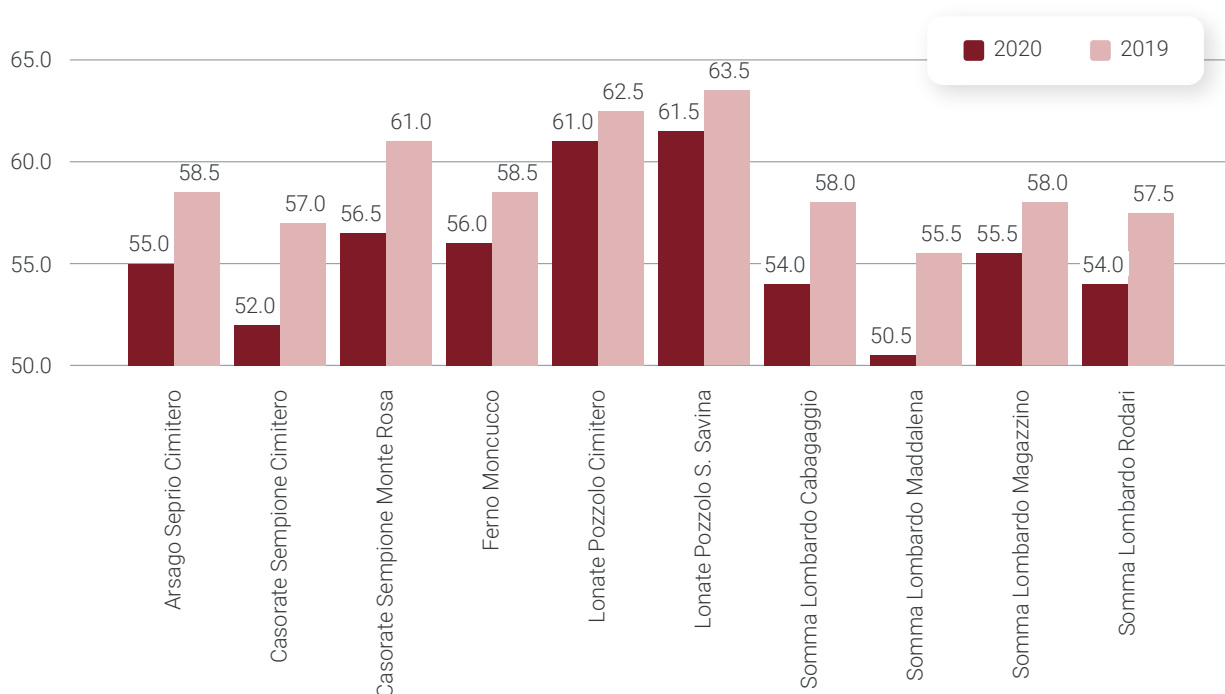
Linate - noise monitoring LVA dB(A) (*)



Source: SEA

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 2020.

Malpensa - noise monitoring LVA dB(A) (*)



Source: SEA

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 2020.

(*) 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.

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 aeronautical noise from the total noise detected. Detailed information on the noise emissions and operations of our airports may be consulted in a specific section of the website www.seamilano.eu.

DISCHARGES AND SPILLS

Management of discharges ⁶

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
		2020	2019	2018	
COD	mg/l	92.0	101.6	101.2	500
BOD5	mg/l	49.5	45.7	46.7	250
Total phosphorus	mg/l	1.7	2.4	2.7	10

Source: SEA

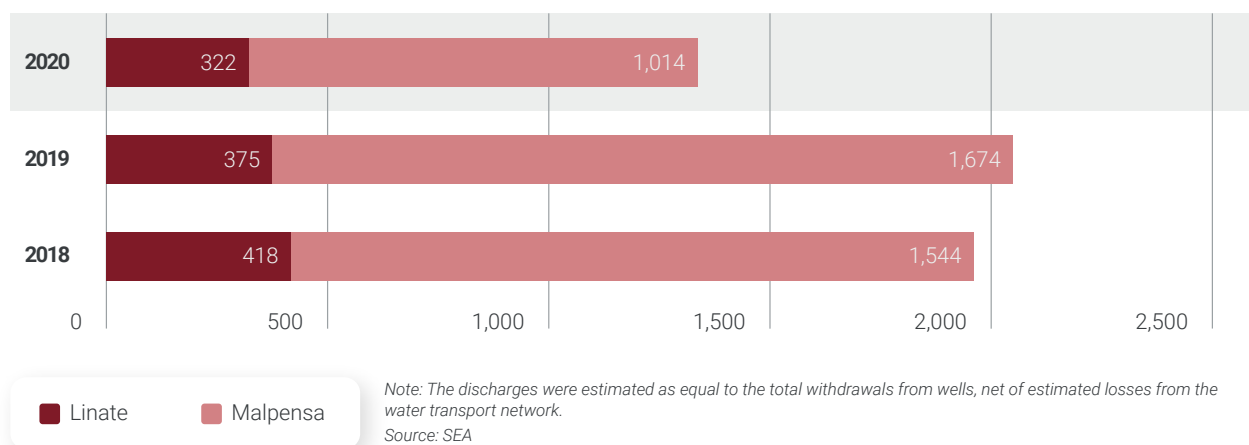
Malpensa - Sewer discharge data

Parameter	Measurement unit	Average annual value			Parameter values Legs. Decree 152/06
		2020	2019	2018	
COD	mg/l	118.7	177	132	500
BOD5	mg/l	49.0	75.8	59	250
Total phosphorus	mg/l	2.3	3.5	3.7	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)



⁶ This year marked the beginning of reporting of water consumption data using the new GRI Standard 303, published by the Global Reporting Initiative (GRI) in 2018, replacing the 2016 version. For this reason, data for 2018 and 2019 have been reported according to the requirements of the new indicator.

De-icing treatment, relating to the defrosting of aircraft during the winter and when required by the airlines, is carried out at dedicated stands, equipped with a system for the collection of any water discharge from the activities and is treated as special waste. At the beginning of the 2018 winter season, a new de-icing fluid management system was activated at Malpensa, providing for its treatment and final discharge into sewerage. This resulted in a significant reduction in liquid disposed of during 2019 and 2020.

De-icing liquid drained (tons)

	2020	2019	2018
Malpensa	0	0.6	12.4
Linate	235	260.5	170.2

Source: SEA

Linate - Characteristics of the surface water discharge

Parameter	Measurement unit	Average annual value			Parameter value Legs. Decree 152/06
		2020	2019	2018	
Chromium VI	mg/l	0.01	0.01	0.01	0.2
Copper	mg/l	0.01	0.01	0.01	0.1
Lead	mg/l	0.01	0.01	0.01	0.2
Zinc	mg/l	0.06	0.12	0.17	0.5
Total hydrocarbons	mg/l	0.1	0.1	0.10	5.0

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). 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.

Malpensa - Characteristics of the surface water discharge

Parameter	Measurement unit	Average annual value			Parameter value Legs. Decree 152/06
		2020	2019	2018	
Ph	pH unit	7.1	7.2	7.3	8.0
COD	mg/l	17.8	22.6	10.4	100.0
BOD5	mg/l	10.4	11.4	10.0	20.0
Total suspended solids	mg/l	6.3	8.5	6.1	25.0
Total phosphorus	mg/l	0.1	0.2	0.1	2.0
Lead	mg/l	0.01	0.01	0.01	0.1
Chromium VI	mg/l	0.01	0.01	0.01	0.2
Copper	mg/l	0.01	0.01	0.01	0.1
Total hydrocarbons	mg/l	0.1	0.1	0.1	5.0
Zinc	mg/l	0.04	0.09	0.07	0.5
Total surfactants	mg/l	0.3	0.2	0.2	0.5

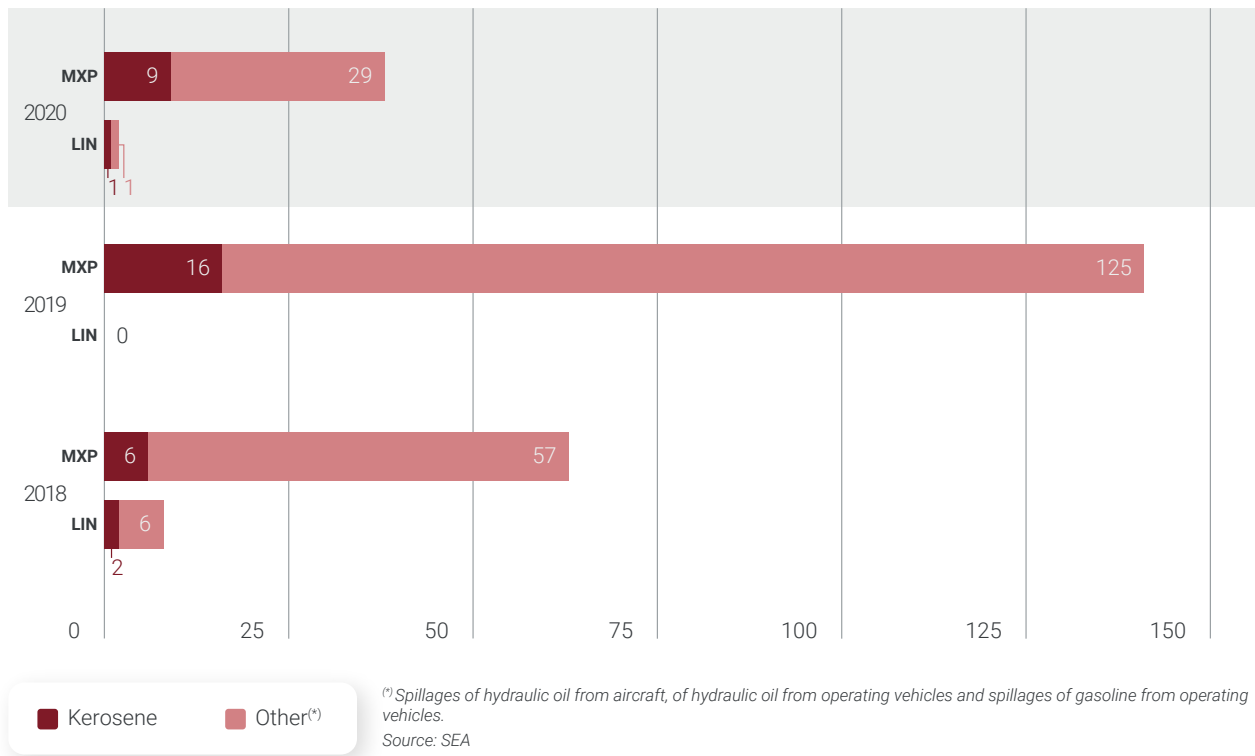
Source: SEA

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 place 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.)



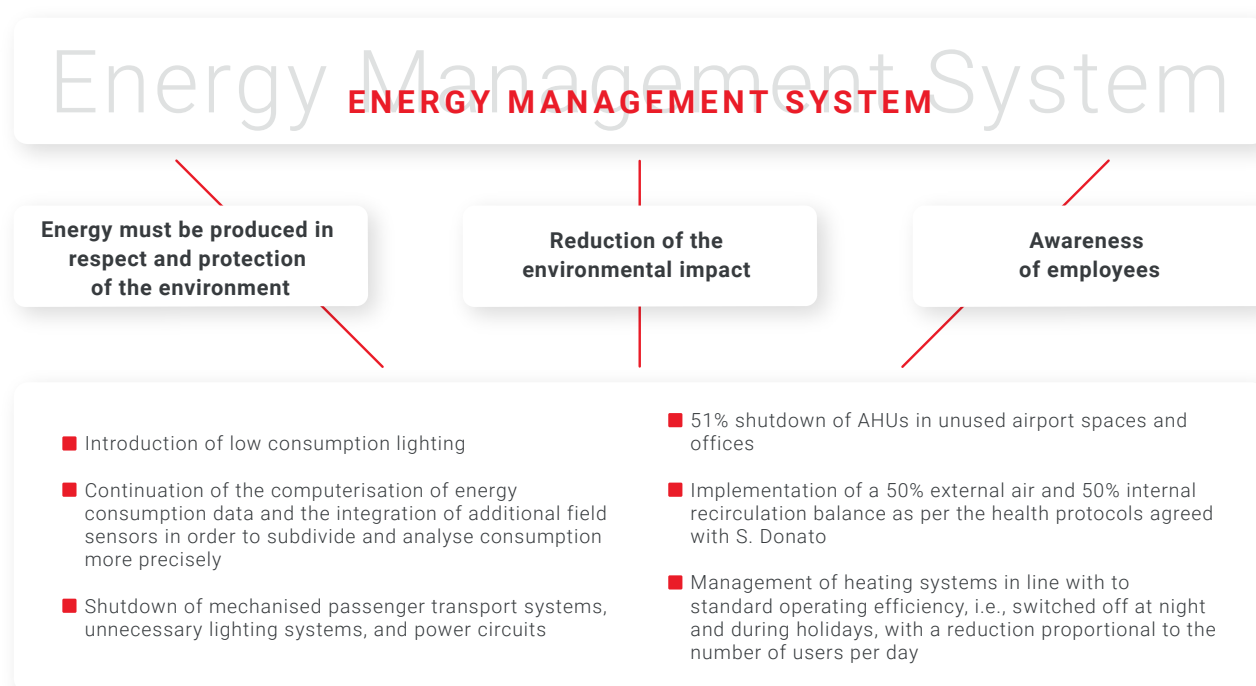
In these conditions, SEA departments are deployed to co-ordinate the cleaning, reclamation and restoration actions in the affected areas, and the compliance and security conditions after any containment in the affected area of spreading by the laying of a sufficient number of oil absorbent panels by 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 m². The phenomenon's trend was severely impacted, especially at Malpensa, by the decline in aircraft movements following the COVID-19 pandemic. It is important to underline how such values 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:



Co-generation/tri-generation stations are in operation at both airports, constantly generating energy savings that benefit our Group, the quality of the environment and the inhabitants of neighbouring areas. These stations offer high efficiency services which allow the generation of savings both for the Company and for clients which, thanks to the use of district heating, achieve savings from heat recovery. An energy production plant from renewable sources (240 kW installed) was also installed at Malpensa Terminal 1.

SEA Group energy consumption

Unit	2020		2019		2018	
	Malpensa	Linate	Malpensa	Linate	Malpensa	Linate
Petrol (GJ)	3,208	1,064	5,017	1,649	4,533	1,629
Heating oil (GJ)	2,449	-	1,717	-	2,366	-
Methane (GJ)	1,888,748	997,283	2,135,154	1,037,861	2,136,687	1,068,258
Motor vehicle diesel fuel (GJ)	16,234	6,548	29,616	10,262	24,369	11,381
Electricity acquired (GJ)	2,586	427	6,024	489	1,004	1,928
Refrigeration energy sold (GJ)	12,684	-	20,199	-	18,365	-
Thermal energy sold (GJ)	8,413	393,508	12,902	332,083	20,298	321,533
Electricity sold (GJ)	239,077	180,673	247,445	193,179	246,460	198,749
Total (GJ)	1,653,050	431,140	1,896,983	524,999	1,883,835	562,915

Note: Conversion co-efficient sources used: Table of national standard parameters: coefficients used for the inventory of CO₂ emissions in the UNFCCC national inventory (average values for years 2017-2019). This data can be used for the calculation of emissions from January 1, 2020 to December 31, 2020 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).

Source: SEA

Energy intensity (GJ/unit of traffic)

Internal energy consumption	Malpensa	Linate	Total
2018	0.06	0.06	0.06
2019	0.06	0.08	0.06
2020	0.13	0.19	0.14

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

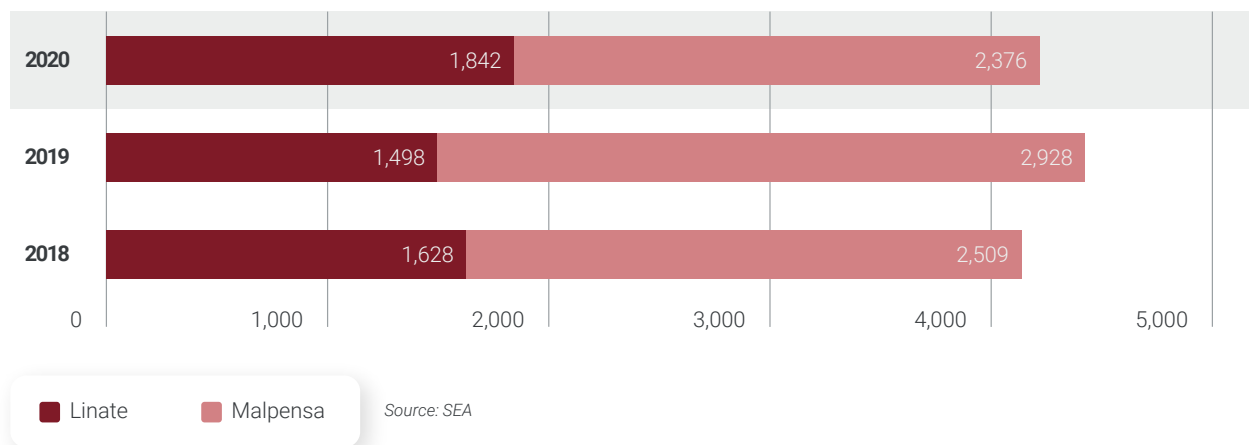
Source: SEA

In 2020, overall consumption decreased in both airports by 13.9% compared to 2019, due to energy saving measures and the COVID-19 situation, which led to a reduction in airport activities.

WATER CONSUMPTION ⁷

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 (MI)



The increase in water consumption at Linate is owed to the use of heat exchange wells due to the installation of larger refrigeration units, which consume more water. These refrigeration units, which are water cooled, boast higher efficiency and lower energy consumption than air-cooled fridges. Water is directed to the seaplane base to replenish the aquifer. The decrease at Malpensa airport is due to the drop in traffic at Terminal 1.

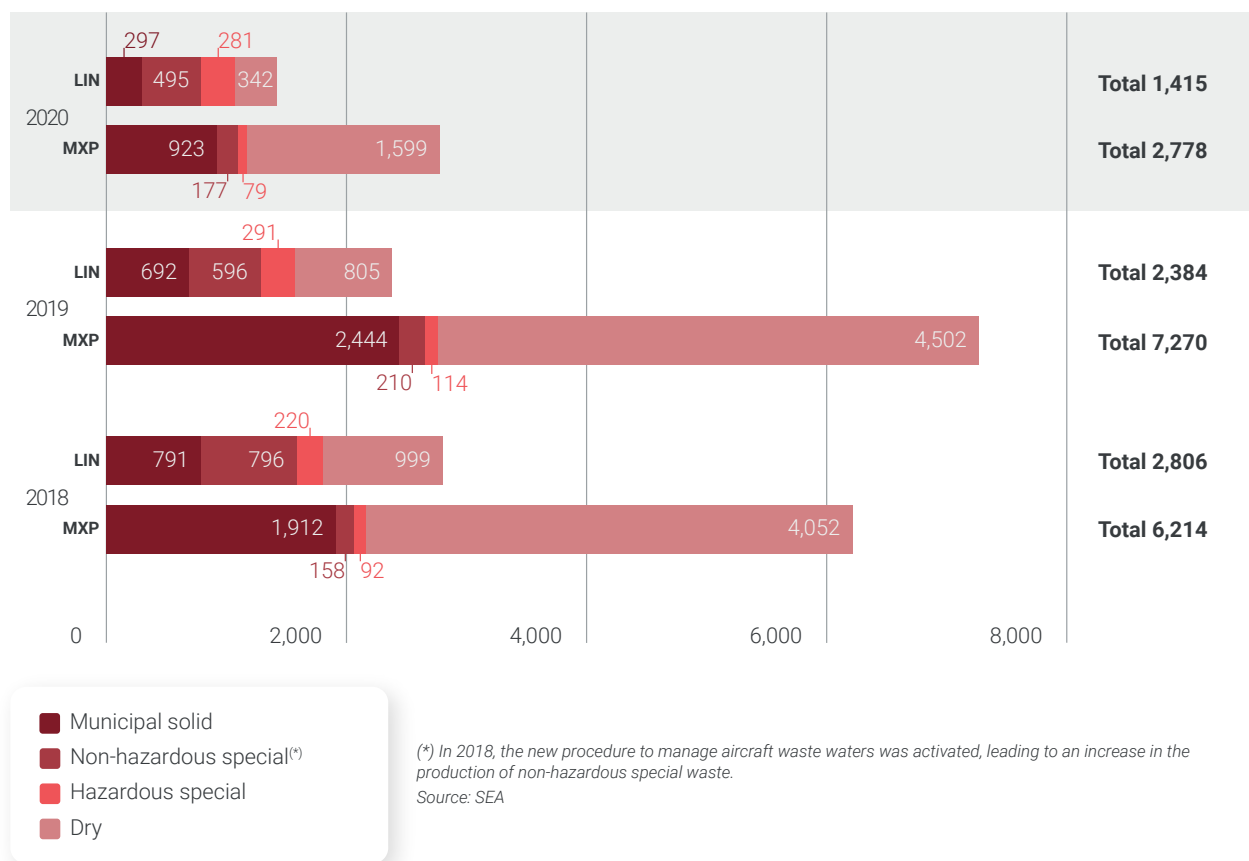
⁷ This year marked the beginning of reporting of water consumption data using the new GRI Standard 303, published by the Global Reporting Initiative (GRI) in 2018, replacing the 2016 version. For this reason, data for 2018 and 2019 have been reported according to the requirements of the new indicator

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)



The total production of waste in 2020 was equal to 1,415 tonnes at Linate and 2,778 tonnes at Malpensa.

Again in 2020, SEA confirmed its commitment to the separated collection of municipal urban waste at the Linate and Malpensa airports. Currently, separated collection is implemented for: paper, cardboard, wood, glass, plastic, metal, toner, organic waste and batteries at the areas of the airport open to the public. Separate waste collection was equal to 73.1% at Linate and 41.2% at Malpensa, including the separate collection of special waste, registering an increase of 7.3 units at Linate and 3.3 units at Malpensa compared to 2019.

% Separated collection

	2020	2019	2018
Malpensa	41.2	37.9	34.6
Linate	73.1	65.8	62.9

Source: SEA

All special waste produced is separated by type, with specific contracts with companies authorized 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. The dry residual portion of urban waste produced at both airports is disposed of in energy recovery thermal-destruction plant; the separated portion of waste is however allocated to specific recovery and recycling plant (disposal collection and transport or recovery by the Municipality). 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 (WDPA) 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 habitat 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

	Malpensa area	Liniate area
IUCN Red List (species that are potentially present within 50km of the airport grounds)	1,150, of which: <ul style="list-style-type: none"> ■ 7 critically endangered ■ 17 endangered ■ 58 vulnerable ■ 76 near threatened ■ 932 least concern ■ 60 data deficient 	1,139, of which: <ul style="list-style-type: none"> ■ 7 critically endangered ■ 15 endangered ■ 52 vulnerable ■ 79 near threatened ■ 926 least concern ■ 60 data deficient
Protected Areas (WDPAs)	34	8
Key Biodiversity Areas (KBAs)	3	1

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

SEA is considering four action areas with regard to these issues, based on the initial observations made by the entities as part of 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, SEA has launched the experimental "Recovery, Redevelopment and Conservation of the Lonate 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 concluded in December, despite the delays caused by the pandemic. Activities will continue into 2021, in the second of three planned years of field testing. 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.

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

The management of human resources was heavily influenced by the COVID-19 health emergency, which greatly impacted the local region both during the initial phase of March 2020 and during the development of the different phases during the year.

The circulation of the COVID-19 virus had a double effect affecting negatively air traffic and the service provision methods used by SEA employees.

The sharp drop in flights and passengers resulted in a need to resort to the Extraordinary Temporary Lay-off Scheme to contain staff costs and to minimise the negative impact on the Company's accounts. The Extraordinary Temporary Lay-off Scheme was activated on March 16, 2020 for 12 months and applied to the entire company population, together with other cost containment measures. A range of initiatives was implemented depending on the type of employee, and for shift workers and non-shift workers in particular, for a total of approximately 1.5 million hours.

As regards service performance, employees involved in the smart-working project were initially asked to work from home, before alternating between remote and office work, in line with strict protocols guaranteeing their maximum protection.

Throughout 2020, staff members were able to continue providing services thanks to the digital tools and devices rolled out in the two years prior to the pandemic, which were complemented with relevant training.

The need to contain employees costs and to find new ways of working that were compatible with the worsening health emergency was accompanied by the need to keep people engaged with work during a difficult time. During 2020, webinars dedicated to various segments of the company population were organised on the issues of managing emotions during complex situations and remote team leadership. In addition to these initiatives, the company welfare plan channelled resources into health management, arranging several appointments throughout the year for company employees to

undergo health screenings with nose-pharyngeal and serology swabs.

STAFF MANAGEMENT PLAN AS A CONSEQUENCE OF THE PANDEMIC

Based on the traffic conditions recorded in 2020 and in the first months of 2021 - and on the forecasts shared by all major international air transport organisations, according to whom traffic will not recover to pre-COVID levels until 2024 - SEA prepared a staff management plan to be implemented in the medium-term. This plan gave rise to a Framework Agreement, signed at the beginning of 2021, between SEA, trade unions, and the Workers' Representative Body, which identifies the contribution the parties agree to make in order to jointly manage a 550-person reduction in the workforce from 2021 to 2025, with a view to adopting the best methods of safeguarding individuals.

Three action levers will be implemented to make labour costs sustainable:

- temporary lay-off schemes
- accelerated retirement
- incentivised voluntary departures

Two other management levers will be implemented within the same time frame, including the targeted hiring of young people with new skills and the reinforcement of the corporate welfare system.

Temporary lay-off schemes

These measures are expected to be applied without interruption to shift workers and administrative staff during the first year. The first step will be to activate a new special temporary lay-off scheme starting in March 2021, which will last 12 weeks. Subsequently, an additional temporary lay-off scheme will be implemented for the remaining period, depending on the legislation in place. A second year of temporary lay-off schemes is also envisaged from May 2022 to April 2023 for administrative staff only. This need is a result of the pan-

demic's structural impact on company departments, with administrative areas more severely impacted than operational ones which, as confirmed over the past few months, are called upon to supervise activities despite the sharp drop in traffic.

Accelerated retirement

An early retirement plan is already underway and will remain in place until March 31, 2022.

Starting in April 2022 - and until the end of 2025 - a new "accelerated" retirement plan will be rolled out and will involve the termination of employment relationships earlier than the pension window, up to a maximum of 32 months in advance. Said "acceleration" will be achieved thanks to the NASpl (New Social Insurance for Employment) period, which will guarantee the continuity of contributions to help intercept the pension window. SEA will award a gross incentive to individuals who opt for this new retirement plan (in addition to an allowance in lieu of a notice period), to be determined as follows:

- a base incentive equal to one month of their gross salary
- a sum comprising NASpl and a contribution paid for by the Air Transport Fund, up to 100% of their monthly salary.

Incentivised voluntary departures

This agreement provides for the launch of a voluntary departures incentive scheme, reserved for staff who do not meet the pension requirements. The scheme will be rolled out in the second half of 2022 and will cover a maximum of 150 people. 70% of the places will be reserved for administrative staff. It will not be automatic and requests will be subject to approval. The detailed contents of the plan will be the subject of a communication campaign in the first half of 2022.

Turnover

Due to the emerging scenario, SEA confirms its desire to pursue the (pared down) renewal of the company's generational mix in its Framework Agreement, in line with a 1:5 replacement ratio. The plan provides for around 100 new hires, namely young people and those in possession of new skills.

Welfare

With the hope of giving a renewed impetus to SEA's comprehensive welfare system - reinforcing the pillars of bilaterality and inclusivity that have characterised the platform since its launch - the Framework Agreement commits the parties to review the content issued by the NOISea Association and the Assistance Fund in order to update, enhance and verify the sustainability of experiences involving the airport community.

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.

On an organisational level, the hierarchy framework is considered functional to the effectiveness and efficiency of the organisation, and, consequently, to the pursuit of corporate objectives. Accordingly, the SEA's managerial style is founded on the development of mutual trust, on the transparency of intentions and on openness to dialogue, and opposes abuses of authority, bias and the pursuit of undue personal benefit through the leveraging of hierarchical position.

Group employees

As at December 31, 2020, the total human resources of the Group amounted to 2,751 employees (2,788 including contractors), down by 12 employees since the end of 2019 (-0.4%). Women represented almost 29% of employees, predominately concentrated in administra-

tive and front-end roles, and distributed among total staff as follows: 4% Executives-managers, 23% white-collar, and less than 2% blue-collar.

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

SEA Group personnel by role classification and gender as at December 31 (No.)

	2020			2019			2018		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Executives	6	44	50	6	46	52	7	48	55
Managers	103	181	284	103	188	291	103	187	290
White-collar	634	1,126	1,760	636	1,150	1,786	641	1,157	1,798
Blue-collar	44	613	657	45	589	634	46	607	653
Total	787	1,964	2,751	790	1,973	2,763	797	1,999	2,796

Source: SEA

SEA Group personnel and contractors by location and gender as at December 31 (No.)

	2020			2019			2018		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Linate	349	822	1,171	351	807	1,158	360	809	1,169
Malpensa	445	1,172	1,617	452	1,243	1,695	445	1,233	1,678
Total	794	1,994	2,788	803	2,050	2,853	805	2,042	2,847

Source: SEA

Empowerment policies

TRAINING

In 2020, the health emergency had a severe impact on the methods used to provide training and implement development projects, penalising the opportunity to participate. Despite the various contingency measures in place, there was a greater need to maintain engagement levels and to deliver training sessions on how to use new meeting and collaboration tools.

In 2020, a total of 36,613 training hours were provided to the SEA Group, of which 8,988 of non-mandatory training. Mandatory training (including training relating to work and airport safety) constituted approximately 75% of total training provided by the SEA Group in 2020.

In 2020, (non-mandatory) employee training and development projects included "Support for People" activities, which sought to improve employee well-being during a difficult time, to increase their productivity, and to render remote team management more effective. Several initiatives were implemented:

- "E-motions, managing emotions during a difficult time": a virtual workshop involving over 50 employees for a total of 94 hours;
- "Smart teams: remote team management": training for 130 team managers on how to use communication and sharing practices, for a total of 276 hours;
- "Smart news: a newsletter for remote workers": five newsletters sent out to more than 700 people every two weeks;
- creation of a "Library" on the SEAnet intranet, which has received more than 12,000 visits to date.

"Raise Your Gaze" continued into 2020 and provided training to employees under 35 who had joined the company in recent years; the content and methods were updated in 2020 to help develop personal and managerial skills through activities, workshops and experiences. 591 hours of training were provided in 2020. The project will end in May 2021.

Average number of per capita training hours by gender & category

	2020			2019			2018		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Executives	1.9	15.9	14.2	29.7	50.7	48.3	33.7	56.2	53.3
Managers	8.3	9.8	9.3	17.2	19.8	18.9	19.8	22.4	21.5
White-collar	2.4	2.4	2.4	4.6	4.6	4.6	4.6	5.1	4.9
Blue-collar	1.0	2.1	2.1	3.4	5.1	5.0	3.7	4.3	4.3
Total	3.1	3.3	3.3	6.4	7.3	7.0	6.7	7.7	7.4

Note: The data does not include mandatory training hours.

Source: SEA

GROWTH

Performance assessments are still limited to managerial grades. No short-term incentive systems were activated in 2020 due to the COVID-19 crisis, while skills assessment is widespread and addresses all SEA staff.

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

	2020			2019			2018		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Executives	0	0	0	100	100	100	100	100	100
Managers	0	0	0	40	32	35	35	29	31

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 identify talent within SEA in processes of 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, assign the role of talent-promoters to those responsible and ensure sharing of the talent management process.

At SEA, talent management is intended for "exclusive" talent and is business-driven, meaning that it aims to identify, within a limited segment of the company population, those who fit SEA's talent model:

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

Evaluation

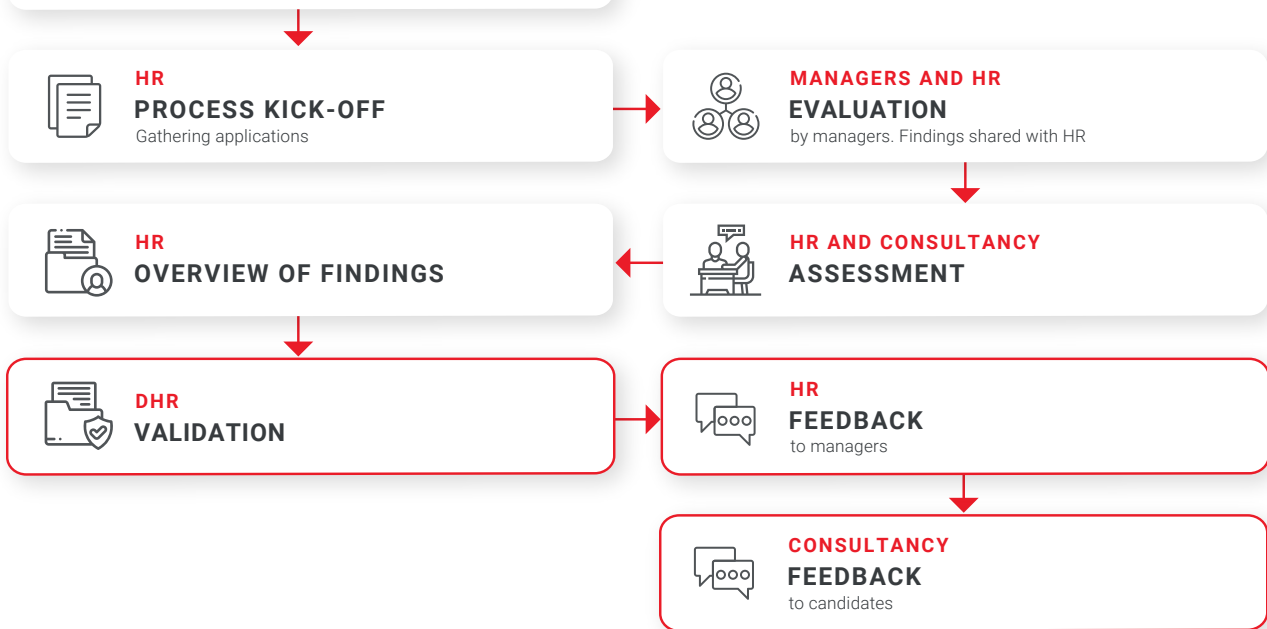
EVALUATION PARAMETERS



- **PERFORMANCE**
 Level of achievement of objectives over a time period
- **ABILITIES**
 Possession of distinctive technical and behavioural characteristics
- **ENGAGEMENT**
 A professional bond that people feel with the company
- **DEVELOPMENT POTENTIAL**
 Ability to transform one's personality traits into applied skills
- **ASPIRATION**
 Individual drive to professional growth

Process

PROCESS PHASES



In 2020, 13 candidates began and completed the talent management process for appointment to the position of Executive, appointment to the position of manager or coverage of the position.

DIVERSITY

In 2020 the remuneration gap between women and men narrowed, though it remained more pronounced at the level of total remuneration (annual income). In the Executive and manager categories this is partly due to the lower presence of women in senior management positions. In the blue-collar category, it is a result of the prevalence of male shift workers and the remuneration associated with working shifts at unsocial hours. The income gap is also down compared to previous years for the Executives category due to the deferral of payment of MBO bonuses (2019). The effects on income of the lay-off scheme are mitigated by the intervention of the air transport and airport system sector Solidarity Fund inflows and benefits supplementing the Extraordinary Temporary Lay-Off Scheme. Together with the base benefit, this supplementary benefit provides 80% of lost remuneration.

Ratio of average salary and female/male income by category

	GAS 2020 ^(a)	Income 2020 ^(b)	GAS 2019 ^(a)	Income 2019 ^(b)	GAS 2018 ^(a)	Income 2018 ^(b)
Executives & Managers	83%	82%	82%	79%	83%	80%
White-collar	95%	88%	95%	88%	95%	90%
Blue-collar	83%	81%	84%	85%	83%	83%
Total	97%	92%	96%	90%	96%	91%

Please note: the employees used to calculate the salary and female/male remuneration ratio by category relating to 2019 include individuals employed as at December 31, 2019, and employees who had left the company as at December 31, 2019.

^(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 female and male 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

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 2020, SEA completed the process of transitioning its Workplace Health and Safety Management System (SGSSL) from the OHSAS 18001:2007 Standard to the new UNI ISO 45001:2018 Standard. The TUV Italia Certification Body confirmed the validity of its certification, thus aligning its content with the new standard.

Following the spread of COVID-19 in March, routine audit activities (internal, with third-party operators, and on construction sites) were temporarily suspended before being modified and relaunched in the second half of the year, as communicated to the Certification Body. In order to effectively monitor application of the containment measures introduced by SEA to deal with the COVID-19 emergency:

- monitoring activities were expanded to combine conventional safety walks designed to verify aspects of occupational health and safety with specific safety walks focused on verifying the correct application of anti-COVID measures, for a total of 146 safety walks;
- dedicated questionnaires were sent out to managers, supervisors and workers to assess employee awareness of the COVID-19 provisions prepared by the Prevention and Protection Service (1,362 workers, 205 supervisors and all managers with active operating roles were involved); the outputs of the survey were positive;
- lastly, two unannounced audits were conducted to verify that anti-COVID measures (including the correct use of PPE, social distancing, and the presence of adequate horizontal and vertical signage, etc.) were being implemented, and the level of awareness of personnel was assessed.

Audit activities resumed in the second half of the year:

- four internal audits and three follow-up activities;

- eight audits of premises entrusted to retail/non-retail commercial operators
- one audit of a handling company (Airport Handling).

Confirmation of the effective application of an Integrated Environmental and Safety Management System, in addition to compliance with Article 30 of Legislative Decree No. 81/08 for the corresponding parts, represents recognised support for fulfilment of the supervisory obligation relating to the delegation of occupational health and safety functions.

Employee participation in safety

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

- the institutional channel, on the basis of the relationship with the Worker' Safety Representatives. In this regard, in addition to the annual safety meeting, involvement takes place upon 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 online reporting channel for near misses, for all workers and with incentives for its use;
- the e-mail address sicurezza.lavoro.lin@seamilano.eu, to which all workers may write to report critical issues relating to health and/or safety in their workplace or in any other company environment, as well as to request 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	6	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
SEA Energia	1	1	No. 1 representative in companies or production units up to 200 workers

Source: SEA

Safety activities held

Among the many activities carried out in 2020 we highlight in particular:

COVID-19 Emergency

- performance, in agreement with the Company Doctor, of five audits of the company RAD for the areas relating to the potential biological risk from COVID-19. These made it possible to anticipate and/or align company measures with those introduced by local and/or national regulatory provisions, ensuring that the Company organisation and anti-COVID measures were updated as the Company's situation progressed over time;
- formulation, in accordance with the USMAF, of a specific protocol regarding the sanitation of environments in which someone with a suspected or confirmed case of COVID-19 had worked or stayed;
- adoption of a new protocol for routine cleaning operations was also devised, providing also for the use of special detergents with additional cleansing properties and the greater frequency of interventions;
- introduction into conditioning systems of devices with greater filtration capacity; in addition, more cautious parameters were formulated for primary air percentages;
- regulation of the use of changing rooms and showers and access to and methods of use of restrooms, the canteen, vending machines, lifts and meeting rooms; placement of specific sanitising liquid dispensers in all buildings; and posting of notices regarding proper hygiene and behaviour measures;
- performance by the Prevention and Protection Service of numerous inspections and safety walks to monitor safety conditions and to define risk mitigation interventions, in relation to the regulatory provisions and applicable guidelines and company rules;
- drafting of a specific COVID-19 company protocol. Information on prevention measures and complete documentation (e.g., Prime Ministerial Decrees, MDs, Memorandums, Court Orders, Company Announcements, etc.) has been published on the Company Intranet available to all employees and is constantly updated.
- activation of daily body temperatures checks through the use of thermal scanners and tablets for self-monitoring at the main entry points, and "stamping";
- adoption of technological solutions such as conference calls and video conferences to allow activities to be carried out remotely;
- preparation of a procedure for people tasked with managing employees or visitors who had tested positive for COVID-19 after coming into contact with regulatory or SEA employees, in agreement with HR and the Company Doctor, in order to diagnose illnesses with COVID-like symptoms;
- activation for contractors working on construction sites pursuant to Title IV of Legislative Decree No. 81/08 of the measures enforced to combat the spread of contagion between workers, along with the provision of specific communications and the preparation and posting of a document containing the information and the provisions to be adopted at points of contact;
- preparation and display for visitors, users and third-party operators accessing the SEA site for various reasons;
- preparation of Health Operations Protocols for each airport, prepared in line with the guidelines issued by the Technical Scientific Committee at GSD and the San Raffaele Vita-Salute University. The guidelines include and define the anti-COVID measures implemented by Airport Operators;
- performance of free screening, for SEA personnel, consisting of the administration of a serology test with blood draw at company health facilities in search of the antibodies activated by contact with the virus;
- performance of a multi-centre medical research project approved by the Insubria Ethics Committee designed to test and validate the use of the rapid saliva test to identify the virus;
- obtainment of "Hygiene-Synopsis" certification, developed at an international level by TUV Italia for Healthcare Operations Protocols and the Company Protocol, with regard to passenger management services in terminals, including general aviation, construction sites, and working environments;
- obtainment of Airport Health Accreditation, which certifies that both Milan airports offer all passengers and operators a safe stay at the airport, in line with the operational and health recommendations of ACI World, Airports Council International and ICAO, International Civil Aviation Organisation.

Risk assessment

- update to the risk assessment for tasks affected by organisational changes due to changes concerning Malpensa airport;
- update to the work-related stress assessment based on an analysis of the final 2019 data in accordance with the INAIL guidelines;
- assessment of the risk from exposure to whole-body and hand-arm mechanical vibrations for personnel exposed at both airports;
- risk assessments and implementation of all resulting prevention and protection measures (personal protective equipment, safety procedures, workplace regulations, training plan, information points, health monitoring plan, etc.) for workers, work environments and equipment used to sort luggage at the Linate BHS, which were insourced;
- risk assessment due to manual load handling for those activities performed even for a brief period of time (passenger trolley recovery);
- update to the chemical risk assessment as a consequence of the introduction of new anti-COVID-19 sanitising products to sanitise using an atomiser and sterilisation of workstations;
- assessment of the risk of exposure to electromagnetic fields following the installation of new transponder detection systems on some operating vehicles that travel between the handling and manoeuvring area;
- update of the risk assessment relating to artificial optical radiation and ionising radiation;
- preparation and update of the RAD for the various activities contracted out;
- relations with Worker Safety Representatives: exchange of information and communications, the management of reports, prior consultation on and the assessment of risks, their identification, planning, execution and verification of prevention in general, and with regards to the COVID-19 emergency in particular.

Other activities

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

- 15 simulations at company airports of emergency and evacuation tests (by SEA and SEA Prime) that yielded positive results in terms of both knowledge of the emergency management plan and timing and responsiveness; among the personnel involved, proper anti-fire training and the identification of Emergency Management Personnel present on shift were verified;
- preparation of the new Emergency Plan for Building 79, the "Security Education Center" and updates to other plans/procedures.

Workplace Health and Safety Training

Training activities were heavily influenced by the pandemic emergency, which resulted in the initial suspension of physical-presence courses, whereas new remote-working approaches were enhanced, leading to an increase in use of over 350% compared to 2019. There were 3,484 course participations overall (1,795 in 2019), of which 452 in-person in training centre classrooms and 3,032 based on a distance approach (video calls and e-learning platform), also including training dedicated to the COVID-19 emergency. The most significant courses by number of participants were:

- the COVID-19 emergency e-learning course "General safety rules for all personnel";
- additional special training update for supervisors, launched in 2019, provided in-person in early 2020 and then remotely;
- update to anti-fire training to maintain Workers' Safety Representative certification;
- update regarding radio-protection dedicated to security personnel;
- initial course for Safety Coordinators - Legislative Decree No. 81/08, Title IV;
- initial course on interference risk assessment and preparation of the RAD, dedicated to those who manage contracts with suppliers;
- Course on working safely in confined spaces - Theory;
- E-learning course on the subject of class-III PPE, Confined spaces and working at heights.

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 pro-

cess 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 or when the results of health surveillance indicate that it is necessary. The internal resources of the Prevention and Protection Service, duly trained and constantly kept up to date, oversee the process with the assistance of external professionals, where 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 Worker Safety Representatives

and workers through the channels provided, data gathering on accidents/near misses, injury reports, interviews with workers, questionnaires devoted to specific issues to verify awareness. When particular and/or exceptional conditions occur, ad hoc processes are also adopted, as in the case of the COVID-19 emergency and the related preparation of the Company and Operating Health Protocols. The SEA Workplace Health and Safety Management System, certified in 2012 and successfully migrated to the new UNI ISO 45001:2018 standard in November 2020, is then constantly enriched by the variety and range of the inputs described.

Injuries indicators

Group injuries indicators by location

		2020		2019	
		Number	Rate	Number	Rate
Recordable work-related injuries	Linate	6	4.83	25	12.85
	Malpensa	16	8.53	33	11.66
	Total	22	7.06	58	12.15
of which Fatalities	Linate	0	0	0	0
	Malpensa	0	0	0	0
	Total	0	0	0	0
of which High-consequence injuries	Linate	0	0	0	0
	Malpensa	0	0	1	0.35
	Total	0	0	1	0.21
Occupational illnesses	Linate	0	0	2	1.03
	Malpensa	0	0	1	0.35
	Total	0	0	3	0.63
No. hours worked	Linate	1,241,082		1,945,102	
	Malpensa	1,875,518		2,829,973	
	Total	3,116,600		4,775,075	

Note: This year marked the beginning of reporting of accident data using the new GRI Standard 403, published in 2018, replacing the 2016 version. For this reason, the 2019 figures have been reported according to the new indicator.

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 mean 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 regard to temporary workers, only two workplace accidents in the male category were registered at Malpensa airport in 2019, and no serious injuries, deaths or occupational illnesses. The recordable injury rate was thus 11.61 on a total number of hours worked of 172,193. In 2020 there were no workplace injuries, deaths or occupational illnesses out of a total number of hours worked of 67,695. In 2020, which was certainly conditioned by the health emergency and the precipitous reduction in traffic, there was a sharp decline in the number of workplace injuries. The workplace injury rate, which relates the injury figure to actual works worked, improved in 2020. Among workplace accidents, those directly related to the performance of specific work tasks accounted for 59% of the total (13 cases), compared to 41% of events (9 cases), which had little or nothing to do with the work carried out by workers, and which are predominantly related to walking about (trips, slips, sprains, bumps, etc.). The 13 accidents relating directly to work operations nonetheless presented particularly varied cases, substantially due to errors in behaviour that do not highlight unresolved risk situations.

Engagement policies

WELFARE

In line with SEA's desire to place a key focus on its employees, the company's commitment to developing and designing corporate welfare initiatives and services continued into 2020, albeit in a situation conditioned by the pandemic emergency, which influenced the daily existence of the entire airport community. The following 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		
	2020	2019	2018
Serology and saliva screening	1,672	-	-
Health Fund (general)	1,553	1,786	1,830
Flexible hours	867	888	880
Gift Vouchers	854	892	1,033
Study grants	761	648	659
Anti-flu injections	584	216	134
Health Fund (check-up)	166	344	403
Home-work transport	163	272	190
Medical visits	117	270	302
Summer centers	115	187	199
Welfare services	55	122	133
Access to services	42	28	32
<i>Future Lab: Push to Open - Learning to Study</i>	33	48	79
Trips for the elderly	-	107	129
Accident insurance	9	12	18
Part-time parenting (annual average data)	4	6	10
Appointments with the nutritionist	-	162	-

Source: SEA

SEA adapted its corporate welfare initiatives as the health emergency progressed and the decisions to provide support to colleagues in order to contain the spread of the virus ways that were compatible with the new situation.

Online income-support initiatives were provided on an ongoing basis, while the delivery of some initiatives was altered and others (meetings with the dietician, summer camps, etc.) were suspended entirely. New health care services were also devised and launched in relation to the pandemic. In continuity with 2019, services were offered relating to a number of initiatives dedicated to educating the children of employees and improving their employability, with the award of merit scholarships, international scholarships and "Push to Open Junior" and "Push to Open" orientation courses. In the Assistance and Care area, the 'Listening and Help' desk was maintained at Linate and Malpensa, providing telephone counselling to staff. As regards collective commuter transport, annual passes for the ATM line, the Malpensa Express and Trenord's IVOL lines continued to be made available, with the additional support for workers represented by extensions and refunds if season tickets could not be used. Staff were also given the option to suspend payment instalments in the months of greatest use of temporary lay-off schemes and remote working. In the "Health and Prevention" area, in addition to offering influenza vaccines, two COVID-19 risk containment campaigns were organised, involving the offer of a serology screening and a campaign to trial the three available tests (nasopharyngeal swab, tear swab and rapid saliva test) for COVID-19 infection screening.

The rating of welfare initiatives through structured feedback to all initiatives offered to employees allowed the Group to learn about areas for improvement directly from the users who benefit from them.

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	2020*	2019	2018
Number of subscribers	5,104	5,181	4,979
Net pension assets (Euro millions)	254	239	219
Net fund yield	2.49%	2.55%	2.32%

^(*) 2020 data relating 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-recognized 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 2020 decreased for both men and women. Data shows how parental leave is also regularly and extensively utilised by fathers who increasingly assist mothers in taking care of the children.

Right and usage of voluntary leave (No.)

	2020		2019		2018	
	Female	Male	Female	Male	Female	Male
Right ⁽¹⁾	169	343	187	368	214	386
Use ⁽²⁾	60	118	87	175	91	180

⁽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: SMART WORKING

In 2020, remote working played a fundamental role in enabling most of SEA's functions to continue to operate even under the contingent restrictions on travel decided by the authorities during the various lockdowns. In particular, the number of remote workers - 558 employees at the beginning of the year - increased in a timely fashion as a result of the decision of the Ministerial Decree that made Lombardy (March 10, 2020) a red zone, reaching 90% of personnel (774 employees).

There were no particular critical issues in the implementation of the project that began in 2018, creating continuity in the method of rendering service from the company workstation to the remote workstation.

During the year, workshops were organised for managers to improve their management of remote teams and ensure effective leadership in this unusual situation.

CONCILIATION: FAMILY AUDIT

During 2016, the 'Family Audit' certification accreditation process was finalized.

The Family Audit certification is a management tool adopted on a voluntary basis by organizations, including private companies and public and non-profit bodies, that has the purpose of certifying a continuous commitment to a favourable work-life balance.

By adopting the Family Audit certification, the group intends to start a cycle of continuous improvement with the introduction of innovative organizational solutions, such as flexible work hours and smart working, and of a culture of work-life conciliation. In 2016, the Family Audit application process involved the design phase, implemented through the establishment of 2 separate internal working groups.

The Family Audit Working Group, made up of 17 employees from all professional roles, carried out analysis and proposed actions to improve work, life and family conciliation, taking into consideration a variety of family types.

A three-year platform comprising 28 conciliation measures was drawn up during the 6 meetings of the Working Group. The Management Working Group, made up of 8 managers from various departments and roles, played a leading role in assessing the proposals received, leading to the achievement of Basic Certification in February 2017.

In 2020, following the implementation of all the measures defined in the plan, the Three-Year Certification "Family Audit Executive" was obtained as the maintenance phase began. Below are the conciliation measures and results achieved.



COMPANY WELFARE

Measure

Results

Redefinition of medical and health agreement parameters

Check-up services continued, as the number of sites was expanded along with the range of tests and appointments on offer. A study to update services and benefits is in the evaluation phase

Feasibility study to verify how to broaden the definition of family by including "new families" in the description of company welfare beneficiaries

Traceability and census problems identified for non-nuclear families

Building a constant customer satisfaction system for services

A ratings service for welfare services has been implemented. In 2020, three surveys were issued to service users and the results were published on SEAnet

Identification of an area for the collection and delivery of packages and services

Assessments are underway with regard to the offers provided by operators in the sector

Introduction of inter-company internships for employee children

An interactive multimedia process was launched for the Push to Open/PTO Junior - professional and academic orientation project



NEW TECHNOLOGIES

Increase in the number of laptops

Replacement/new assignment of 156 devices

Optimisation of access and passwords

Access to SEAnet for various devices using single sign-on (SSO) continued

Activation of a free wi-fi network for employees

Provision of a free Wi-Fi network for employee smartphones



COMMUNICATION

Improved visibility of SEAnet for operations staff

In 2020 the new "Shift Plan" optimised for mobile viewing was introduced

Creation of an area on the Intranet with FAQs on institutions and opportunities

Enrichment of new SEAnet interfaces and functionality, with the introduction of the Smart HR SEA app



WORK ORGANISATION

Reduced work hours

There was less use in 2020

Part-time dads

There were no requests in 2020

Part-time offer for over 60s (extended to all employees)

In 2020, five requests at Malpensa airport were granted

Company policy definition for organising family-friendly holidays for shift workers

In 2020, 688 days of "guaranteed holidays" available for use by shift personnel were provided

2-day special permit for new fathers

In 2020, 20 employees used the two additional days of special new paternity leave, for a total of 39 days taken

Annual meeting planning for shift-work services

Development of digital communication of the Microsoft Teams app for chatting, live events and video tutorials, including from smartphones

Periodic team meetings for non-shift-workers

Development of digital communication of the Microsoft Teams app for chatting, live events, document-sharing and video tutorials, including from smartphones

Study to increase rotation between administrative staff

An experimental job rotation initiative was launched, which saw three employees test themselves in another role in the department they belong to, with a positive outcome

Activation of spaces for remote working/co-working

In 2020, there were six remote-working days at Linate and 45 days at Malpensa

Study for improved commuting and parking

Introduction of a shuttle service at Malpensa Terminal 2 for all employees. The service was temporarily suspended in March 2020 due to non-use of the remote parking area

Improved remote communication among personnel

Use of the online training channel - FormAzione platform - and the Teams app to provide training content, updates and document-sharing



REGIONAL WELFARE

Smart working experiment

52,285 remote-working days were used in 2020, involving 774 employees

Increase of equipped nursing restrooms

Bathrooms with family rooms were completed at Linate airport and renovation is underway at Malpensa airport

Maximising benefit of certification in the Sustainability Report

Annual publication of the Non-Financial Statement



CORPORATE CULTURE, DIVERSITY AND EQUALITY

Intervention at a middle management level for the dissemination of a work-life balance culture

Involvement of all management staff in the start-up phase of the smart working project; meetings were held for information and for the sharing of topics linked to the management of human resources from a work-life balance perspective

Identification of guidelines for company growth

Use of the job posting tool to manage in-house job transfers, making vacant positions available and the subsequent candidate selection/assessment process accessible to all employees

Improvement of the assessment system

Analysis is underway to create a "Smart" assessment system

Working group maintenance

Regular meetings carried out

Absenteeism

The total absenteeism rate for SEA Group employees in 2020 was down on 2019 (-0.7%) due to a decline in sick leave. This reduction relates both to the female population (-1.1% from 4.4% in 2019 to 3.3% in 2020) and male population (-0.6% from 3.8% in 2019 to 3.2% in 2020). The impact was greatest at Linate airport, where there was a decrease in absenteeism of -1.2%; there was also a reduction at Malpensa airport, where the rate fell from 3.8% to 3.4%.

Work absence rate by gender and location

	2020	2019	2018
Linate	3.0%	4.1%	4.0%
Female	2.4%	4.2%	4.4%
Male	3.2%	4.1%	3.8%
Malpensa	3.4%	3.8%	3.9%
Female	3.9%	4.4%	4.7%
Male	3.2%	3.6%	3.6%

Note: The work absence rate is calculated as follows: no. of days of absence/workable days*100.

Only employees are included. Only unscheduled absences are considered (e.g. due to sickness or accidents), while those that are scheduled (e.g. holidays, maternity leave) are excluded.

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).

Economic vitality and internationalisation of the region of reference

KEY FEATURES OF THE LOMBARD ECONOMY ⁸

Lombardy is Italy's number one region from both a demographic and economic standpoint. Its population of 10.1 million in 2019, accounts for around 16.8% of the nationwide total and its GDP (Euro 400.7 billion in 2019, with a 9.7% decline in 2020) ⁹, represented 22% of the Italian total. The employment rate (the ratio of employed workers to the population between ages 15 and 64) fell back to 66.1% in the third quarter of 2020 (compared to 68.1% in 2019), while remaining well above the national average (59% in 2019) and in line with the European average (69.2% in 2019). It is also the region with the greatest number of job-holders in industry (1,408,000 workers) and services (slightly over 3,000,000), which account for 23.3% and 18.3% of the national total, respectively.

In 2020, authorised temporary lay-off scheme hours totalled 716 million, +129% compared to the peak of 313 million reached in 2010, and there was a considerable decline in registrations with the Companies Register in Lombardy: 48 thousand new companies registered: -18% on the previous year. A decline that extends above all to the service sector (in particular, -35% of accommodation and dining services), but also industry (-28%), commerce (-16%) and construction (-14%). Overall, the number of active companies fell by 0.4% to 811 thousand. The region has a strong international vocation. With Euro 127 billion of exports in 2019, it accounts for 26.7% of all Italian exports. In addition, it attracts around 40% of new direct foreign greenfield investments in Italy

every year and is home to 6,400 foreign multinational companies - 45% of the 14 thousand located in Italy. In the first nine months of 2020, total Lombard exports inevitably declined significantly (by 13.4%), with the most significant falls coming in the automotive (-23.9%) and fashion (-20.8%) sectors. Performance on foreign markets was positive for pharmaceuticals (+13.4%), and the food industry remained stable (+0.7%).

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 last decade has seen a shift in the focus of Lombard companies towards areas of the world with stronger overall growth, as evidenced by a net increase in trade relations with the USA (+86.9%) and China (+74.8%) from 2008 to 2019.

The Milan economy in 2020

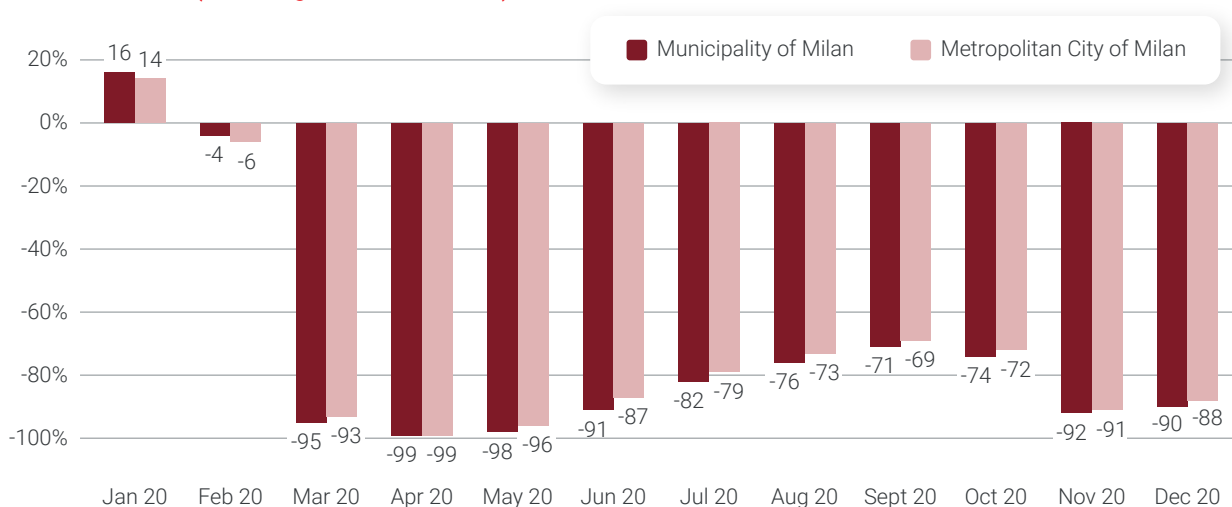
Milan's economy experienced a shock in 2020. In 2020, the Lombard capital's GDP experienced an unprecedented decline of nearly 11% in value-added terms, worse than the Italian and Lombard totals (estimated at -9% and -10%, respectively). The consequences of the pandemic weighed more on the city's economy due to the high rate of infections and an economic structure that is strongly oriented towards services, which suffered in particular from the limitations on contact. The recovery in 2021 is expected to be significant (+5.3%), but a return to pre-pandemic levels will only be possible in 2023. The expected decline in employment in 2020 was -2% and pre-pandemic levels are expected to be recovered as early as 2022. There was a much more significant decline

⁸ Source: Assolombarda, Economy Booklet - February 2021

⁹ Source: ISTAT (dati.istat.it), Gross Domestic Product at market prices, raw data

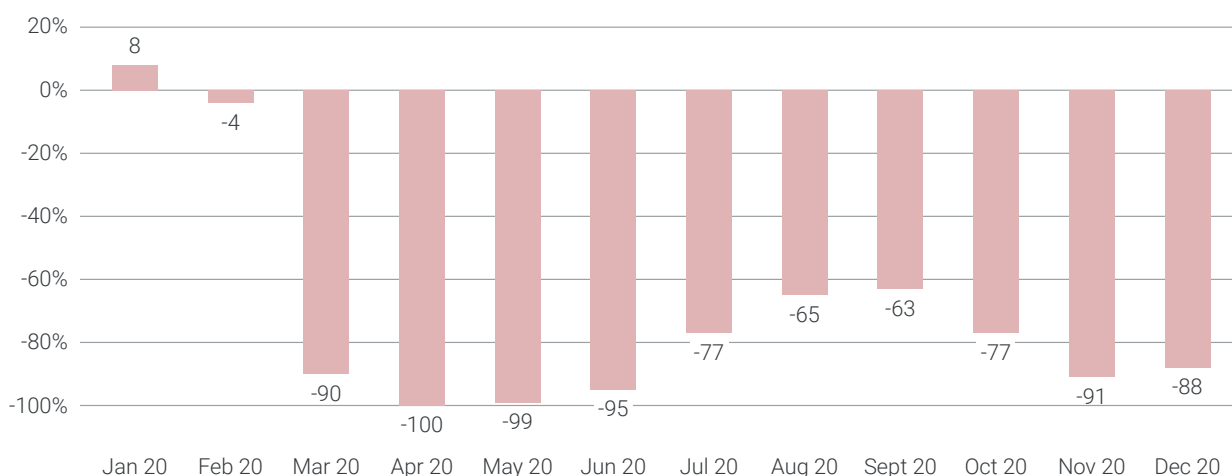
in hours worked, an effect of the extensive use of the temporary lay-off scheme by companies. Estimates suggest that until 2023, hours worked will continue to show a significant gap of approximately -3% compared to 2019. In 2020, Milan's manufacturing sector shed 9.5% of its output, 7.9% of its sales and, in the September 2020 statistics, 14% of its exports. Fashion and mechanical engineering were among the hardest hit major sectors, while food and chemicals were down slightly and pharmaceuticals rose. One immediate consequence of this severe economic stress was on the rate of new entrepreneurial initiatives: 4,069 fewer companies were registered in the Companies Register in 2020 (-16% in 2019). Mention should be made of the figure for innovative start-ups, which during the pandemic year nonetheless increased by over 10%, rising from 2,100 in February 2020 to 2,319 in January 2021: an element of vitality in the economic system. In tourism, Milan (which in 2019 was Italy's third most popular destination after Rome and Venice, with 12.5 million visits - 3% of the Italian total) suffered a dramatic decline due to the lockdown and the uncertainties triggered by the pandemic: just 1.5 million leisure and business tourists arrived (2.2 million in the metro area), down by more than 70% on the previous year. Arriving and departing passengers at airports in the Milan area (Malpensa, Linate and Bergamo) amounted to just 13.3 million (vs. 49.2 million in 2019).

Tourist arrivals (% change 2020 vs 2019)



Source: Assolombarda, Your Next Milano 2021

Passengers arriving at and departing from Milan's airports Linate, Milan Malpensa and Orio al Serio (% change 2020 vs 2019)



Source: Assolombarda, Your Next Milano 2021

In 2020 Milan continued to stand out as a privileged gateway for direct greenfield investments in Italy. In a global context of declining investments - and counter to the trend in Italy - Milan remained attractive, with 51 greenfield projects (estimated figure) - fewer than in 2019 but more than in 2018. Milan's share of the total projects drawn to Italy thus rose to 41% in 2020, the highest figure since 2008.

Aviation customer relations

Post-pandemic commercial policy towards aviation customers

SEA has formulated a particularly incisive commercial policy, adopted soon after the outbreak of the pandemic and designed to facilitate the resumption of operation of 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 cover the commercial period from November 2020 to October 2022 and 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.
- 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

At December 31, 2020, 114 airlines were present at Malpensa (-3% compared to 2019). The presence of all the major international airline alliances was confirmed:

- At December 31, 2020, Star Alliance represented 12% of passenger traffic (15% in 2019);
- At the end of 2020, Sky Team and One World accounted for 13% and 5% respectively (13% and 6% in 2019) of Malpensa's passenger traffic.

At December 31, 2020, Malpensa Airport connected to 180 domestic and international destinations, 16% more than in 2019 (214). The list of the 10 leading airlines in terms of the overall number of passengers highlights the leading position of easyJet, which represents 29.4% of Malpensa passenger traffic. The English company confirmed the role of Milan as an important European base.

Malpensa - Top 10 passenger airlines (% traffic)

Carrier	2020	2019	2018
easyJet	29.4	27.1	30.8
Ryanair	13.2	9.0	8.5
Alitalia Group	6.2	6.0	1.8
Wizz Air	5.6	2.1	1.7
Lufthansa	4.1	4.8	5.1
Neos	3.3	2.8	2.7
Air Italy	3.0	5.8	3.9
Emirates	2.8	3.3	3.8
Vueling Airlines	2.7	3.6	3.4
Air France	2.0	1.7	1.6
Other airlines ^(*)	27.7	33.9	36.5

^(*) The traffic share of "Other carriers" for the years 2018 and 2019 changed due to a variation in the top 10 carriers.

Source: SEA

PRINCIPAL PASSENGER AIRLINES OPERATING AT LINATE

At December 31, 2020, Linate airport hosted 15 airlines (16 in 2019) and connected with 35 airports, both domestic and inter-EU. Linate operations were significantly impacted by the Alitalia Group, which in 2020 represented 73% of traffic. The table highlights the 10 leading airlines operating from Linate in 2020 as a percentage of overall passenger numbers.

Linate - Top 10 passenger airlines (% traffic)

Carrier	2020	2019	2018
Alitalia Group	73.0	62.7	62.2
British Airways	5.8	8.1	7.5
easyJet	5.5	8.2	7.9
Lufthansa	4.7	4.3	4.3
Iberia	3.8	4.8	4.4
Air France	1.8	2.0	1.9
Brussels Airlines	1.5	2.1	2.0
Air Italy	1.0	2.3	3.9
Air Malta	0.8	1.0	0.9
Scandinavian Airlines System	0.8	0.9	1.0
Other airlines ^(*)	1.3	3.6	4.0

^(*) The traffic share of "Other carriers" for the years 2018 and 2019 changed due to a variation in the top 10 carriers.

Source: SEA

PRINCIPAL CARGO AIRLINES

25 "all cargo" airlines were operating out of Malpensa airport at December 31, 2020. Overall, all-cargo flights (freighters and couriers) reported an increase in volumes of 21.4%.

Malpensa - Volumes moved by the main cargo airlines (tons)

Carrier	2020	2019	2018
Cargolux Group	78,648	82,199	89,993
European Air Transport	62,031	27,317	29,682
Qatar Airways	47,913	40,288	45,027
Federal Express Corporation	38,437	36,287	33,865
ASL	37,722	17,522	4,890
Turkish Airlines	21,488	19,698	20,477
Silk Way Group	20,938	22,134	23,654
Air Bridge Cargo Airlines	20,636	49,005	57,462
Korean Air	17,858	10,398	9,993
Air China	16,478	-	-
Asiana Airlines	16,418	13,859	14,087
Nippon Cargo Airlines	12,734	18,751	11,663
Cathay Pacific Airways	10,888	9,268	11,852
Ethiad Airways	9,207	867	1,964
Others ^(*)	41,014	25,187	41,221
Total "all cargo" activities^(**)	452,410	372,780	395,830
Total Malpensa cargo activities	511,292	544,978	558,218

^(*) The traffic share of "Other carriers" for the years 2018 and 2019 changed due to a variation in the top 10 carriers.

^(**) The figure concerns volumes moved within "all cargo" activities only

Source: SEA

Malpensa - % of cargo moved by the leading 10 cargo airlines

Carrier	2020	2019	2018
Cargolux Group	15.4	15.1	16.1
European Air Transport	12.5	5.1	5.3
Qatar Airways	11.9	12.2	11.9
Federal Express	7.5	6.7	6.1
Asl Airlines Ireland	7.4	3.3	0.9
Turkish Airlines	4.5	4.7	4.6
Silk Way West Airlines	4.1	4.1	4.2
Air Bridge Cargo Airlines	4.0	9.0	10.3
Korean Air Ltd	3.6	2.4	2.4
Etihad Airways	3.5	1.6	2.0
Others airlines ^(*)	25.6	35.8	35.9

^(*) The traffic share of "Other carriers" for the years 2018 and 2019 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 2020, 80.5% of the total cargo transported was shared by over 13 airlines. Among these was the leading international operator Cargolux, which maintained its lead at the airport despite a 4.3% drop compared with 2019. The greatest growth was recorded by the carrier European Air Transport with a 127.1% increase on 2019, Korean Air (+71.7% on 2019) and a more modest increase by Qatar Airways and Asiana Airlines respectively +18.9% and +18.5% on 2019).

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 Commercial Department, the "Retail Operations Management" team provides ongoing support to commercial tenants 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. A number of training and informative courses are also proposed on various topics of interest, for example, Chinese culture or visual merchandising, and in-depth assessments are provided, such as through mystery shopper surveys.

Post-pandemic commercial policy towards non-aviation customers


To support those commercial partners affected by the health emergency, and to mitigate its economic and financial consequences, SEA adopted a number of "relief" measures, implemented through contractual addenda, which partially and temporarily modify the original terms of pre-existing agreements. In particular, favourable conditions were formulated for tenants, such as the suspension of guaranteed minimum conditions and the adjustment of fixed fees (e.g., spaces rental). Renegotiation was necessary due to the temporary closure of the terminals in which the players operate.

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 2020 was 2,898. 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) verify destinations and the portions of passengers in transit, terminal by terminal and by quarter.

Passengers MAIN CHARACTERISTICS OF SEA AIRPORT PASSENGERS IN 2020

Total number of passengers interviewed	2,898
	System
Male	64.5%
Average age	41 years
University culture	61.5%
Resident in Italy	79.8%
Average stay in the airport	134 minutes
Principal reason for travel	Business/study 44.1% 

Source: Doxa

Customer Satisfaction

In 2020, 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. Accordingly, given the limited significance of this data, SEA has decided not to publish it.

Post-pandemic customer policy

In addition to its adverse impacts on traffic volumes, the COVID-19 pandemic resulted in a complete reconfiguration of the terminals, which called into question the traditional standards of quality and the customer experience. With passenger volumes at all-time lows due to COVID-19, SEA was forced to make significant operational adjustments and modifications to terminals on the basis of national legislation governing anti-COVID measures such as changes in layouts and terminal foot traffic flow, reduction of commercial services, review of procedures for the use of fundamental airport services such as check-in and boarding, baggage return, security screening operations, etc.

In addition, in further accordance with regulations, new measures were implemented for passengers and operators safety and health, such as increasing cleaning and sanitisation services at airport facilities, body temperature scanning at the terminal entrance, preparation of specific social distancing procedures ("keep your distance" stickers on the floor), reduction in the number of seats available, installation of protective Plexiglas barriers at all operating desks (check-in, ticket counters, gates, and lost and found) and, finally, the installation of dispensers in all parts of the terminal for the distribution of sanitising gel.

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 2020, the SEA CRM platform had 5,307,900 members (new member trend up slightly compared to 2019). Of these, 2,560,000 members gave their consent to receive communications on airport news and initiatives, commercial communications and research questionnaires to learn about expectations and assessments and to guide the services on offer at SEA's airports.

Numerous channels are available for the reporting of complaints:

- website (www.seamilano.eu - "contacts" section);
- fax;
- form sent at the Info desk;
- letter.

SEA treats all complaints and issues reported on services offered with maximum attention and discretion and commits itself to respond in the shortest time possible, and however within 28 days of receipt of the communication. In addition to quality surveys, as airport operator, it analyses all complaints (even if only less than one third refer directly to the services or scope of expertise of the Group's companies), in order to address all critical elements reported in the airport system. The Customer Relationship Management system facilitates both passenger submission of complaints and the company's management of such complaints.

In 2020, 731 CRM complaints were received and processed, a decrease of 45% on 2019, evidently due to the considerable reduction in traffic, and an increase of 15% compared to 2018. Many complaints relate to the COVID-19 emergency, and in particular the limitation on travel during the lockdown entailed problems in managing parking reimbursement procedures.

Complaints classification by issue in 2020 (%)

Type	%
Baggage and lost & found	13
Security controls	14
Check-in, boarding	9
Flight operations	8
Parking	26
Comfort	7
Information	1
Retail	2
Other	20

Source: SEA

Supply chain management

Post-pandemic initiatives

As a consequence of the sharp decline in activity due to COVID-19, SEA also engaged in extensive negotiations with its suppliers to adapt contracts to the new levels of facility usage and traffic. Contractual addenda were signed governing the partial or total suspension of contractual services, as well as changes to payment amounts and postponement of payment deadlines.

PURCHASING 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).

With a view to an increasingly high-quality supplier base, in 2018 the Suppliers Register, active since May 2011, was completely revised both in terms of process and the support information system. The new Register ensures a prompt updating of supplier information and a fully dematerialised and computerised process. To enable the SEA Group to benefit from a supply chain that also contributes towards the achievement of sustainable development, new assessment parameters were introduced when revising the qualification process, such as the possession of a Sustainability Report and specific references to Human Rights (e.g. equal pay; no discrimination; freedom of association and collective-bargaining contracts; child labour) in the company Code of Conduct or in the Ethics Code, a copy of which is requested. In 2018, a supplier requalification campaign was therefore launched on the basis of the following evaluation areas:

Environment

Environmental management system certifications of potential suppliers are evaluated (such as ISO 14001, the EMAS registration or ISO 50001) and the use of materials with low emissions or low energy consumption and the manner for selecting its suppliers in accordance with environmental characteristics.

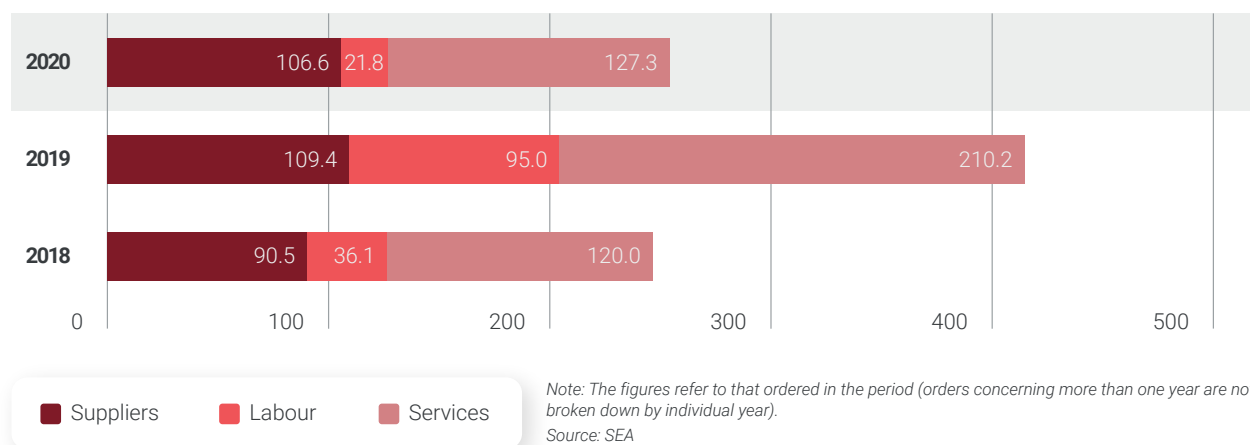
Safety

The level of attention and the management of safety profiles through the occupational health and safety management system (if certified in accordance with Legislative Decree 81/2008, under the UNI-INAIL guidelines or the OHSAS 18001 regulation) is analysed, in addition to 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 accidents reported over the last three years.

Corporate Social Responsibility

Supplier evaluation is based on the availability of certifications (ISO 9001) and on company initiatives to develop a socially responsible approach to the planning and management of the business, described through their Sustainability Report. Particular attention is given to the presence of company policies for the respect of human rights. In addition, particular attention is placed on the profile level regarding the organizational model as per Legislative Decree 231/2001, in addition to the adoption of an internal Conduct Code/Ethics Code by the supplier.

Order value by type (millions of Euro)



Total order volumes declined due to cost rationalisation policies as a consequence of the COVID-19 pandemic crisis.

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 digitised 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 submission 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 elements by category. Via sampling, a follow-up assessment of suppliers is made to evaluate activities carried out in case of suppliers awarded contracts. The supplier portal is used extensively for all Group tenders, with the exception of tenders above European thresholds regarding SEA’s core business. Above such thresholds, the process is duly regulated by European Community legislation. In 2020, there were 1,340 qualified suppliers on SEA’s register (+14% on 2019), broken down by the CSR activity implemented in the respective corporate processes, according to the sustainability profiles reported in the table. All suppliers are assessed according to a set of environmental and social criteria.

The sustainability profiles of registered suppliers as at December 31, 2020

Profile	Category	
Adoption of Ethics Code	470	35%
Endorsement of international conventions	27	2%
Benefit of INAIL tax reduction in the last three years	296	22%
Sustainability Report	70	5%
Sustainability Report Certification	37	3%
EMAS Certification	19	1%
ISO 9001 certification	876	65%
ISO 14001 certification	386	29%
ISO 50001 certification	35	3%
Organisation Model pursuant to Legislative Decree No. 231/2001	308	23%
Appointment of Safety Officer for each contract/order	401	30%
References to Human Rights in the Ethics Code	324	24%
Occupational Health and Safety Management System	581	43%

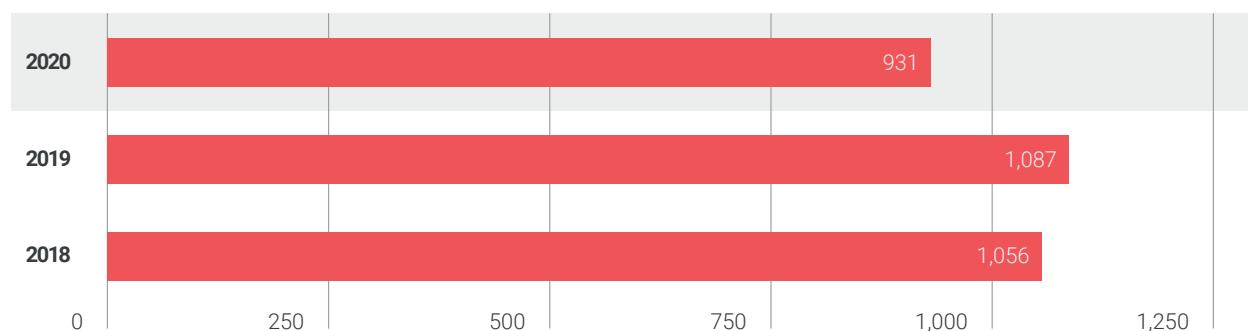
Source: SEA

SELECTION OF SUPPLIERS

The method for the selection of suppliers awarded contracts is based on the following major categories:

- Tender contracts for core activities of values higher than EU thresholds, which are entrusted through a European public call for tenders, with tender publication or public notice of the qualification system;
- Core activity contracts with values below EU thresholds or non-core 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 (<100,000, >100,000, >1,000,000 Euros), 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).

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	14	13%	
Aviation Clients	28	25%	
Non-Aviation Clients	15	14%	Stakeholder business 84 interviews (76%)
Control Authorities	11	10%	
Banking/financial world	14	12%	
Society/Region (Environment, Institutions, Manufacturing World, Media, Social World)	27	24%	Social Stakeholders 27 interviews (24%)
Shareholders	2	2%	
General media	111		

Source: Marketing Problem Solving, Survey of SEA Group stakeholders 2020

The survey on the evaluation of the identity profile, reputation and quality of relations with the principal sections of the public was carried out with the CAWI system in 2020 by Marketing Problem Solving, a leading opinion pollster. Overall, 111 stakeholder interviews were carried out within the following categories: Aviation and Non-Aviation Customers, Control Authorities, Suppliers, the banking and financial community, companies and the Region (in turn, comprising institutions, manufacturers, environmentalists, the media). The survey results concerning the evaluations of the range of the sample interviewed on the identity and the aspects related to the SEA reputational profile are reported below.

THE STAKEHOLDERS VIEW OF SEA

The overall evaluation of SEA by the stakeholders interviewed (who were asked to express their opinion on a scale of 1-10) is positive and the general average of opinions is in line with the previous surveys. The highest evaluations were expressed by shareholders and non-aviation customers.

Trends in SEA stakeholder opinions

Stakeholders	2020	2019	2018
Suppliers	7.6	8.0	7.9
Aviation Clients	7.0	6.5	7.0
Non-Aviation Clients	8.3	8.4	7.8
Control Authorities	7.9	7.7	7.8
Banking/financial world	7.9	8.4	7.8
Society/Region	7.4	7.3	7.4
Shareholders	8.5	-	8.0
General media	7.6	7.5	7.6

Source: Marketing Problem Solving, Survey of SEA Group stakeholders 2020

Overall evaluation of the relationship with SEA

	2020	2019	2018
Constructive/useful	86.5%	78%	86%
Not useful	1%	2%	3%
Disorganised	2%	9%	4%

Source: Marketing Problem Solving, Survey of SEA Group stakeholders 2020

The evaluation of the relationship with SEA remains very positive (86.5% of the sample judged it constructive and useful).

The level of confidence expressed by stakeholders towards SEA is high, and the number of those with a high/fair amount of confidence (88%) is in line with previous surveys. The banking and financial world, suppliers and non-aviation customers show higher levels of confidence than average.

Stakeholder level of confidence in SEA

	2020	2019	2018
Very confident	47%	35%	50%
Sufficiently confident	41%	51%	40%
Not very confident	5%	11%	4%
No confidence	0%	1%	1%

Source: Marketing Problem Solving, Survey of SEA Group stakeholders 2020

MANAGEMENT QUALITY

The quality of SEA's management was recognised by the principal stakeholders who allocated very positive average scores concerning competence, reliability, correctness and availability in their interactions with group management.

Stakeholder opinion on SEA management (scale 1-5)

	Average figure	Aviation	Non-Aviation	Control Authorities	Suppliers	Banking World	Society/Region
Competence	4.5	4.2	4.7	4.6	4.3	4.6	4.5
Reliability	4.4	4.0	4.7	4.6	4.4	4.7	4.3
Correctness	4.4	4.0	4.8	4.4	4.6	4.7	4.4
Availability	4.3	3.8	4.5	4.6	4.2	4.5	4.4

Source: Marketing Problem Solving, Survey of SEA Group stakeholders 2020

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

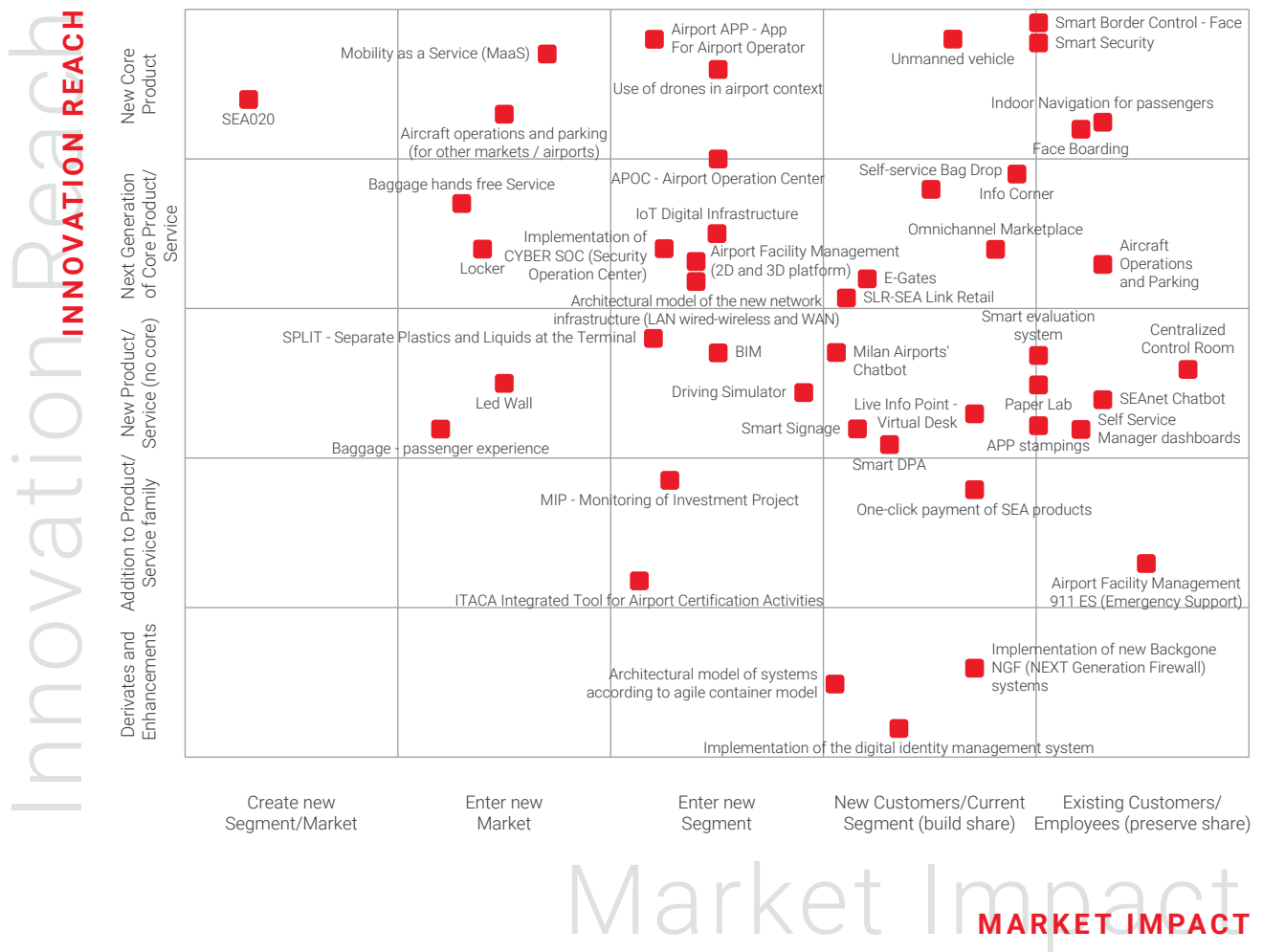
Cultivating excellence means questioning quality and performance on an everyday basis, and adopting a conscious attitude to one's duties which is geared towards the achievement of both individual and shared objectives. SEA aims to ensure excellence in its processes through:

- 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 programs 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 characterizes the management of the business, and that increases Company risks.
- The search for efficiency, meaning the best use of Company resources and identifying the best conditions to use them.

Innovation 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. An overview of the main projects is shown in the following matrix.

Map of SEA's innovation projects



Source: SEA

The positioning of projects within the matrix is based on two variables, Innovation Reach and Market Impact.

The Innovation Reach axis ranks the projects by a progression from incremental improvements in existing processes to the creation of new core business products and services, through the expansion of existing product and service families, and the creation of new non-core and next-generation products and services.

The Market Impact axis ranks innovation initiatives from those allowing the preservation of the current market share to those opening a new segment or market for SEA. Described below are the main innovation projects that have been implemented or are ongoing.

SAFETY AND PASSENGER SERVICE QUALITY INNOVATION

In 2020, attention and development focused in particular on technological solutions adopted with the aim of rendering passenger travel inside the airport safer and easier by offering a pleasant touchless (i.e., avoiding contact with surfaces) and seamless experience that is more fluid by reducing congestion and waiting times. These innovations were added to and integrated into the digital ecosystem, customised for the various passenger types. Substantial investments in the digital channel have enabled SEA to offer its customers a wide range of high quality value-added services. The various interventions are underpinned by the idea of simplicity. Simplicity that translates into speed, comfort and pleasure of use. A value-added simplicity that permeates the various contact channels between SEA and passengers, including ChatBots, one-click e-commerce purchases and the integration of in-app wayfinding. The SEA ecosystem, known as MADE - the Mi-

lan Airport Digital Ecosystem - represents a constantly developing platform that makes it possible to design and implement new functions or applications. This evolutionary scenario is combined with the increasingly concrete use of cutting-edge technologies such as biometric recognition.

Smart Gates

In Linate in 2020 scanners based on CT technology were introduced to improve the efficiency and efficacy of security operations and reduce waiting times at security checkpoints. EDS CB (Explosive Detection System for Cabin Baggage) machines to check hand luggage, allowing passengers to avoid opening their luggage to extract liquids, cremes and electronic equipment.

Security checkpoints were also equipped with SAMD (Shoes Analyser Metal Detector) technology, which allows passengers not to remove their shoes. The new technology increases security control efficacy through automatic recognition of explosives based on 3D images, thereby reducing security control times. The heightened efficacy of security resulted in a decline in waiting times and the likelihood that congestion will occur.

In addition, the trays used to store hand luggage are then sanitised after each use through the use of UVC lamps along the return route.

Linate is the first airport in Italy to adopt these controls for all departing passengers.

Anti-COVID-19 copper coatings

Where the airport cannot be made touchless, innovative solutions were used to prevent infection. SEA is carrying out a pilot project in collaboration with KME Italy to use saCup products, which are a certified line of antiviral coatings made from copper and brass - materials that are known for their antiviral and antibacterial properties. All surfaces in the most contact with passengers in Milan's airports - banisters, handles of baggage carts and shuttle handholds have been coated in copper. The Institute of Virology of the University of Pisa has certified that the viral load is neutralised by 100% in 60 minutes and reduced by 90% in just 10 minutes.

Smart toilet

"No need to knock" is the automated system implemented in Malpensa and being introduced in Linate that helps manage the flow of passenger access to toilets. It consists of sensors that detect the number of visitors

and occupancy in real time, made visible through the monitors placed at the entrance to each group of bathrooms. The monitors indicate whether it is possible to enter or whether users must wait their turn. This smart toilet system also makes it possible to optimise management of toilet cleaning and maintenance.

E-Gates

The e-Gates system is based on the reading of biometric data from electronic passports. To optimize border checks at Linate and Malpensa Terminal 1 and 2 Departures and Arrivals, manual police checks have been supplemented by automatic gates that query the databases of the various authorities in real time in order to identify European citizens and risk factors. 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. The e-Gates system complies with the common directives of the Central Immigration Directorate and the Ministry of the Interior Border Police, in harmony with the guidelines of the European Border and Coast Guard Agency FRONTEX.

Face Boarding

Face Boarding is an experimental project that allows Linate passengers to carry out security and boarding checks via an innovative facial recognition system. The new technology is designed to reduce queues and 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. Passengers can always choose whether to use the new system or undergo the checks in the traditional manner. Face Boarding was active on an experimental basis until December 31, 2020, for certain passengers boarding Alitalia flights from Milan Linate to Rome Fiumicino.

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. No passenger photos are stored. The system temporarily detects only the biometric contours of the face used for passenger recognition. To further streamline procedures, an Android and iOS app integrating the Face Boarding and electronic boarding pass systems is also set for launch. This technological innovation forms an integral part of airport restyling, which is designed to

renovate the airport system to use the very best technology to welcome the millions of travellers passing through the Lombard capital every year.

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, 7 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. It is also possible to check the reward points balance, the purchases history or to request a *Loyalty ViaMilano Program* reward.

In 2020, the Milan Airports chatbot continued to be effective, despite the dramatic decline in flights.

The approval rate remains high (4.03/5 of 12,174 ratings), as does the use for topics of primary importance for travellers such as flight information (11,953 unique users) and COVID-19 (8,203 unique users).

The topics in greatest demand continue to be flights (34%), COVID-19 (24%), FAQs (11%) and requests for operator support (19%). The most commonly used language remains Italian (78%) and English (20%). The figures change only in Google Assistant, where the percentages are reversed. As for platforms, the most common form of access continues to be from a browser (mobile/desktop) (73% of discrete users). Facebook Messenger is the most used social medium (11%), followed by Google Assistant (9%) and Apple Business Chat (7%).

In 2020, the following data was recorded by type of channel:

FACEBOOK	GOOGLE VOCAL ASSISTANT	BROWSER WIDGET	APPLE BUSINESS CHAT
305,375 messages	214,711 messages	557,485 messages	143,048 messages
16,466 unique users	12,740 unique users	104,048 unique users	9,407 unique users

IOT Strategy and Indoor Navigation

One of the digital strategy's most significant and central projects over the coming years will be the digitalization of the physical space of our 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. Big Data collected this way can be utilised to develop applications in B2C, B2B and Operations such as: targeted advertising based on the user's position (Proximity Marketing), the creation of predictive models in the area of security and operations, indoor navigation, heat maps of real-time airport presences, etc.

During the first half of 2019, SEA installed around 2,000 beacons at Malpensa Terminal 1.

The indoor navigation tool, integrated with our app, is designed to:

- Locate the user in indoor areas with a level of precision of up to one metre.
- Provide the user with an indoor navigation Augmented Reality experience.
- Accompany the user in reaching the previously-selected Poi (*Point of Interest*).
- Show the user information, coupons and commercial suggestions based on their position, in the form of proximity notifications.

Virtual Desk

System to provide assistance to passengers through the telepresence of airport operators assigned to information desks. The aim is to monitor information desks at Linate and Malpensa in a more continuous and distributed way, increasing contact opportunities with passengers and customers while reducing the number of employees per manned position and man hours worked per service availability hours.

One-click payments

In keeping pace with innovative technological trends, a new one-click payment system has been introduced. The new payment method will be available for both e-commerce and physical purchases online and at the airport.

Mobility as a Service (MaaS)

MaaS is a new way of understanding mobility and travel personalization as intermodal, multimodal, integrated, real-time and tailored to the individual user.

The system consists of an algorithm (not licensed by SEA) for calculating routes by public and private road or rail, optimised and customised for SEA customers. The algorithm is based on a database of over 20 transport companies operating around Milan's airports. The data is constantly updated via direct interfacing with the transport companies, and, when this is impossible, by manual means. The algorithm is queried by the way-finding system owned by SEA and available on all SEA portals. 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

A self-service solution that allows passengers to check their own baggage via automated bag drops connected to the general baggage sorting system. This is one of the most innovative airport technologies, integrating biometric recognition features and all touchless technologies. The system, which is integrated with the baggage sorting system, permits a faster passenger experience, while also facilitating social distancing aspects.

App

The Milan Airports app is available for all Apple and Android devices in three languages: Italian, English and Chinese. The numerous exclusive features include:

- Real-time flight tracking
- *Direct link to our ChatBot channel in Facebook Messenger*
- Dedicated shopping experience and paperless receipts
- Complete list of restaurants and shops
- Useful information of various types
- Dedicated PRM services

In 2021, the Milan Airports app will be relaunched in a new guise. SEA has begun a complete graphical and conceptual restyling in order to guarantee its natural positioning among the best available airport apps. An integrated one-click e-commerce system and unique user experience will be the strengths of this new app.

WI-FI

During the course of 2019, SEA improved the Wi-Fi connection service at Linate and Malpensa airports. Via the new one-click access Wi-Fi system, passengers can browse the Internet for free, without time limits and at high speed. Immediate and multilingual access, without requiring a login, allows passengers to communicate quickly with loved ones and search for information on transport, the city of Milan and much more.

LED Wall

Installation of LED panels capable of creating an immersive experience and publishing content designed especially for passenger entertainment.

Website

SEA network sites include 17 sites which can be grouped into 4 large macro-areas:

Airports

MilanoMalpensa-airport
MilanoLinate-airport
MilanoMalpensaCargo
MilanoLinate-Prime

Brands e services

FlyViamilano
ViamilanoParking
ViamilanoProgram
Boutique.Milanairports
Area10Minuti
FamilyFriendlyAirport

E-commerce

ViaMilanoEshop
ParkWing
SeaParking
ClubSEA
White label (ie EasyJet)

Corporate

SeaMilano
Sea-energia

All SEA network sites were developed with responsive technology to pursue a mobile first strategy. This development has made it possible for SEA to count on the following unique users and pages viewed:

Malpensa Site:

3,915,510 sessions (-39% vs. 2019)

11,781,230 page visits (-49% vs. 2019)

70% organic sessions

Linate Site:

958,749 sessions (-24% vs. 2019)

2,637,748 page visits (-36% vs. 2019)

72% organic sessions

The COVID-19 emergency and inability to travel between regions and countries has dramatically affected the tourism industry, reducing the number of passengers and, proportionally, the number of users who accessed SEA's digital channels. The specific nature of the health situation also made it indispensable to create a section dedicated to updates on COVID-19 with the aim of supporting users/passengers in search of information regarding departures from and arrivals at Milan's airports. During this period, pages dedicated to the COVID-19 issue accounted for 13% of the total page visits to airport sites: 921k overall, broken down into 167k for Linate and 754k for Malpensa. On October 27 SEA also launched a communications project designed to reassure visitors by proposing a swab-testing service under contract with the San Donato Group (and, starting on December 14, also with Humanitas). The service, promoted through a very high-performance newsletter and through banners on the homepages of airport sites, yielded excellent traffic results (65k page visits and 47k sessions in two months) and traffic conversions (as many as 11k converted traffic sessions).

AIRPORT ECOSYSTEM INNOVATION**Airport Community app**

A mobile application dedicated to airport staff. The operators of certain SEA departments, in particular Operations and Customer Care, 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 authorised users real-time updates on airport operations and critical issues, allowing them to make timely decisions and carry out necessary interventions. It allows handlers to consult and manage A-CDM system information and enter useful information for monitoring operations, allowing airport coordinators to intervene proactively in the event of any issues.

Digital Signage

Digital Signage represents 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 integrated AFM 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. The system also enables the tracking of actions taken and the automatic drafting of an event report as it comes to an end.

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.

CAM - Maintenance Activities Control

Ticketing system for maintenance activity monitoring. Requests sent from mobile devices to operators that trace and record the process. It also allows Service Level Agreement monitoring.

ITACA - Integrated Tool for Aerodrome Certification Activities

Management and verification tool to support airport certification activities. The system renders a digital model (a full-fledged digital twin) of the apron and runways.

MIP - Monitoring for Investments and Projects

Monitoring of investments and projects for SEA's Infrastructure Department. Facilitates the financial reporting and monitoring of milestones, and the assessment of alternative scenarios.

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.

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
SEA	Airport Carbon Accreditation - Neutrality Level ¹ ISO 14001 ² ISO 50001 ³	ISO 45001 ⁴	Dasa Register ⁵ UNI CEI TUV Italia Service Certification ⁶	ISO 9001:2015 ⁷ ISO 27001:2013 ¹⁰	ISO 37001:2016 Anti-bribery Management System ⁹
SEA Energia	EMAS Registration ⁸ ISO 14001 ISO 50001	ISO 45001 ⁴			

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 CO₂ are scheduled. As a result of the Covid-19 pandemic, certification was automatically extended to 2021.

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 Enterprises and organizations wishing to voluntarily commit to the evaluation and improvement of their environmental efficiency may adhere to the Eco-Management and Audit Scheme (EMAS). EMAS provides stakeholders with an instrument to evaluate the environmental attributes of their organizations.

⁹ Anti-bribery Management System.

¹⁰ Information Security Management System.

European green innovation projects

SEA has been a pro-active member of the Environmental Strategy Committee and of ACI Europe's (the European Airports Association) Technical and Operational Safety Committee for some time now, also participating in specific work groups on environmental issues of particular impact (aircraft noise). Over the years, we have strengthened our European presence, promoting project-based partnerships with key airport, regional and scientific entities, with a focus on energy, waste and water management, as well as 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.

Activities related to the following projects are ongoing under the Horizon 2020 and CEF (Connecting Europe Facilities) programme:

- **SATIE: Security of Air Transport Infrastructure Europe.** The project, which has a duration of two years, is designed to construct a security toolkit that reinforces resilience to cyber and physical attacks at European airports, while also ensuring the protection of critical systems, infrastructure, sensitive data and passengers, paving the way for a new generation of Security Operation Center (SOC) that may be included in a comprehensive airport security policy;
- **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;
- **FENIX: European FEderated Network of Information eXchange in Logistics.** The project, which has a duration of two 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. The first General Assembly was held on March 25-26, 2020, with the participation of the 43 beneficiaries and 23 implementing bodies involved in the project;

- ITAIR IASC: the project, coordinated by ASSAEROPORTI and in partnership with the airports of Bergamo, Turin and Bologna, ENAV and IDS AirNav, seeks to improve the IT capabilities of Italian airport operators through the creation of an "Information Sharing Analysis Centre";
- PASS4CORE, a project that plans the development and improvement of a safe and protected parking network for HGVs along the Italian road network. 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);
- MXP-NLINE, in partnership with FERROVIENORD, which will connect Malpensa Terminal 2 to the Simplon RFI railway line. The Grant Agreement was signed and inauguration of the site is expected by year-end, with the work set to be completed by June 2024;
- MILAN EAST HUB GATE, in partnership with the Municipality of Milan/Municipality of Segrate/RFI, relating to the Technical Economic Feasibility (FTE) project for a new high-speed station on the RFI line in Segrate and the extension of the M4 underground line to connect Linate airport to the new station. The Grant Agreement was signed and is set to be concluded by June 30, 2022.

Also in 2020, SEA participated in new European initiatives on environmental issues, sustainable transport, and safety/security, with a view to innovating and optimising its resources and processes. SEA has received a positive evaluation for the ORCHESTRA project: *Coordinating and synchronising multimodal transport improving road, rail, water and air transport through increased automation and user involvement*. The objective of the project is to create a multimodal traffic management ecosystem (MTME), which will enhance the coordination and synchronisation of operations within and between different modes of transport, and will help to improve safety, increase accessibility, and reduce emissions.

Output

OUTPUT

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.

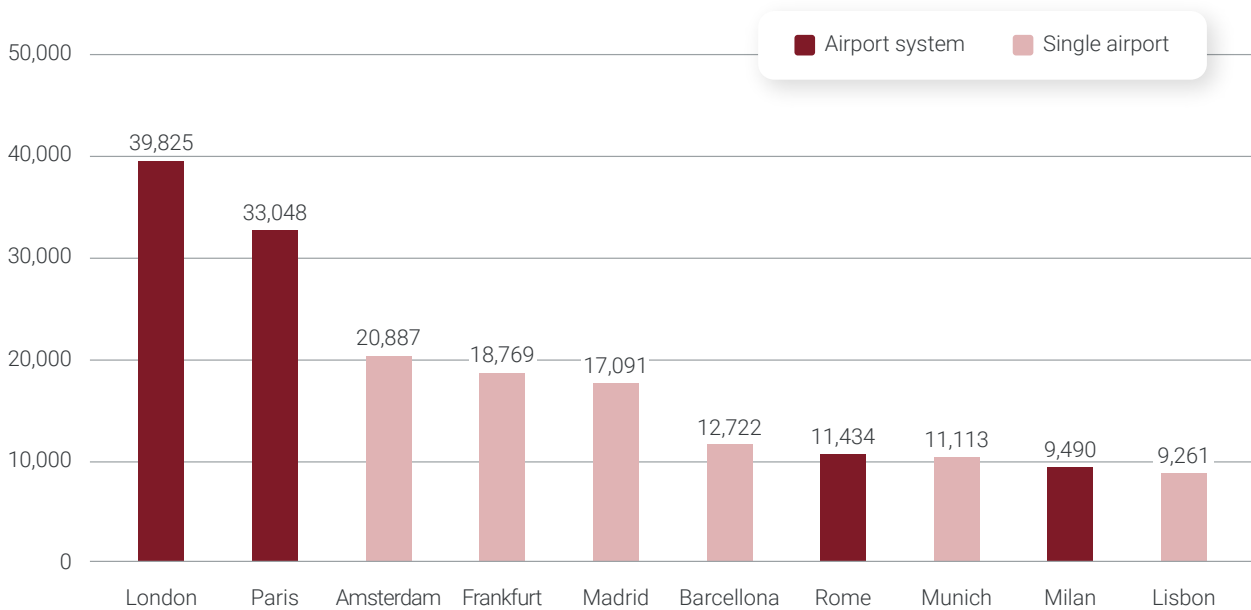
Competitive performance of the Aviation Business

PASSENGER TRAFFIC

The Milan airports are among the main European airport systems, with 9.5 million passengers transported in 2020.

In particular, the Milanese system ranked 2nd in Italy and 9th in Europe for passenger traffic volumes. During 2020, due to the COVID-19 pandemic, there was a decrease of 25,789,351 passengers (-73.2%) and 177,505 movements (-60.1%) over 2019.

Ranking of the main European airports/airport systems in terms of passenger traffic volumes - 2020 (1000 pax)*



*Including transits

Source: SEA, ACI Europe

Aviation Business performance indicators of the SEA airport system

	Movements (No.)			Passengers (No.)			Cargo (tons)		
	2020	2019	% Change	2020	2019	% Change	2020	2019	% Change
Malpensa	89,264	225,506	-60.4	7,202,319	28,706,379	-74.9	511,292	544,978	-6.2
Linate ⁽¹⁾	28,513	69,776	-59.1	2,251,630	6,536,921	-65.6	765	6,380	-88.0
Airport system	117,777	295,282	-60.1	9,453,949	35,243,300	-73.2	512,057	551,358	-7.1

⁽¹⁾ Linate airport was closed from July 27 to October 25, 2019.

Source: SEA

Catania, London (five airports) and Paris (Charles de Gaulle and Orly) were the airports most served by the system in 2020. They were followed by Palermo, Rome and Cagliari.

As a consequence of the various anti-pandemic measures taken by the Italian government, in 2020 the Milan airport system operated with the following structure:

- closure of Linate airport from March 16;
- closure of Malpensa Terminal 1 from March 16 to June 14 and exclusive management of Terminal 2 traffic;
- reopening of Terminal 1 from June 15 and closure of Terminal 2 from that same date;
- reopening of Linate from July 13;
- closure of the northern and southern satellites of Terminal 1 of Malpensa from November 11, with operations concentrated in the central satellite.

Malpensa

In 2020 Malpensa recorded 7.2 million passengers (-74.9% on 2019). The greatest decline in volumes (-21.5 million passengers) was recorded by legacy carriers (-12.2 million passengers; -79.4%), whereas low-cost and leisure airlines recorded greater elasticity when restrictions were eased, shedding 69.4% and 73.1% of the previous year's volumes, respectively.

At the start of the year, and during the lockdown in particular, SEA opted to concentrate its residual traffic at Terminal 2, serving almost exclusively rescue flights operated by Alitalia and Neos.

The main continental destinations served included: Catania and Palermo with easyJet, Ryanair, Alitalia and Wizz Air, Paris Charles de Gaulle with easyJet, Lamezia Terme with Ryanair, and Amsterdam with easyJet and Vueling.

Number of day time and night time movements* (arriving and departing)

Movements	Passengers		Cargo		General Aviation		State Flights		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Daytime Arrivals	31,959	96,853	6,869	4,558	1,506	4,036	3	8	40,337	105,455
Daytime Departures	34,203	103,790	6,863	4,389	1,546	4,098	3	7	42,615	112,284
Night time Arrivals	2,956	9,759	2,922	1,582	61	235	-	-	5,939	11,576
Night Time Departures	577	2,819	2,915	1,756	49	169	-	-	3,541	4,744
Total	69,695	213,221	19,569	12,285	3,162	8,538	6	15	92,432	234,059

*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	
	2020	2019	2020	2019	2020	2019
Arriving passengers	1,076,976	2,955,062	2,561,822	11,468,005	3,638,798	14,423,067
Departing passengers	1,111,424	2,829,481	2,452,097	11,453,831	3,563,521	14,283,312
Total passengers	2,188,400	5,784,543	5,013,919	22,921,836	7,202,319	28,706,379

Source: SEA

Number of passengers by origin and destination, transfer and transits

	Origin and destination		Direct transits		Total	
	2020	2019	2020	2019	2020	2019
Domestic	2,188,400	5,784,543	1,592	7,660	2,189,992	5,792,203
International	3,590,175	15,910,340	10,467	27,277	3,600,642	15,937,617
Intercontinental	1,423,744	7,011,496	22,519	86,488	1,446,263	7,097,984
Total	7,202,319	28,706,379	34,578	121,425	7,236,897	28,827,804

Source: SEA

Passenger traffic destinations from Terminal 1 - 2020

Geographical area	%
Europe	78.0
Middle East	9.5
Africa	5.1
Far East	3.2
North America	2.6
Central/South America	1.6

Source: SEA

Intercontinental destinations generated a traffic volume of over 1.5 million passengers served, a decrease of approximately 78% on 2019. The main destinations served were: Cairo, Istanbul, Doha, Dubai and Nanking.

The airport now has direct connections with 82 countries around the world, served by non-stop scheduled flights.

Malpensa traffic and connectivity development initiatives

The commercial policy adopted by SEA entails constant dialogue with airlines, the pursuit of new development opportunities, with specific incentive agreements and marketing tools (e.g. 'welcome packages', communication initiatives, participation in international events), and participation in bilateral agreement renewal negotiations with the aim of liberalising traffic rights and fifth freedom rights.

Traffic expansion actions at Malpensa (No.)

	2020	2019	2018	Total
New airlines	2	2	5	9
New services*	41	43	36	120
Increased frequencies by airlines already present on existing routes	0	16	25	41
Overall increase in weekly frequencies (new services + increased frequencies)	177	207	284	668

*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

During 2020, the goal of increasing local area connectivity by acquiring new carriers and developing the activities of those already operating at the airport came to fruition with the activation of 41 new services totalling 177 new weekly flights, with 2 new airlines.

The new Hungarian low-cost carrier Wizzair confirmed its ambitious growth plans with more than 100 incoming aircraft within the next five years and the opening of new bases in Eastern Europe, after those in London Luton and Vienna, due in

part to the demonstrated financial solidity that allows it to face the crisis better than other carriers.

In May 2020 the creation of the new Wizzair base in Malpensa was announced, as new commercial agreement was reached that calls for the placement of four aircraft starting in July 2020, up to a maximum of 12 over five years. The initial network included around 30 destinations in 18 countries (15 European countries plus Morocco, Georgia and Israel), though the course of the pandemic, with the current restrictions, forced the carrier to revise its development plan temporarily, focusing its offerings primarily on domestic routes in southern Italy. Wizzair has the youngest fleet in Europe (110 aircraft with an average age of less than five years) and the new fleet order calls for an important addition of new A321 aircraft with a reduced environmental impact in terms of emissions and noise (-50%).

Linate

In 2020 Linate moved 2.3 million passengers, (-65.6% on 2019). Once the terminal reopened in July, and until December, Linate operated a limited service at a reduced hourly frequency (in addition to those required by law), significantly reducing its total capacity (these limitations will remain in place until the end of the 2021 winter season). The airport was fully operational in January (up 0.4%), while February saw daily traffic fall - despite the extra leap day - resulting in a 12.3% drop at the end of the month.

Some airlines resumed flights when the airport reopened on July 13. The main airlines by annual number of passengers transported were Alitalia (1.6 million passengers, -59.9%), British Airways (130,000 passengers, -75.5%), easyJet (123,000, -77, 0%) and Lufthansa (104,000 passengers, -62.2%).

The most popular national destinations served were Rome Fiumicino, Cagliari and Catania; the top ranked international airport was London Heathrow.

Number of arriving and departing passengers

	Domestic flights		International flights		Total	
	2020	2019	2020	2019	2020	2019
Arriving passengers	732,265	1,636,588	419,324	1,607,722	1,151,589	3,244,310
Departing passengers	666,797	1,695,756	433,244	1,596,855	1,100,041	3,292,611
Total passengers	1,399,062	3,332,344	852,568	3,204,577	2,251,630	6,536,921

Source: SEA

Number of day time and night time movements* (arriving and departing)

Movements	Passengers		Cargo		General Aviation		State Flights		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Daytime Arrivals	14,062	33,692	3	53	6,042	7,767	10	4	20,117	41,516
Daytime Departures	14,247	34,686	-	7	6,083	7,783	11	3	20,341	42,479
Night time Arrivals	195	1,053	-	89	133	205	1	-	329	1,347
Night Time Departures	6	61	-	135	207	191	-	1	213	388
Total	28,510	69,492	3	284	12,465	15,946	22	8	41,000	85,730

*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	
	2020	2019	2020	2019	2020	2019
Domestic	1,399,062	3,332,344	632	603	1,399,694	3,332,947
International	852,568	3,204,577	489	1,596	853,057	3,206,173
Total	2,251,630	6,536,921	1,121	2,199	2,252,751	6,539,120

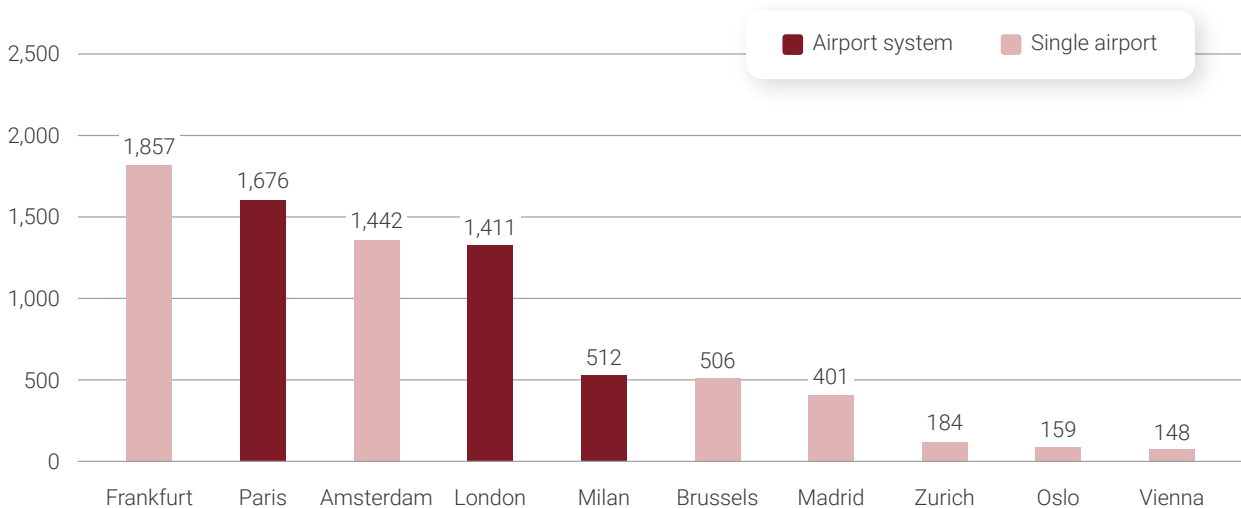
Source: SEA

CARGO TRAFFIC

The Milan airport system ranks 1st in Italy and 5th in Europe by freight traffic volumes.

In 2020, cargo traffic managed at Malpensa and Linate totalled 512,000 tonnes, decreasing by over 39,000 tonnes (-7.1% at system level and -6.2% at Malpensa).

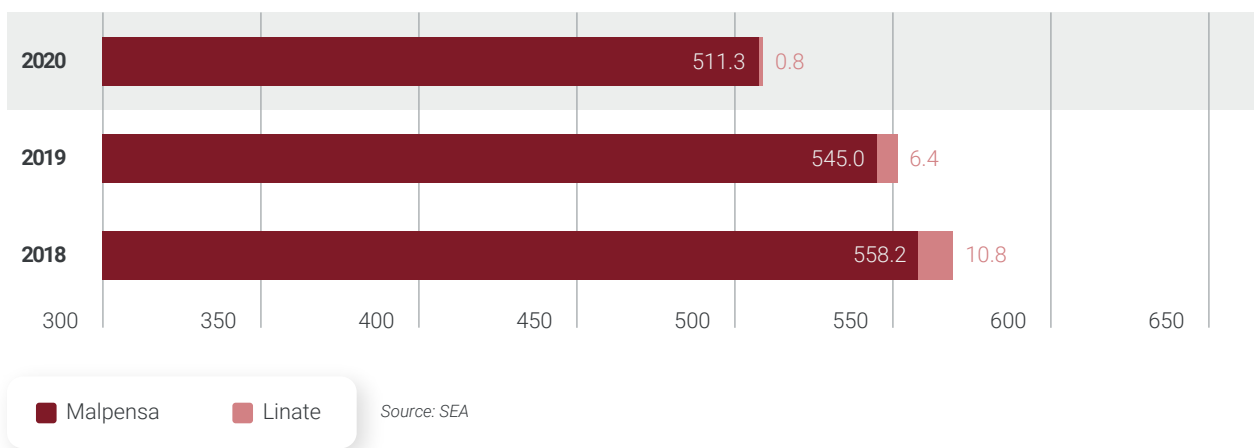
Ranking of the main European airports / airport systems by volumes of goods - 2020 ('000 tons)*



* Including transits
Source: SEA, ACI Europe

The almost complete absence of restrictions on cargo transport made it possible to keep the cargo segment constantly active. However, the sector had to reckon with a series of difficulties relating to the reduction in capacity offered (-65.7%) by the airlines, due to the loss of hold (belly) space on intercontinental passenger flights. In 2019 these spaces had accounted for 30% of Malpensa cargo traffic. This reduction was offset by adapting the operating models to the new traffic conditions. Mention should be made of the passenger carriers that converted their operations (and a part of their fleet) to carry cargo, using both cabin and hold space for this purpose. Despite suffering the effects of the pandemic recession until April, all-cargo carriers reported positive results in the following months, with a 19.8% rise in cargo moved at the end of the year thanks to the increase in movements and goods transported.

Cargo traffic managed by the Milan airport system (000's tons)



Source: SEA

The development of e-commerce - particularly intense from May - contributed significantly to the achievement of this result, driving express courier flights and large sector operators, which now have their own flight networks based at Malpensa airport.

The market situation thus resulted in a significant increase in overall cargo flights (operated by traditional carriers, express couriers and e-commerce operators), which recorded 60% growth on 2019.

Malpensa - Arriving and departing cargo on all flights (cargo and passenger) (tons)

	Cargo		Passengers		Total	
	2020	2019	2020	2019	2020	2019
Arriving	197,330	140,100	29,953	84,506	227,283	224,606
Departing	255,080	232,650	28,929	87,722	284,008	320,372
Total cargo	452,410	372,750	58,882	172,228	511,291	544,978

Source: SEA

Linate - Arriving and departing cargo on all flights (cargo and passenger) (tons)

	Cargo		Passengers		Total	
	2020	2019	2020	2019	2020	2019
Arriving	-	2,607	281,098	502	281,098	3,109
Departing	-	2,227	483,649	1,042	483,649	3,269
Total cargo	-	4,834	764,747	1,544	764,747	6,379

Source: SEA

The operators European Air Transport (DHL) and Fedex contributed most to the performance of the all-cargo segment, increasing their business over the course of the year and eventually exceeding pre-pandemic levels, partly as a result of the growth in online sales. Air China (not present in 2019) and Qatar Airways also recorded strong results. In the second quarter of the year, Malpensa airport was used as the main delivery and distribution hub for anti-COVID devices. Malpensa's market share of the Italian air-cargo sector increased significantly in 2020, rising from 53.5% to 66.0%.¹⁰

In early 2021, DHL Express Italy opened its new logistics hub, a high-tech facility capable of handling 37 flights a day and over 38,000 items an hour, at Malpensa airport's Cargo City. It is the fourth-largest DHL hub in Europe and was built in full accordance with the guidelines on sustainability, safety and efficiency.

Malpensa - Distribution of cargo traffic by geographical area of destination (% of total goods volume)

Geographical area	2020	2019	2018
Europe	35.7	27.8	26.7
Middle East	26.8	28.8	32.0
Far East	24.7	25.9	24.8
North America	10.9	15.2	14.0
Africa	1.5	1.4	1.6
Central and South America	0.4	0.9	0.9

Source: SEA

The distribution of cargo traffic by geographical area highlights general contractions in all areas except in Europe (+11% in goods transported) and in domestic traffic. The Middle and Far East, on the other hand, fell 12.6% and 10.4% respectively. North America, hit particularly hard by the spread of the virus, recorded a 32.9% drop in passenger traffic.

A Cargo Service Charter was adopted at Malpensa airport several years ago in order to:

- define performance and quality levels which satisfy the expectations of operators utilizing 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.

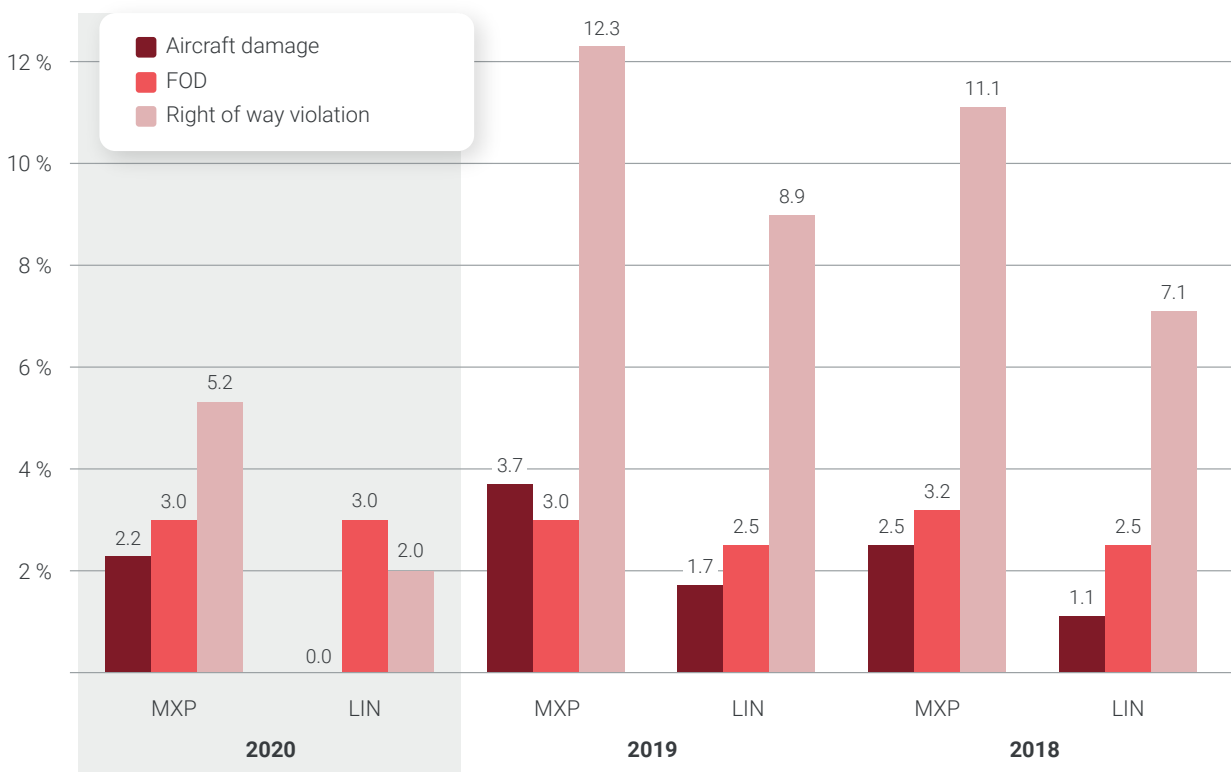
¹⁰ Figure at November 30, 2020.

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 2020 respectively numbered 538 for Malpensa (1,155 in 2019) and 197 for Linate (403 in 2019).

The indicators present a nearly constant trend although the comparison is between two years with extraordinary operating situations. As a result of the Bridge project, in fact, in 2019 Malpensa recorded an increase in flights of nearly 40% compared to 2020, which was affected by the COVID-19 pandemic emergency. The number of GSRs received from SMS clearly reflects this trend. The same may be said of Linate where, although the 2019 summer closure reduced flights, 2020 was marked by a further reduction that weighed on the GSRs received and thus on the comparability of the data.

Aviation Safety Indicators



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 program. Compared to 2019, reports of bird strikes were up considerably at Malpensa due to the lower number of flights at the airport. However, no increase in the severity of the phenomenon was reported, as evidenced by the Birdstrike Risk Index BRI2, which, for both airports, came in well below the regulatory limit of 0.5. SEA continues to monitor and manage the phenomenon by systematically implementing prevention and mitigation actions, such as the increased use of dissuasive technology, i.e. the use of products after grass mowing for invertebrate population control. Furthermore, during the closure of Linate, a humane capture of hares was carried out.

Wildlife strike risk indicators

	Linate			Malpensa		
	2020	2019	2018	2020	2019	2018
Wildlife Strike ⁽¹⁾	3.7	3.6	1.3	9.1	3.7	1.08
Wildlife Strike ⁽²⁾	0.08	0.11	0.10	0.22	0.19	0.08

⁽¹⁾ Annual rate per 10,000 movements.

⁽²⁾ Risk indicator BRI2 calculated according to the new Circular APT-01B ENAC.

Source: SEA

Quality of aviation and non-aviation services provided to passengers

The Airport Service Charter is an instrument created to establish the service quality level which the airport operator guarantees to passengers. Through the Service Charter, SEA communicates to passengers, together with airlines and companies providing services to them, its commitment to precise service level quality objectives. In 2020, in addition to its adverse impacts on traffic volumes, the COVID-19 pandemic resulted in a complete reconfiguration of the terminal operations, which called into question the traditional standards of quality and the customer experience.

In this new, complex scenario, and in line with the indications from ENAC, airport service quality monitoring was suspended in the early stages of the pandemic and then resumed intermittently on the basis of the airport’s operations. The overall data collected in 2020 made it possible to form only a partial picture, which is not consistent with previous years. Accordingly, in January 2021 ENAC formalised the advisability for all airport managers of not publishing the section of the annex containing the quality indicators set.

INITIATIVES PROMOTED FOR THE COVID-19 EMERGENCY

SEA focused its measures to combat the pandemic by referring to the regulations, guidelines and best practices that govern and characterise each particular area of intervention.

Various protocols were thus prepared:

- Company protocol: measures taken as employer, in protection of employees and third parties, which fall within the protections set out by Legislative Decree No. 81/08;

- two Health Operational Protocols (Linate and Malpensa), which include all measures taken as Airport operator:
 - in protection of Passengers and Airport users;
 - to guide and co-ordinate all airport operators concerning common working areas.

The Protocols were prepared by a working group composed of SEA's main operating functions in collaboration with EY Advisory and the San Donato Group, in reference to the Guidelines drafted by the GSD Scientific Committee and GSD the Vita-Salute San Raffaele University with the following main objectives:

- safeguard the health of passengers and operators by minimising the risks of transmission of disease;
- always guarantee levels of health and safety are maintained when carrying out operations;
- facilitate the recovery of passenger traffic after the lockdown period imposed by the health emergency.

The Protocols were applied to passengers, airport operators and any visitors - for activities carried out in areas both internal and external to the buildings managed by SEA open to third parties - and include a series of measures of a general nature (termed "system measures") and some specific indications regarding the air transport system.

CERTIFICATIONS OBTAINED

Thanks to the protocols followed and the methods of implementation of the anti-COVID-19 measures, Linate and Malpensa airports obtained:

- ACI World - Airport Health Accreditation, which certifies that both Milan airports offer all passengers and operators a safe stay at the airport, in line with the operational and health recommendations of:
 - ACI World, Airports Council International;
 - ICAO, International Civil Aviation Organisation;
 - EASA, European Union Aviation Safety Agency;
 - ECDC, European Centre for Disease Prevention and Control.
- Hygiene Synopsis certification issued by TÜV SUD Italia, which at the international level promotes best practices and professionalism to ensure the safety of passengers and operators in the fight against COVID-19.

IMPLEMENTATION OF MEASURES

The preventative measures announced by the Presidency of the Council of Ministers, the Superior Health Institute and the Ministry of Health were circulated to operators and passengers through the airport's website and in the terminal areas through signs, infographics and public announcements. In order to prevent access to the airport to those with temperatures above 37.5 °C, at Linate and Malpensa airports separate entry and exit points to the building were identified, ensuring the separation of individuals and temperature measurement of all those entering the terminal. It was made mandatory for all persons inside the terminal to wear a protective mask. All employees were supplied with certified masks.

Professionals who performed operations in direct contact with passengers for whom it was not possible to ensure personal distancing (e.g., security guards at security checkpoints, personnel assisting reduced-mobility passengers, etc.) were supplied valveless FFP2 face masks. Workers properly instructed on the use and management of all personal protective equipment supplied (face masks, gloves, protective eyewear, paper suits, etc.).

Specific procedures were followed at the terminal in order to ensure social distancing of at least 1 metre, unless concerning members of the same household. In particular, the following actions were taken:

- placing of stickers on the ground in all waiting and queuing areas inside the terminal and in immediate external areas, at appropriate intervals stating "keep you distance";
- in areas where larger groups could gather, "facilitators" were put in place to request people to respect the correct inter-personal distances;
- reduction in the number of seats available to prevent possible use of the two central seats in all blocks of four seats present in the terminal;
- installation of protective plexiglass barriers at all check-in desks, ticket counters, gates, lost and found desks, information desks and all other operating workstations involving interaction with passengers.

Social distancing was also guaranteed on board the buses carrying passengers between the terminal and the aircraft, with the maximum number of passengers on board reduced by 50% against the maximum capacity (with indication on the ground, using stickers, of where to stand and prevention of the use of adjacent seats).

Environments and equipment were cleaned, sanitised and disinfected using appropriate, certified products,

with a particular focus on the most crowded areas. Disinfectant gel dispensers were widely distributed across the terminal.

At catering and commercial service points, the owners of the sub-concession spaces (e.g., cafés, restaurants, stores, car rental companies, banks, post offices, etc.) are required to respect the social distancing requirements and compliance with any Government-adopted measures (Ministerial Decrees, Legislative Decrees, Guidelines, etc.), or those of the Lombardy Region.

A specific COVID-19 section was created on airport websites to inform passengers of the behaviour to be followed and containing the most frequent questions to prepare to travel in full safety. An information campaign was also dedicated to reduced mobility passengers and all those who require assistance in order to offer useful, precise information and emphasise the particular care and services offered, including during the pandemic period.

“VOICE OF THE CUSTOMER” AWARD FROM ACI WORLD

Airports Council International (ACI) World bestowed an award on airports that continued to make a priority of listening to and engaging customers during the COVID-19 pandemic.

Milan Malpensa was among the 140 airports worldwide (33 in Europe) receiving this recognition. “The Voice

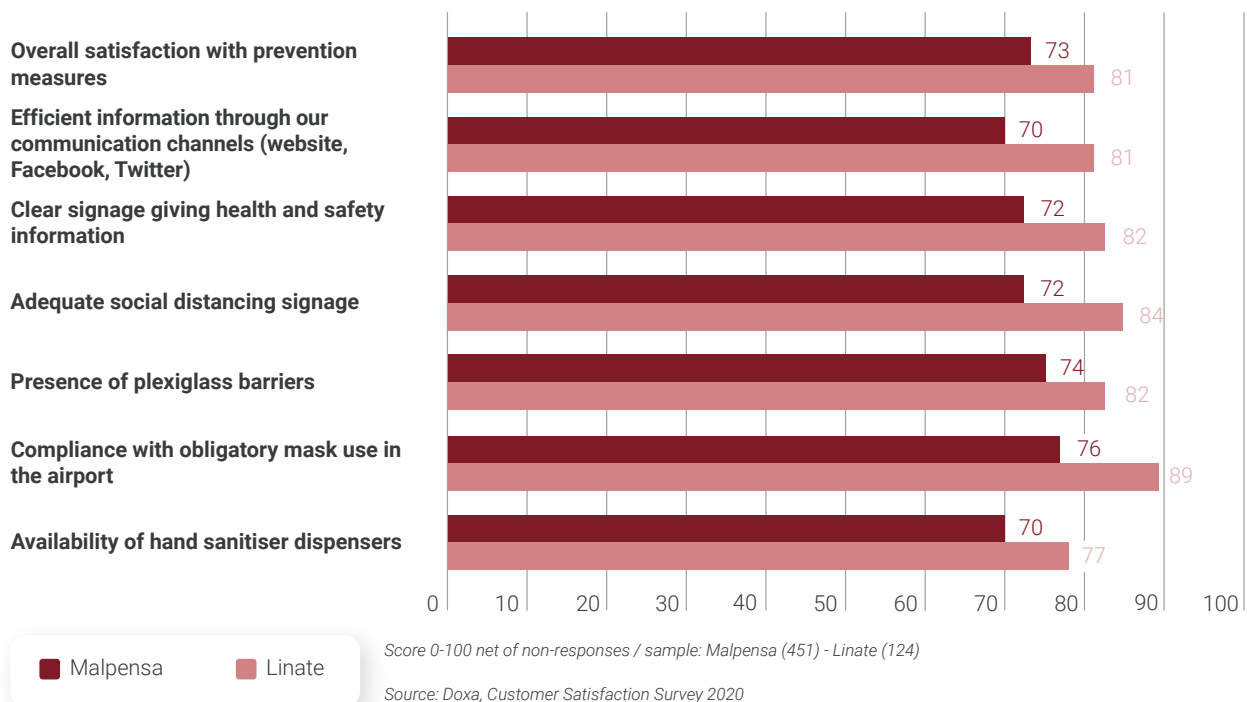
of the Customer” award is dedicated to airports that make significant efforts to collect passenger feedback through the Airport Service Quality (ASQ) programme to understand their customers better during the pandemic. To qualify, a member of the airport must have collected three or more quarters of data. Malpensa is thus one of the small panel of international airports that have unceasingly sought to collect feedback from passengers during the pandemic. During this period, despite the constant changes of operating structure that forced passenger-handling capacity to be scaled swiftly up or down, passengers at Malpensa airport were assisted in various parts of the airport, which were re-adapted to their needs as brought to light when necessary, ensuring them optimal health protection conditions.

GLOBAL SATISFACTION LEVEL OF PASSENGERS WITH THE PASSENGERS ADOPTED

KPIs were adopted with regard to monitoring the efficacy and efficiency of the measures implemented to combat the spread of COVID-19 and specific surveys were launched to gauge evolving passenger needs and expectations, with particular attention paid to the impact on travel experiences.

The general KPI “overall satisfaction with all measures adopted” indicates an average satisfaction index of 75% at the level of the airport system.

Global satisfaction level of passengers with the COVID-19 prevention measures adopted in Milan airports



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.

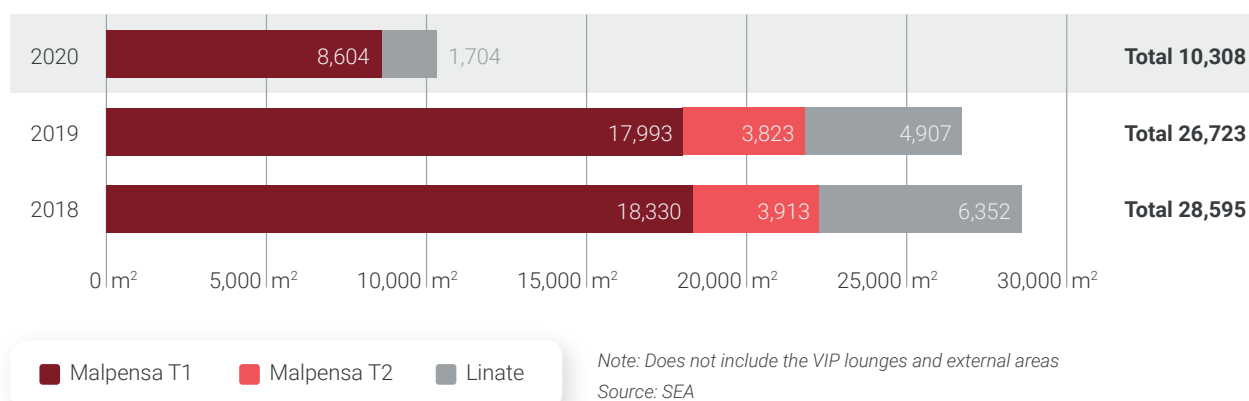
Retail

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:

- Milan Malpensa 1 dedicated to luxury and duty-free shopping;
- Malpensa Terminal 2 dedicated to low cost;
- Linate focused on a specialised high-end business offer.

In 2020 SEA’s airports - due to the decline in activities as a result of the pandemic - had 44 operating points of sale, corresponding to commercial spaces of 7,285 m² (-7,139 m² on 2019), of which 6,558 m² at Malpensa Terminal 1 and 727 m² at Linate.

Commercial operating areas of the Milan airports - shops + food & beverage (m²)



Operating retail areas of the Milan airports by millions of passengers (m²/passengers)

	2020	2019	2018
Malpensa T1	1,411	859	1,079
Malpensa T2	0	492	516
Linate	757	751	691

Source: SEA

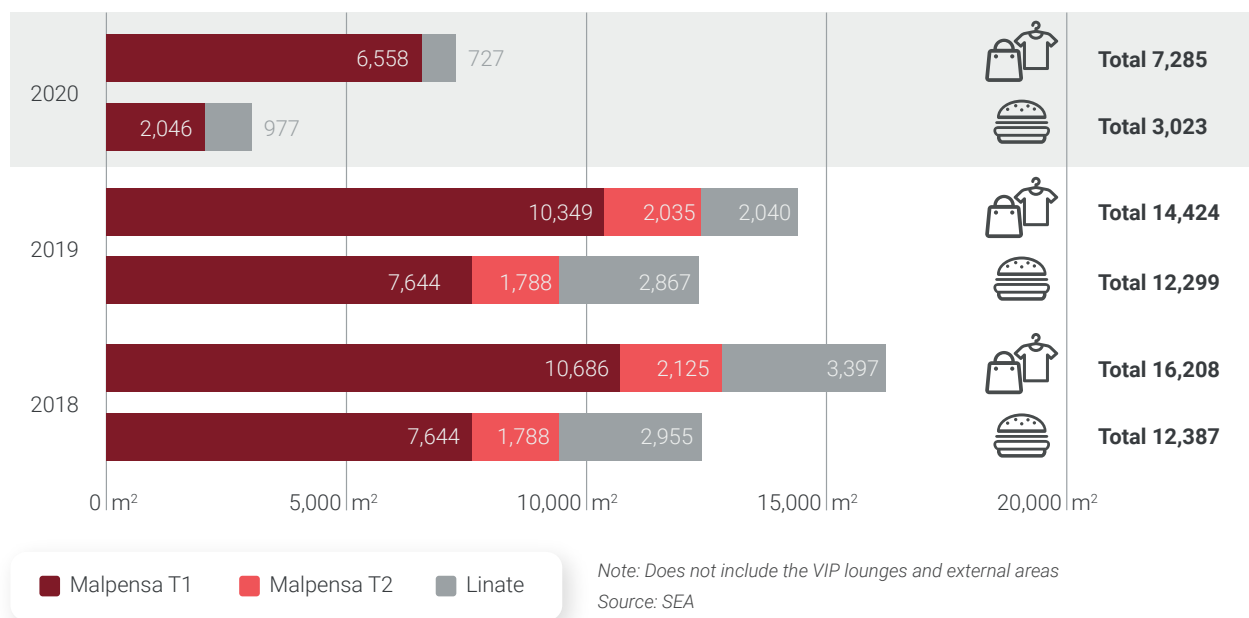
Despite the effects of the pandemic, a series of asset management operations continued at the Piazza del Lusso at Malpensa's Terminal 1 to create greater value in the post-pandemic period, involving the inauguration of the new Loro Piana boutique in a much larger location than its predecessor, to which Ermenegildo Zegna is slated to move; the launch in December of the work on the new Rolex - Damiani boutique; and the set-up in October by Gucci of a temporary store in the premises vacated by Montblanc, Damiani and Hour Passion, maintaining coverage of the airport and confirming the desire to invest in Terminal 1. While waiting for a permanent location, Montblanc also set up a temporary shop to guarantee business continuity at the airport. In the boarding area, Hugo Boss and Furla opened new shops in August and September.

In 2020, at SEA's terminals - as a consequence of the reduction in operations due to the pandemic - 17 bars and restaurants operated, corresponding to an area of approximately 3,023 m² (-9,276 m² on 2019), of which 2,046 m² at Malpensa Terminal 1 and 977 m² at Linate.

In food and beverage at Terminal 1, in February Autogrill began to work on restyling Motta in the North Satellite. This work was later disrupted by the health emergency. When operations were concentrated in the central satellite, all food and beverage establishments in the Schengen area were closed, except for Cioccolati Italiani, which remained operational, albeit with reduced business hours.

With the resumption of work on the new F building at Linate in May and measures and protocols in place to guarantee worker safety, a decision was made to extend construction works to include the Motta Café, taking advantage of the terminal closure. Accordingly, in June Autogrill returned the location in advance. In July the Puro Gusto table-service area in the arrivals area was also severely inconvenienced by the work on the new escalators and lift expanding the capacity of vertical connections between the terminal and the M4.

Commercial operating areas of the Milan airports - shops + food & beverage (m²)



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 10 types of parking with a total of 15,000 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 particular, communications activities leveraged the strength of the infrastructure on the airport grounds, exploiting the propensity to use private vehicles: a process of consolidation in view of off-airport operators, the benefits of which, in terms of increased market share, are also expected to be reaped at the end of the health emergency.

End customer caring initiatives include:

- refunds of online purchases cancelled due to the lockdown;
- reformulation of B2C rates with reductions of up to 40%;
- postponement by 90 days of the debiting of Telepass fees for business and individual customers.

Number of parking spaces

	2020	2019	2018
Malpensa T1	6,729	6,729	7,158
Malpensa T2	6,131	4,531	2,531
Linate	3,026	3,171	3,867
Total	15,886	14,431	13,556

Note: The figures refer only to the number of available spaces.

The growth in Terminal 2 parking spaces is due to approximately 1,600 new parking spaces made available in the Nidoli car park in March 2020.

Source: SEA

The reinsurance business yielded concrete benefits such as the implementation at Linate and Malpensa parking lots of touchless entry and exit mode for those who purchase online, with the introduction of the bar-code-reading system in replacement of manual keyboard PIN entry.

In addition - above all on digital/social channels - new solutions were proposed in pursuit of flexibility for activating the conversion of purchases such as free change of reservations for online purchases and parking passes, i.e. credit that may be used over an extended period.

Malpensa T1 - Parking service performance indicators

Year	Capacity (No. spaces)	Paying car transits (No.)	Average stay (days)
2020	6,729	153,667	4.2
2019	6,729	756,890	3.5
2018	7,158	1,045,940	3.4

Note: The capacity figures refer to available spaces and utilizable during the year.

Source: SEA

Malpensa T2 - Parking service performance indicators

Year	Capacity (No. spaces)	Paying car transits (No.)	Average stay (days)
2020	6,131	39,445	2.9
2019	4,531	274,261	2.5
2018	2,531	231,282	2.7

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)
2020	3,026	55,578	2.9
2019	3,171	116,688	1.2
2018	3,867	571,357	2.7

Note: The capacity figures refer to available spaces and utilizable during the year.

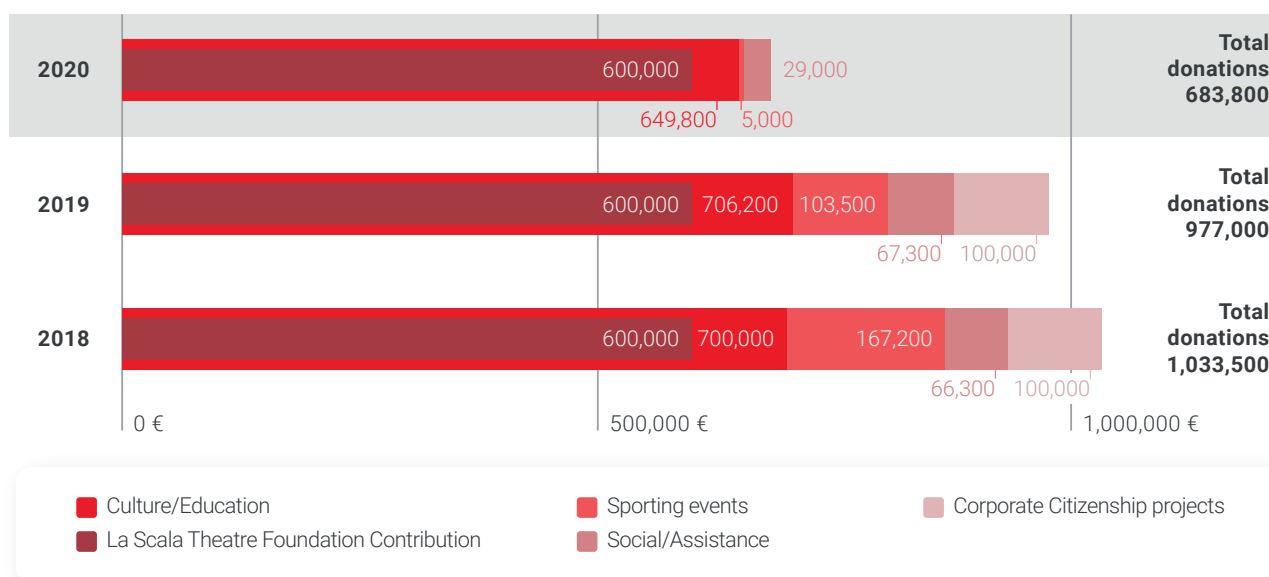
Source: SEA

Investments in Corporate Citizenship

The majority of SEA's charitable donations over the past three years, totalling over Euro 2.6 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. Over the past three years, SEA has invested Euro 200 thousand in corporate citizenship projects.

Donations made over the last three years (Euro)



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

PRE-PANDEMIC CONNECTIVITY PERFORMANCE

Before the pandemic completely overturned global air transport, the Milan airport system was among the highest-performing at the Continental level in terms of the quality of connectivity offered to the territory. The key data referring to the end of 2019 are as follows:

- In the ranking of the 30 best globally connected airports (selected from a network comprising 3,908 airports worldwide), Malpensa occupied 28th position, with a connectivity index of 2.57. At the European connectivity level (in reference to a sample of 480 Continental airports), Malpensa climbed 11 spots to 17th with an index of 1.87. Linate also improved in the Continental accessibility ranking, moving from 103rd to 98th place.
- In the pre-pandemic period, the Milan metropolitan area ranked ninth in Europe by total air transport offerings at 49.6 million ASKs (available seat kilometres) supplied each year (ASK is the indicator corresponding to the total seats offered for each flight multiplied by the number of kilometres flown).
- Malpensa was the best Italian airport (14th in the European ranking) in terms of the connectivity level in relation to travel times, with 372 airports reached same day and average connection times of 317 minutes. Malpensa airport was also the best Italian airport in terms of the set of destinations to which it is possible to make a round-trip flight in one day (i.e. a day trip), remaining at the destinations for at least 4 hours, coming in 10th in the European rankings, with a network of 151 destinations and an average time of 725 minutes.
- Malpensa was the only Italian airport positioned in the top 10 of the continental ranking based on the share of European GDP that can be reached in a limited time, ranking 10th with 82.5% of European GDP reachable in two hours of travel time and an additional 16.7% reachable in 2-4 hours.

These results were achieved even though the Milan system - and in particular Milan airport - faced a high level of competition, both direct and indirect. In particular:

- In terms of direct competition, in 2019 Malpensa was the European airport with the lowest level of dependence on a single carrier (easyJet was the first airline in terms of ASK, with a share of just 11.4%). Linate airport showed a higher traffic concentration level than Malpensa owing to the significant presence of Alitalia, which was responsible for approximately 62.2% of the total ASKs;
- 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 - was significant in the Milan area. From Malpensa, approximately 96.5% of routes to European destinations are subject to competition from other airports in the area, such as Linate and Orio al Serio.

(Source: ICCSAI, 2021)

THE IMPACT OF THE PANDEMIC ON CONNECTIVITY

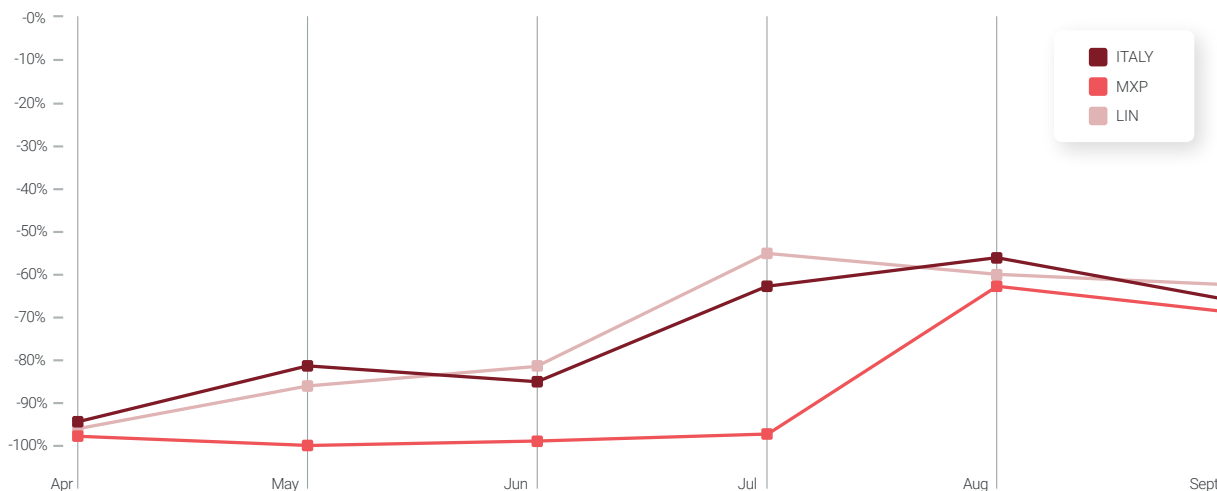
The COVID-19 pandemic had a dramatic effect on the supply of air connectivity in the air transport sector, which underwent systemic collapse across all European regions. The extent of this reduction was directly linked to the measures implemented by governments in their efforts to contain the spread of the virus.

At various times of the year, some governments ordered the closure of commercial air traffic, whereas others instituted periods of mandatory quarantine of up to 14 days for incoming air passengers. 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.

The direct connectivity index is a better measure of 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. In the first nine months of 2020 more than 6,000 air routes served by European airports in 2019 were disrupted - a 50% decrease.

In September, following the attempted recovery in the peak summer months of July and August (since several governments had eased travel restrictions and lifted bans during the implementation of the test-and-track systems), the direct connectivity offered by airports remained a fraction of that seen in 2019. During the summer, Milan airport connectivity recovered from the decimation of flights in April to approximately 55% of normal operations in August. In September the trend was reversed again as airlines revised the capacity offered to reflect the lack of demand and renewed travel restrictions resulting from the second wave of the virus.

Direct connectivity gap in 2020 vs. 2019 - Italy and Milan airports



Source: ACI Europe, Airport Industry Connectivity Report 2020

The socioeconomic impact of the airports

During the pandemic period, the Milan airport system continued to play, albeit to a partial extent compared to previous years - a role in the Lombardy region and the entire North-West of Italy in attracting capital, in generating employment opportunities and in introducing or acting as a catalyst for investment. The data platform used to periodically measure the socioeconomic impact of the airports on the local area took account of the changed airport operating conditions that marked 2020.

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.

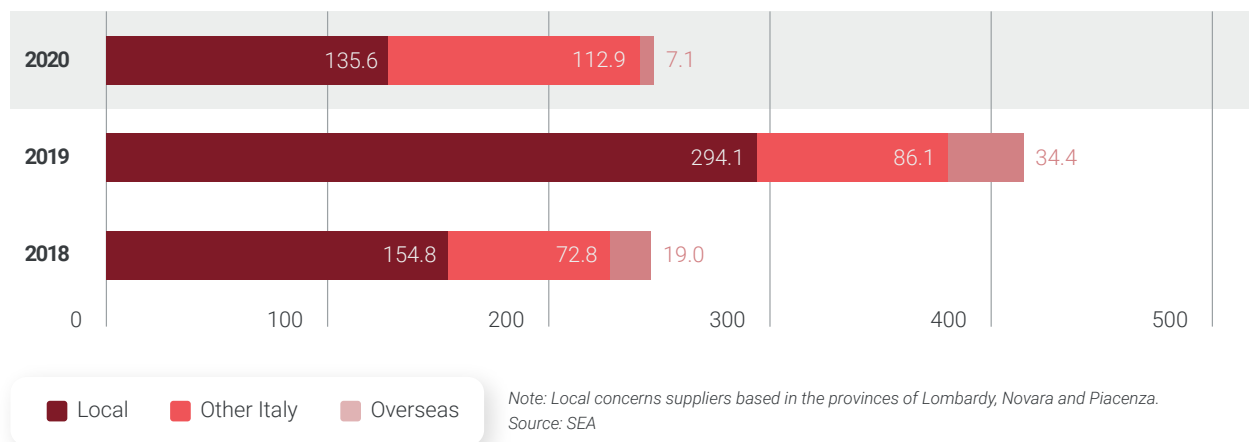
On the basis of the figures relating to the socio-economic impact of Milan airports reported in various studies commissioned by the *Centre for Regional and Sector Development of the LIUC Business School* and coordinated by Prof. Massimiliano Serati, in 2020 the SEA airport system recorded - as a foreseeable consequence of the pandemic - a sharp decline in direct, indirect, induced and catalytic impacts.

The overall consequences on the Lombardy region had a value of approximately Euro 24 billion, corresponding to a capacity to create over 194 thousand jobs.

SEA's impact on the supply chain

Before analysing the impact of the airports as a whole, a notable economic impact on the local area was SEA Group's purchasing of goods and services supplies, which, in 2020 alone, amounted to Euro 136 million, corresponding to 53% of the total value of Group purchases.

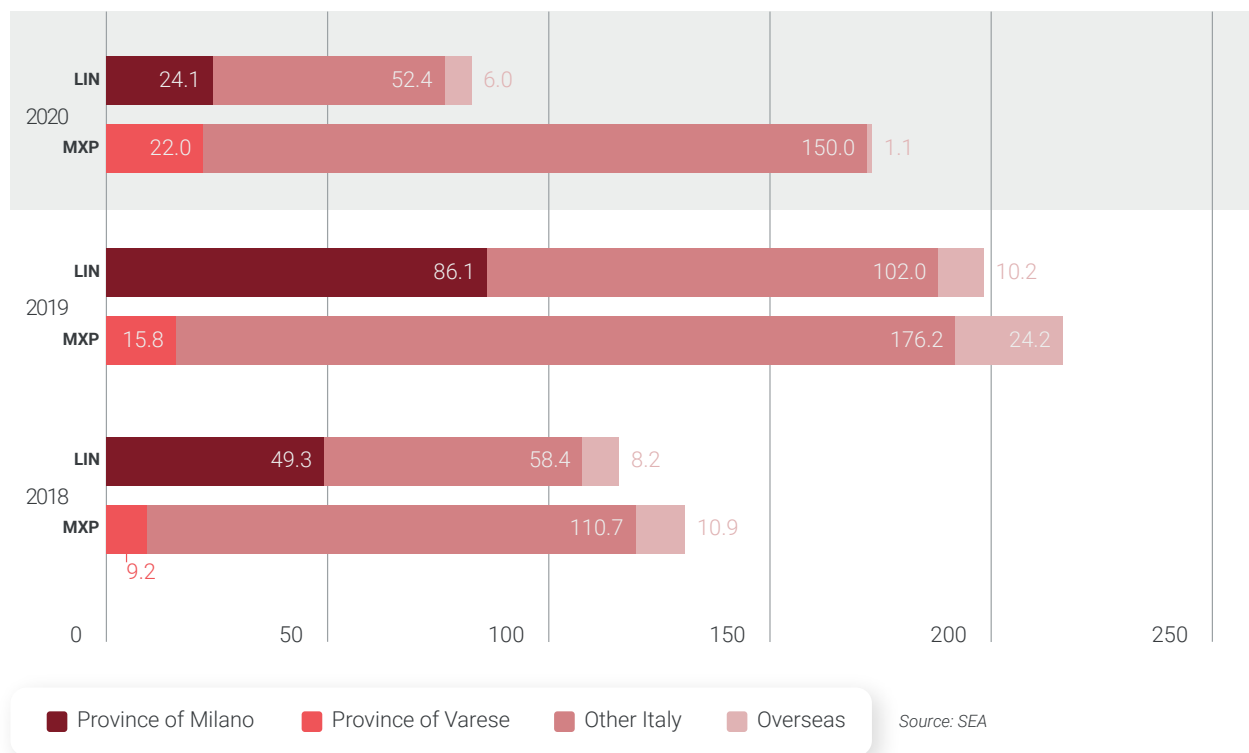
Order value by geographical origin (millions of Euro)



This result, affected by the decline in orders due to the impact of the COVID-19 pandemic, contributed, in any event, to maintaining the share of purchases made at local airports at over 60% over the last three years, a period that best represents the average term of the contracts in place.

This is 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 29% of the total (40% on average during the 2018-2020 period), while at Malpensa Airport, the value of orders placed with suppliers in the Province of Varese was 13% of the total (9% on average during the 2018-2020 period).

Linate and Malpensa - Order value by region (millions of Euro)



Direct socioeconomic impact of Malpensa airport

In 2020, Malpensa airport recorded substantial stability - compared to the previous year - in terms of the presence of production activities (553 vs. 563, -1.8%), delivering around 19.6 thousand jobs.

Direct socioeconomic impact generated by Malpensa airport

Year	No. Companies	Jobs created	Value of production (Euro mil.)
2018	548	20,540	5,022
2019	563	20,977	5,109
2020	553	19,615	2,876

Source: elaborated from SEA and ISTAT data by LIUC Business School's Centre for Local Area and Sector Development.

The value of production realised within Malpensa airport fell significantly, by 43.7%, in 2020 to Euro 2,876 billion.

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 79.2% of employees live in Lombardy, with over 6.7% residing in the neighbouring province of Novara and almost 14% residing outside the region.

Employment impact of Malpensa on the CUV municipalities

Year	Direct total employment delivered by Malpensa	Direct employment delivered in the CUV municipalities	% CUV of the total
2018	20,540	4,082	19.9
2019	20,977	4,292	20.4
2020	19,615	4,079	20.7

Source: elaborated from SEA data by LIUC Business School's Centre for Local Area and Sector Development.

In the Province of Varese, in which Malpensa airport is located, approx. half of employees were based (48.4%), while in the CUV municipalities slightly more than 20% of employment generated by the airport was located (37.0% 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 2019 are the over 12.0 thousand job openings, related to Euro 1.0 billion of value of production generated. 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 9.1 thousand job openings with a value of production worth Euro 1.3 billion.

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.)
2018	12,639	1,786	9,566	2,356
2019	12,908	1,817	9,770	2,397
2020	12,070	1,023	9,136	1,349

Source: elaborated from ISTAT data by LIUC Business School's Centre for Local Area and Sector Development.

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

One of the main components of the catalytic impact is 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 estimated catalytic impact in 2020 of Malpensa does not consider this component, due to both the limited traffic (above all at the international level) generated

by the airport and the inability to reconstruct the spending profile of passengers through the traditional surveys conducted in previous years. In 2020 the catalytic impact thus considers:

International trade

Manufacturing companies present in the territory benefit from the airport connections to export markets.

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.

THE ROLE OF MALPENSA IN INTERNATIONAL TRADE

The volume of air cargo volume to and from Italy is negligible (circa 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. However, the picture changes if the value of goods transported by air is considered. In 2020, despite the pandemic crisis, this accounted for as much as 9.7% of all Italian foreign trade, up on the previous year (9.3%). This increase was also due in part to the sharp rise in air imports of health supplies relating to efforts to combat the pandemic.

If the focus is shifted to exports, it may be noted that 10.3% of Italian exports by value were moved by air in 2020 (compared to 11.3% in 2019). Of this total, 67.2% transited through northern Italian airports (against 65.6% in 2019).

Development of the import-export flows of air cargo in Italy (in millions of Euro)

	Imports + Exports			Exports		
	Total Italy	Italy by air	North Italy by air	Total Italy	Italy by air	North Italy by air
2010	704,735	49,542	33,828	337,346	29,448	20,359
2019	901,938	84,119	52,812	473,753	53,435	35,036
2020	787,518	76,019	45,673	423,348	43,623	29,302
CAGR	1.9%	7.4%	5.1%	3.9%	6.8%	6.3%
Growth 20/19	-12.7%	-9.6%	-13.5%	-10.6%	-18.4%	-16.4%
Share 2010		7.0%*	68.3%**		8.7%*	69.1%**
Share 2019		9.3%*	62.8%**		11.3%*	65.6%**
Share 2020		9.7%*	60.1%**		10.3%*	67.2%**

*Italy by air/Italy tot

**North Italy by air/Italy by air

Source: elaborated from ISTAT data by LIUC Business School's Centre for Local Area and Sector Development.

Last quarter 2019 and 2020 estimated

Import-export flows (Euro 36.5 billion, Euro -5.7 billion on 2019) transiting through Malpensa correspond to approximately 4.6% of Italian foreign trade (which in 2020 declined by 12.7%, amounting to Euro 787.5 billion).

Malpensa's role in this regard remained highly significant, not only in terms of its impact on the overall value of Italian exports (amounting to 5.5%), 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 2020 accounted for 11.5% (albeit down from 12.3% in 2019).

Impact of Malpensa cargo traffic on Italian export values (millions of Euro)

Year	Exports Italy	Exports via Malpensa	Exports via Malpensa/ Exports Italy	Exports Italy Non-Eu	Exports via Malpensa Non-Eu	Exports via Malpensa Non-Eu/ Exports Italy Non-Eu
2010	337,346	20,359	6.0%	143,958	19,283	13.4%
2019	475,930	28,029	5.9%	209,841	25,837	12.3%
2020	423,348	23,441	5.5%	188,030	21,520	11.5%

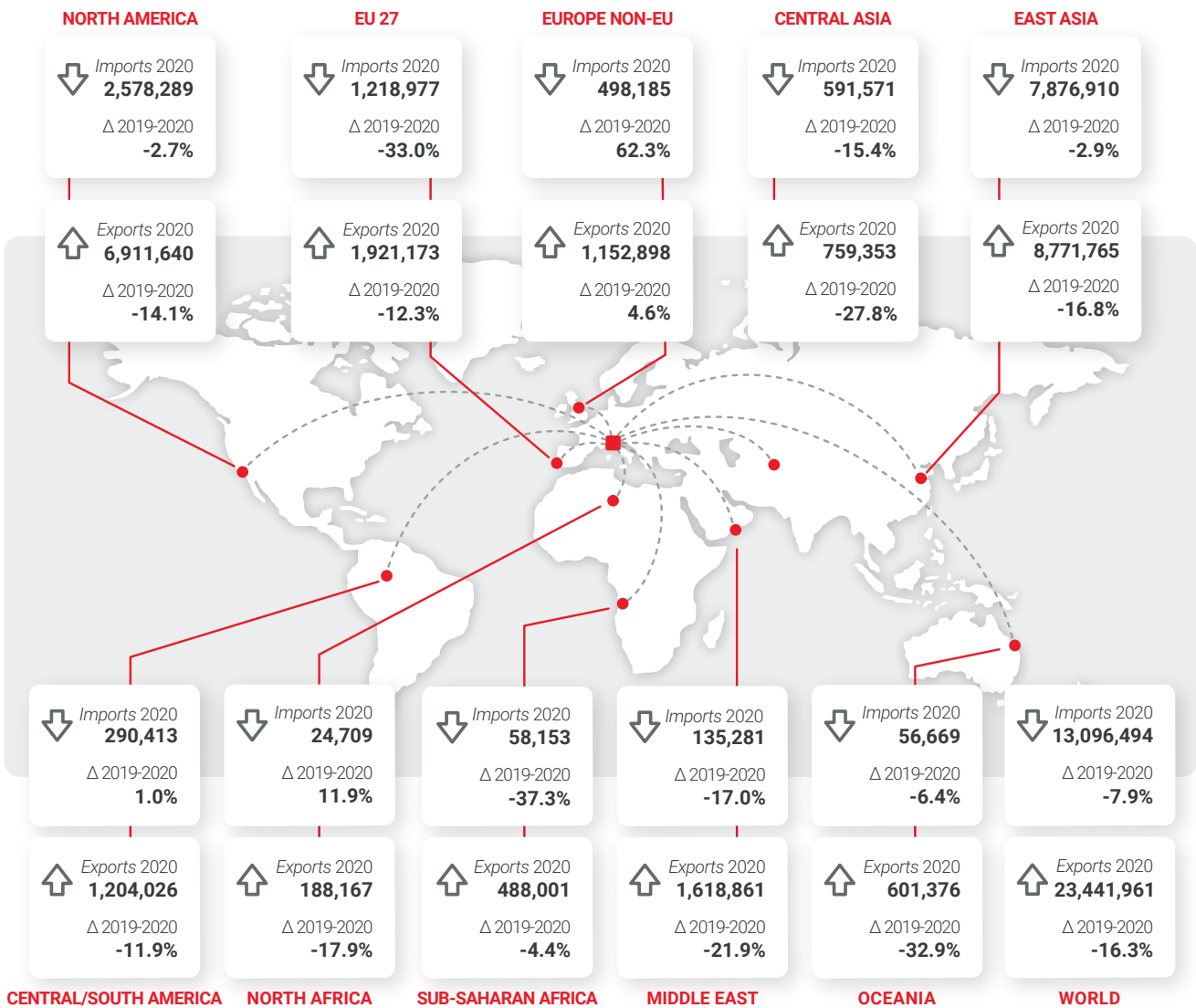
Source: elaboration by SEA and LIUC Business School's Centre for Local Area and Sector Development. from ISTAT-Coeweb data (last quarter 2018, 2019 and 2020 estimated)

With regard to the cargo flows transiting through Malpensa's Cargo City, imports amounted to slightly over Euro 13 billion (compared to Euro 14.2 billion in 2019), whereas exports declined to Euro 23.4 billion (compared to Euro 28 billion in the previous year).

The main reference markets are Eastern Asia, North America and the European Union. The Middle East is included when we consider export values. The sharp decline in international trade during the pandemic resulted in a decline in the value of both imports (-7.9% on 2019) and, above all, exports (-16.3%).

The main markets that recorded the largest declines in terms of cargo handled by Malpensa were the EU (-33.0% imports, -12.3% exports) and the Middle East (-17.0% imports, -21.9% exports). On the North American and East Asian markets, the declines were quite modest for imports (-2.7% and -2.9%), respectively, and more marked for exports (-14.1% and -27.8%).

Import-export movements in value terms via Malpensa by region (Euro thousands)



Source: elaborated from ISTAT-Coeweb data by LIUC Business School's Centre for Local Area and Sector Development.
 Last quarter 2019 and 2020 estimated

An analysis of main industry sector goods flows (altogether totalling 91.6% of the imports and 93.5% of the imports in terms of value handled by Malpensa in 2020) reveals sharp declines - in terms of exports - of vehicles (-38.7% on 2019) and furniture/furnishings (-29.8%). Chemicals and plastics (+11.3%) and fashion/apparel (+8.8%) bucked the trend at the level of imports. There were also sharp declines in export flows, particularly for the segments fashion/apparel (-25.8%), furniture/furnishings (-22.5%) and vehicles (-21.8%). The only sector that ran counter to this trend was chemicals and plastics, which reported an increase of 16.8% on the previous year.

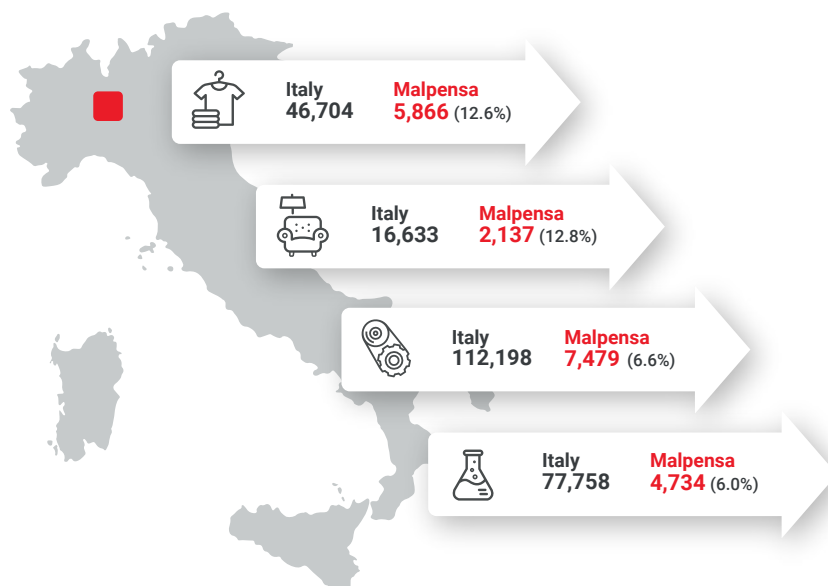
Change in import-export flows through Malpensa per industry sector (Euro '000)

	Imports 2010	Imports 2019	Imports 2020	Δ 2019-2020 (%)	Exports 2010	Exports 2019	Exports 2020	Δ 2019-2020 (%)
Machinery	6,937,603	8,459,519	7,597,192	-10.2	7,808,372	9,115,982	7,479,011	-17.9
Fashion/clothes	1,965,067	1,506,978	1,639,642	8.8	4,473,242	7,910,733	5,866,633	-25.8
Chemicals/plastic	2,397,392	1,698,791	1,891,258	11.3	2,592,617	4,052,918	4,734,950	16.8
Furniture/furnishings	524,325	999,800	702,003	-29.8	1,770,144	2,758,209	2,137,870	-22.5
Transport vehicles	643,419	682,572	418,257	-38.7	2,256,094	1,615,489	1,262,756	-21.8
Total	12,467,806	13,347,660	12,248,352	-8.2	18,900,469	25,453,331	21,481,220	-15.6

Source: elaborated from ISTAT-Coeweb data by LIUC Business School's Centre for Local Area and Sector Development.
Last quarter 2019 and 2020 estimated

Despite the further ground lost in 2020, it may be stated that the central role of Malpensa in the balance of trade in North Italy's manufacturing sector was confirmed. In fact, considering exports transited through Malpensa compared to the national total, broken down by segment of industry, it may be seen that for the segments fashion/apparel, mechanical engineering and chemicals and plastics, the exports handled by Malpensa's Cargo City, despite declining on 2019, continued to represent a significant proportion (12.6%, 6.6% and 6.0%, respectively), whereas the share of exports in the furniture/furnishings sector even increased by nearly three percentage points.

Export value shares for some industrial sectors via Malpensa (Euro millions)



Source: elaborated from ISTAT-Coeweb data by LIUC Business School's Centre for Local Area and Sector Development.
Last quarter 2019 and 2020 estimated

In 2020 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. This was in addition to around one-fourth of national mechanical, chemical, plastic and furniture exports for the same markets.

In this latter sector, Malpensa's share increased compared to the previous year. Shares of exports in the mechanical engineering sector were lower, albeit at an entirely respectable level.

Export quotas via Malpensa to the main world markets (Euro millions)

	2019		2020	
	North America	East Asia	North America	East Asia
Fashion/clothes				
Total exports Italy	4,708	8,110	3,519	8,162
Total exports via Malpensa	1,752	4,961	1,190	3,754
Total exports via Malpensa/Total exports Italy	37.2%	61.2%	33.8%	46.0%
Machinery				
Total exports Italy	10,908	10,186	12,247	11,722
Total exports via Malpensa	2,491	2,998	2,064	2,546
Total exports via Malpensa/Total exports Italy	22.8%	29.4%	16.8%	21.7%
Chemicals/plastic				
Total exports Italy	7,145	4,253	8,779	5,855
Total exports via Malpensa	1,886	1,131	2,214	1,306
Total exports via Malpensa/Total exports Italy	26.4%	26.6%	25.2%	22.3%
Furniture/furnishings				
Total exports Italy	4,192	2,546	2,201	1,718
Total exports via Malpensa	710	674	514	463
Total exports via Malpensa/Total exports Italy	16.9%	26.5%	23.3%	26.9%

Source: elaborated from ISTAT-Coeweb data by LIUC Business School's Centre for Local Area and Sector Development.
Last quarter 2020 estimated

THE ROLE OF MALPENSA IN THE ATTRACTIVENESS OF LOCAL BUSINESSES

To identify the role played by Malpensa in decisions taken by industrial sector players regarding their location, continued presence and facility, commercial and logistics investments, a survey was carried out involving 81 Italian and overseas companies based in the airport's immediate vicinity.

The companies surveyed were mainly located in the area east of Malpensa, towards Milan, and in the municipalities of Varese, Gallarate, Busto Arsizio, Legnano and Saronno, and had a total of approximately 8,400 employees.

The survey revealed a marked vocation for international trade, with just under half of the turnover of the companies coming from exports.

Export propensity and the role of Malpensa



Source: Centre for Local Area and Sector Development - LIUC BS

Malpensa represents an important asset for the industrial fabric of the local area, which transports approximately a third of its extra-EU exports by air.

Relevance assigned to Malpensa by the local industrial sector

Relevance level	1	2	3	4	5
Importance for business development	1.2%	19.8%	30.9%	30.9%	17.3%
Importance for locating and maintaining their presence in the area	3.7%	16.0%	37.0%	27.2%	16.0%

Source: Centre for Local Area and Sector Development - LIUC BS

As can be seen from the survey results relating to the relevance of the role played by Malpensa, 79.1% of the companies attributed a relatively high degree of importance, scoring 3, 4 and 5 in the survey, to the proximity of an intercontinental airport for the development of their business.

In addition, 80.2% of the companies surveyed identified Malpensa as a factor influencing the location and continued presence of their production facilities in the local area.

Enabling factors of local area industrial development generated by the airport

Relevance level	1-2	3	4-5
Freight logistics	37.0%	28.4%	34.6%
Personnel logistics	9.9%	30.9%	59.3%
Human capital availability	34.6%	32.1%	33.3%
Production specialization	19.8%	32.1%	48.1%
Visibility and communications	23.5%	27.2%	49.4%
Extent of logistics network	21.0%	35.8%	43.2%

Source: Centre for Local Area and Sector Development - LIUC BS

As enabling factors of business development, the sample companies highlighted a particularly significant role played by the airport in terms of personnel logistics, high visibility and recognition of the location, good overall logistics infrastructure and a high concentration of operating companies in the same production chain.

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 socio-economic impact of Malpensa in 2020 - 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 to over Euro 21 billion of production value generated, and the creation of over 170,000 jobs.

Cumulative socioeconomic impact of Malpensa airport

Type of impact	Jobs effect	Value of production (Euro mil.)
Direct	19,615	2,876
Indirect	12,070	1,023
Spin-off	9,136	1,349
Catalytic	130,083	15,795
<i>of which International trade</i>	77,753	13,469
<i>of which Locating businesses</i>	44,101	2,030
<i>of which productivity</i>	8,229	296
Total	170,904	21,043

Source: Centre for Local Area and Sector Development - LIUC BS

Direct socioeconomic impact of Linate airport

Regarding direct impacts, as many as 326 businesses were active around Linate, up -4.7% on the previous year, providing for an estimated 11 thousand jobs, up -6.2% on 2019. The main impact concerns state entities, handling operators and carriers, but also SEA, which had an impact of around 5.5% on the overall data.

In 2020, a significant contribution came from the maintenance sector due to the restructuring of the airport, which transferred a large number employees to a substantially more stable situation.

The value of production was Euro 1,577 million, up -36.3% on 2019.

Direct socioeconomic impact generated by Linate airport

	No. Companies	Jobs created	Value of production (Euro mil.)
2018	328	11,547	2,436
2019	342	11,956	2,475
2020	326	11,210	1,577

Source: elaborated from SEA and ISTAT data by LIUC Business School's Centre for Local Area and Sector Development.

Indirect and spin-off socioeconomic impacts of Linate

Testament to the indirect impact of Linate airport (related to the supply chain external to the production units operating within the airport) in 2020 were the under 7 thousand job openings, related to Euro 561 million of value of production generated.

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.)
2018	7,105	866	5,378	1,143
2019	7,357	880	5,568	1,162
2020	6,898	561	5,221	740

Source: elaborated from ISTAT data by LIUC Business School's Centre for Local Area and Sector Development.

The spin-off impact (linked to the aggregated increase in demand generated by employee salaries working inside the airport structures) represents, on the other hand, over 5.2 thousand job openings and approximately Euro 740 million in production value. Also on this front the restructuring works of the terminal have had a significant effect.

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 2020 - 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 Euro 2.9 billion of production value generated, and the creation of over 23 thousand jobs.

Cumulative socioeconomic impact of Linate airport in 2020

Type of impact	Jobs effect	Value of production (Euro mil.)
Direct	11,210	1,577
Indirect	6,898	561
Spin-off	5,221	740
Total	23,329	2,878

Source: Centre for Local Area and Sector Development - 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 Aviation Business

Aviation Business operating revenues (airport fees and tariffs for the management of centralised infrastructure and security services and tariffs for the use of regulated areas), reported in 2020 amounted to Euro 144.9 million (-66.0% on the previous year, due to the sharp reduction in traffic tied to the pandemic containment measures), comprising 56.4% of total Group revenues.

The majority of Aviation revenues concerns income from fees and centralised infrastructure, which in 2020 comprised 87.7% of the total, followed by security service fees (7.7%) and those for the use of regulated spaces (4.6%).

Portion of revenues from Aviation activities

	2020	2019
Aviation operating revenues (Euro '000)	144,949	425,810
Aviation revenues (% of total revenues)	56.4	56.2
Other revenues (% of total revenues)	43.6	43.8

Source: SEA

Type of revenues from Aviation activities (Euro thousands)

	2020	2019	% of total Aviation Revenues
Fees and centralized infrastructure	127,108	367,358	87.7
Security controls	11,217	44,637	7.7
Use of regulated spaces	6,624	13,515	4.6
Total	144,949	425,810	100

Source: SEA

Economic Performance of the Non-Aviation Business

Portion of revenues from Non-Aviation activities

	2020	2019
Non-Aviation operating revenues (thousands of Euro)	91,308	253,634
Non-Aviation revenues (% of total revenues)	35.5	33.5
Other revenues (% of total revenues)	64.5	66.5

Source: SEA

Type of revenues from Non-Aviation activities (Euro thousands)

	2020	2019	% of 2019 total Non-Aviation Revenues
Retail	26,975	103,587	29.6
Parking	23,396	73,319	25.6
Cargo	16,644	18,357	18.2
Advertising	4,193	10,547	4.6
Premium service	4,816	22,721	5.3
Real estate	1,944	4,336	2.1
Services and other revenues	13,340	20,767	14.6
Total	91,308	253,634	100

Source: SEA

Non-Aviation Business operating revenues reported in 2020 totalled Euro 91.3 million (-64% compared to the previous year, due to the reduction in traffic tied to the pandemic) and represented 35.5% of total Group revenues.

The most significant Non-Aviation Business revenue came from retail activities (29.6% of total revenues), followed by parking (25.6%), with a reduction on 2019 of 73.9% and 68.1% respectively.

In terms of retail revenues, the decrease was 78.6% for shop revenues and 69.8% for food and beverage revenues compared to the previous year.

RETAIL

The most significant retail revenue item was shop sales (42.9% of the total), followed by food & beverage (25.8%), car rental (22.2%) and finally bank services (9.1%).

Type of Retail revenues (Euro thousands)

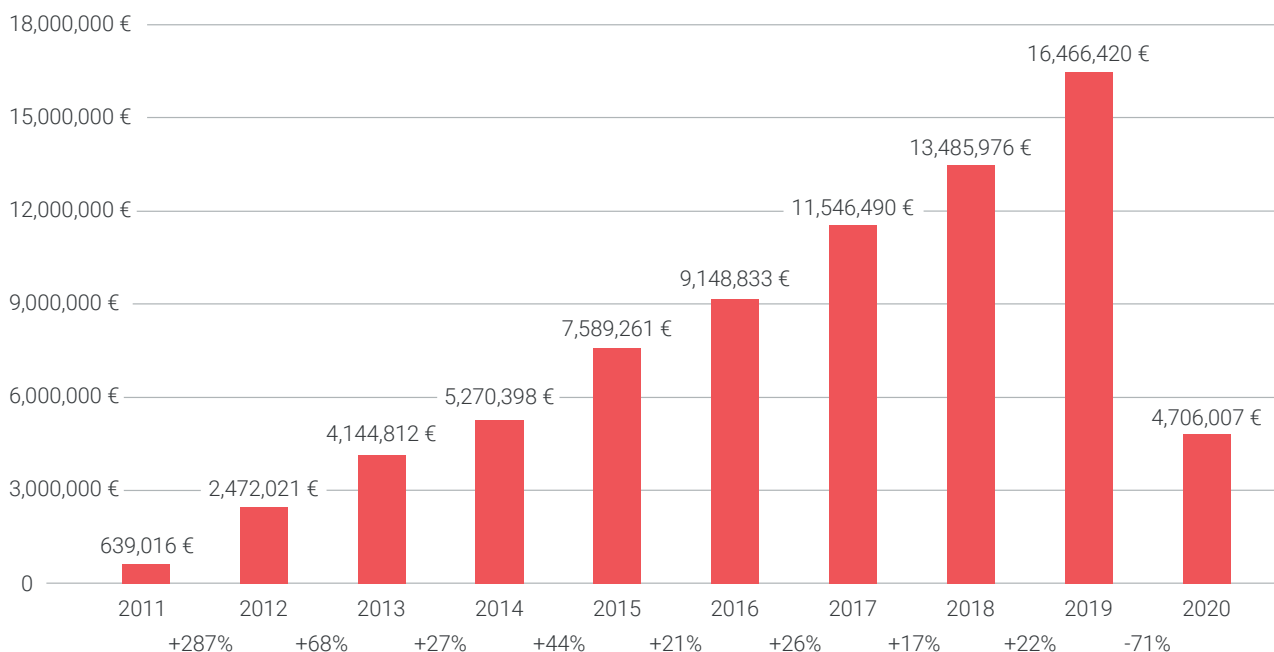
Retail service revenues	2020	2019	% of total Retail 2020
Shops	11,570	54,192	42.9
Food & beverage	6,952	23,014	25.8
Car Rental	5,997	17,456	22.2
Bank services	2,456	8,925	9.1
Total retail revenues	26,975	103,587	100

Source: SEA

E-COMMERCE

The performances of SEA's e-commerce site saw a decline in revenues due to the COVID-19 emergency. In 2020 sales decreased by 71% to the level of sales recorded seven years ago.

Annual total e-commerce revenue trend 2011-2020



Source: SEA

The COVID-19 emergency transformed purchasing habits and customer experience in the tourism market: within this framework, SEA nonetheless provided new products and services with flexibility and technology as their key traits:

- Free change of reservation: with the goal of encouraging spending in an uncertain environment, in May 2020 SEA introduced a new feature allowing parking lot reservations to be changed free of charge.
- Parking Pass: in July SEA launched its Parking Pass, a credit to be used for convenient parking experiences for the user: "Purchase a Euro 50 credit with a value of Euro 60" which generated sales of Euro 43,000 in six months.
- Barcode parking access: the new feature introduced in December 2020 allows users to access parking areas very quickly through a totally touchless experience.

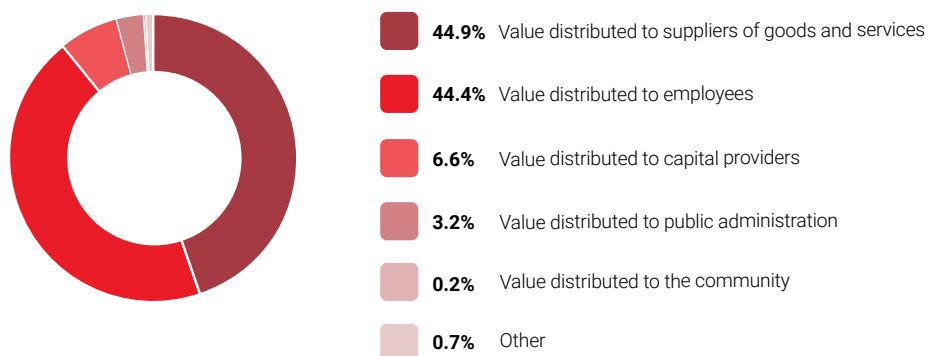
Value generated and distributed to stakeholders

In 2020 SEA generated a value - due to the considerable decline in operational activities as a result of the pandemic - of Euro 257.0 million, a 63.6% decrease on the previous year. 119.7% of this amount (Euro 307.7 million) was distributed to stakeholders in the form of payments and other forms of transfers (a decrease of 52.5% on the previous year), falling from Euro 647.1 million to Euro 307.7 million. The main recipients were suppliers, who were distributed Euro 138.2 million (Euro 228.2 million in the previous year), equal to 44.9% of the total and human resources, receiving Euro 136.6 million (44.4% of the overall value distributed compared to 29.6% in 2019). The value distributed to capital providers was Euro 20.3 million, equating to 6.6% of the distributed value, compared to Euro 155.8 million in 2019. Public service payments - in the form of taxes and duties, amounted to Euro 9.8 million (3.2% of the distributed value). Finally, the value distributed to the Company and to the region amounted to 0.2% in 2020 and related to donations to service-sector entities and associations supporting cultural, humanitarian, scientific and sports projects.

Statement of the economic value generated and distributed by the Group (Euro '000)

		2020	2019	2018
Economic value directly generated		257,010	706,867	683,956
a) Revenues	Operating revenues	257,010	706,867	683,956
Economic value distributed		307,659	647,083	547,565
b) Reclassified operating costs	Reclassified consumable material costs and other operating costs	138,248	228,197	200,695
c) Commercial costs	Commercial costs	2,039	7,847	5,067
d) Employee salaries and benefits	Personnel costs	136,551	191,627	189,416
e) Payments to providers of capital	Dividends distributed in the year	6	138,650	70,300
	Financial charges	20,326	17,120	17,662
f) Payments to the Public Administration	Current income taxes and tax charges	9,805	62,666	63,391
g) Investments in the community	Donations, sponsorship and communication	684	977	1,034
Economic value	<i>Calculated as the difference between the economic value generated and the economic value distributed</i>	(50,649)	59,784	136,391

Economic value distributed in 2020



Source: SEA

Over the three years, both the value generated and that distributed to stakeholders as a result of the COVID-19 crisis decreased significantly by 62.4% and 43.8% respectively compared to 2018. If the 2020 and 2018 figures are compared, the Public Administration stakeholder recorded the sharpest decline in value received over the three years concerned (-84.5%), followed by capital providers (-76.9%), the local community (-33.8%), providers of goods and services (-31.1%) and human resources (-27.9%).

Commitment

COMMITMENT

STRATEGY INTEGRATED ESG GOALS

SEA's sustainability goals over the short to medium term generally derive from three main sources:

- the sustainability goals set out in 2020;
- The evolution of sustainability strategy governance processes;
- The Regulatory Agreement - sub-period 2016 to 2020, signed with the Italian Civil Aviation Authority (ENAC) on November 26, 2015 for the area concerning environmental objectives and services quality. In particular, in 2020 ENAC declared that the data was not representative, as related by ENAC as follows:

"With regard to the quality and environmental protection indicators to be set for 2021, it is proposed that the targets assigned for 2020 be deferred by one year and thus also taken as targets for 2021, appropriately recalibrated to reflect expected traffic volumes, where the requirements are met, in 2021. In parallel, it is proposed that the effects of the monitoring of the quality and environmental protection targets set for 2020 be 'sterilised', since measuring them is to be regarded

as non-representative for the current year, in terms of both statistical measurement and perception of the quality of the service offered to users and the impact of airport activity on the surrounding environment. It is directly correlated to the traffic volumes recorded at the Linate and Malpensa airports, which have been significantly impacted by the COVID-19 emergency."

Accordingly, the Regulatory Agreement targets are not represented.

Due to the situation caused by the pandemic crisis, the targets stated in the 2019 NFS are partly being reformulated and their implementation times have partly been redefined/deferred.

The following objectives were categorised in relation to their connection with:

- the Capitals, as defined in previous sections
- the issues of the materiality matrix
- the Sustainable Development Goals

as shown in the table below.

Alignment of Pillars, Material Issues and Sustainable Development Goals

Pillars	Materiality Issues	SDGs
 INTEGRATED GOVERNANCE	<ul style="list-style-type: none"> Strategic vision oriented to long-term value Definition and updating of a Strategic Sustainability Plan Insertion of ESG performance in the management incentive system (MBO) 	    
 INFRASTRUCTURAL CAPITAL	<ul style="list-style-type: none"> Low-impact construction methods inspired by the circular economy Promotion of sustainable mobility 	    
 NATURAL CAPITAL	<ul style="list-style-type: none"> Reduction of direct CO₂ emissions and pollutants Initiatives to reduce indirect CO₂ emissions Infrastructure development compatible with biodiversity and reduced land consumption Actions to contain noise impact 	   
 HUMAN CAPITAL	<ul style="list-style-type: none"> Employment protection and minimising the social downsizing impact Initiatives to reduce the gender gap Talent retention & acquisition 	 
 SOCIAL AND RELATIONSHIP CAPITAL	<ul style="list-style-type: none"> Re-launch of air connectivity to support the local area Paying the utmost attention to health and safety when managing customer experiences Structured methods of stakeholder communication and involvement 	 
 INTELLECTUAL CAPITAL	<ul style="list-style-type: none"> Technological innovation in safety and security management Collaborative airport ecosystem to improve quality, efficiency, and safety Digitisation to improve passenger service quality 	 



Infrastructural capital

Ensure access to economic, reliable, sustainable and modern energy systems for all



Build a resilient infrastructure and promote inclusive and sustainable industrialization and foster innovation

Material aspect	Objective description	Timeline	Status
	Sustainable infrastructures		
Low-impact construction methods inspired by the circular economy	Construction of the new building F at the Linate site. The new building will be designed with a view to optimising the structure and saving energy via the installation of a photovoltaic system with an installed power of approximately 66 kW and an automatic consumption regulation system	2019-2021	In progress
Quality of customer experience	A refurbishment of the toilet facilities The Ambience project has been launched in order to implement a general redevelopment of terminal spaces directly affected by passenger flows.	2019-2021	In progress

Make cities and human settlements inclusive, safe, resilient and sustainable



Adopt urgent measures to counteract climate change and its consequences

Material aspect	Objective description	Timeline	Status
	Enhancement of rail accessibility of Malpensa		
Promotion of sustainable mobility	<ul style="list-style-type: none"> Formation of working tables with national rail operators to activate new long-distance services to/from Malpensa to increase the airport's catchment area and facilitate low-impact accessibility Working group with regional rail operators to facilitate the modal shift to trains by implementing specific commercial agreements 	2021-2025	In progress



Natural capital

Make cities and human settlements inclusive, safe, resilient and sustainable



Material aspect	Objective description	Timeline	Status
	Protect and safeguard the natural heritage		
Infrastructure development compatible with biodiversity and reduced land consumption	In order to strengthen constructive relations with the region and to confirm SEA's environmental sensitivity, the experimental project "Recovery, Redevelopment and Conservation of the Lonate moors" was launched. This intervention falls within the Lombard Park of the Ticino Valley aimed at the protection of flora at risk of extinction. The goal is to define the best management practice to be applied for the recovery, redevelopment and conservation of the <i>habitat 4030 - Lande secche europee</i> (moorland). The project, set out in three principal phases (preliminary and preparatory, implementational and monitoring), will concern four different zones, defined on the basis of the role played in the different project phases: zone A (165.4 hectares), zone B (2.7 hectares), zone C (27.9 hectares) and zone D (74.1 hectares).	2022	In progress

Make cities and human settlements inclusive, safe, resilient and sustainable



Adopt urgent measures to counteract climate change and its consequences

Material aspect	Objective description	Timeline	Status
Reduction of direct CO ₂ emissions and pollutants	<p>Carbon neutrality</p> <p>Maintaining the Airport Carbon Accreditation level 3+ (Neutrality), for both the Linate and Malpensa airports</p>	Annual	In progress
	<p>Certified Management Systems</p> <p>Maintaining the ISO 14000 - Environmental Management System certification and renewal of the ISO 50001 - Energy Management System</p>	Annual	In progress

Make cities and human settlements inclusive, safe, resilient and sustainable



Material aspect	Objective description	Timeline	Status
Infrastructure development compatible with biodiversity and reduced land consumption	<p>Increase separate waste collection and maintain the zero Municipal Solid Waste (MSW) quota transferred to landfill</p> <p>Achieve a separate waste collection quota of at least 50% at Malpensa Achieve a separate waste collection quota of at least 70% at Linate</p>	2025	In progress
Actions to contain noise impact	<p>Upgrading the aviation noise data management system and the acquisition of analysis tools in order to lay the foundation for integrated management of radar paths and noise data for an accurate assessment of the impact of aircraft and observance of the established take-off and landing procedures</p>	2021-2022	In progress



Human capital

Encourage lasting, inclusive and sustainable economic growth, full and productive employment and decent work for all



Material aspect	Objective description	Timeline	Status
Safeguarding employment and minimising the social impact of downsizing	<p>Responsible downsizing management</p> <p>Reduction of headcount by 550, to be implemented over the medium term in an environment inspired by the desire to ensure the best methods of protecting individuals.</p> <p>Three action levers are used to make labour costs sustainable:</p> <ul style="list-style-type: none"> ▪ temporary lay-off schemes ▪ accelerated retirement ▪ incentivised voluntary departures 	2021-2025	In progress



Social and relational capital

Build a resilient infrastructure and promote inclusive and sustainable industrialization and foster innovation



Material aspect	Objective description	Timeline	Status
	<p>Transversal and multi-target offer</p> <p>In addition to shops, to maximise the capacity to innovate in the area of food, going down the path undertaken a few years ago of characterising the Food Court with increasingly innovative recipes which can satisfy the demand of all the reference targets (in particular, Asian and Middle-Eastern targets)</p>	2020-2024	Ongoing project. The new roundtable for dialogue with partners to assess meal pre-order activities through digital platforms (Web and app) with delivery service to the gate was also launched
	<p>Innovation in payment systems</p> <p>Innovation in the products and services offer to passengers is a fundamental aspect in the airport's commercial development strategy. After having implemented contactless payment systems and created awareness among all the commercial partners to adopt them, it is intended to integrate payment systems via app and social media (Alipay and wechat pay) for airport services and ensure their use by all the commercial operators present in the airport</p>	2021	In progress
Digitisation to improve passenger service quality	<p>Innovation in passenger services</p> <p>Innovation in passenger services is a key aspect in the action plans undertaken to date. In particular, with the introduction of services such as shopping helpers, shop & collect and e-commerce services. Through this platform, customers may learn of the airport's offerings in advance, obtaining all information required to reserve the item to be collected directly from the airport shop</p>	2021	The project will be released in early 2021
	<p>Innovation in passenger services</p> <p>In order to provide a quality customer experience, the airport means to also extend the digital experience to passenger services, offering increasingly innovative services. In particular, as regards parking, the plan is for a car park whose use is fully integrated with the web and the apps: starting from the rationale and purchase method straight through to its use, it will be operable through one's own smartphone, without the presence of physical cash points and including entry and exit operations from the car park</p>	2021	In progress. The feature for fully touchless (QR code) entry to parking lots for purchases made by e-commerce system was released in 2020
	<p>Indoor navigation</p> <p>Through the installation of over 2,000 beacons in Malpensa Terminal 1, a platform was implemented which will centrally manage the sensors installed and provide the company with information collected for the development of applications to create security, operations and indoor navigation predictive models. Creation of a dedicated app which will be capable of locating the user, providing an indoor navigation in Augmented Reality experience and accompanying the user in reaching the previously-selected POI (Point of Interest)</p>	2021	Digital infrastructure has been created and tested but not integrated into the services available (launch is expected when traffic resumes)

Build a resilient infrastructure and promote inclusive and sustainable industrialization and foster innovation



Material aspect	Objective description	Timeline	Status
Structured methods of stakeholder communication and involvement	<p>JOBAGILE" Project</p> <p>The project aims to provide professional coaching courses and remunerated traineeships, for 3 to 6 months, to people with difficult personal or family situations but employment potential residing in the Milan area. The project - funded by SEA and the Lombardy Region and managed by the Planning Office of Municipality of Somma Lombardo - will be implemented in 2020, have a duration of approximately one year, and involve close coordination between the social services of the CUV municipalities, four social cooperatives selected by public tender by the Planning Office, the Gallarate Employment Centre and various local companies willing to accept trainees. Implementation was suspended by the pandemic and postponed until 2021</p>	2021	In progress



Sustainability Governance

Build a resilient infrastructure and promote inclusive and sustainable industrialization and foster innovation



Material aspect	Objective description	Timeline	Status
Definition and updating of a Strategic Sustainability Plan	Formulating a Sustainability Plan aligned with the strategic guidelines of the 2021-2025 Business Plan	2021	In progress

Appendix

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

SEA Group and external staff by gender at December 31 (No.)

	2020			2019			2018		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Employees	787	1,964	2,751	790	1,973	2,763	797	1,999	2,796
Temporary workers	7	30	37	13	77	90	8	43	51
Total	794	1,994	2,788	803	2,050	2,853	805	2,042	2,847

Source: SEA

SEA Group employees by contract type, gender and location at December 31 (No.)

	2020			2019			2018		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Permanent	781	1,958	2,739	786	1,969	2,755	794	1,996	2,790
Linate	344	803	1,147	344	781	1,125	351	793	1,144
Malpensa	437	1,155	1,592	442	1,188	1,630	443	1,203	1,646
Temporary	6	6	12	4	4	8	3	3	6
Linate	2	3	5	1	2	3	3	1	4
Malpensa	4	3	7	3	2	5	-	2	2
Total	787	1,964	2,751	790	1,973	2,763	797	1,999	2,796

Source: SEA

SEA Group employees by employment category and gender at December 31 (No.)

	2020			2019			2018		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Full-time	591	1,891	2,482	586	1,901	2,487	606	1,953	2,559
Part-time	196	73	269	204	72	276	191	46	237
Total	787	1,964	2,751	790	1,973	2,763	797	1,999	2,796

Source: SEA

Contract type data indicates a marginal share of temporary contract workers, representing 0.4% of total employees at December 31, 2020, with part-time workers representing 10%. Contractors also represented a marginal share at December 31, 2020, equal to 1% of the Group's total personnel, affected by the lack of airport operations due to COVID-19. Malpensa is the most populated airport where 58% of the population works.

SEA Group outgoing employees by location, gender and age grouping (No.)

	2020									Total
	<30			30-50			>50			
	Female	Male	Total	Female	Male	Total	Female	Male	Total	
Linate	-	1	1	1	9	10	6	38	44	55
Malpensa	1	-	1	-	1	1	5	39	44	46
Total	1	1	2	1	10	11	11	77	88	101
Turnover	16.7%	7.7%	10.5%	0.3%	1.2%	0.9%	2.6%	6.8%	5.7%	3.7%
	2019									Total
	<30			30-50			>50			
	Female	Male	Total	Female	Male	Total	Female	Male	Total	
Linate	1	-	1	1	1	2	12	28	40	43
Malpensa	-	1	1	1	1	2	4	32	36	39
Total	1	1	2	2	2	4	16	60	76	82
Turnover	20.0%	9.1%	12.5%	0.5%	0.2%	0.3%	4.3%	5.7%	5.4%	3.0%
	2018									Total
	<30			30-50			>50			
	Female	Male	Total	Female	Male	Total	Female	Male	Total	
Linate	-	-	-	3	8	11	1	11	12	23
Malpensa	-	-	-	1	4	5	-	12	12	17
Total	-	-	-	4	12	16	1	23	24	40
Turnover	0.0%	0.0%	0.0%	0.9%	1.2%	1.1%	0.3%	2.3%	1.8%	1.4%

Note: intra-group transfers are not considered.

Source: SEA

Regarding contract terminations, 59% involved administrative staff and 76% were the result of the mobility plan and incentivised redundancy. The outgoing population was approx. 88% male and older than 50 years. 54% of the outgoing population was from Linate airport.

SEA Group incoming employees by location, gender and age grouping (No.)

	2020									Total
	<30			30-50			>50			
	Female	Male	Total	Female	Male	Total	Female	Male	Total	
Linate	1	3	4	4	26	30	3	43	46	80
Malpensa	2	3	5	-	4	4	-	-	-	9
Total	3	6	9	4	30	34	3	43	46	89
Turnover	50.0%	46.2%	47.4%	1.1%	3.6%	2.9%	0.7%	3.8%	3.0%	3.2%
	2019									Total
	<30			30-50			>50			
	Female	Male	Total	Female	Male	Total	Female	Male	Total	
Linate	1	5	6	9	12	21	-	3	3	30
Malpensa	1	3	4	1	11	12	-	3	3	19
Total	2	8	10	10	23	33	-	6	6	49
Turnover	40.0%	72.7%	62.5%	2.4%	2.5%	2.5%	0.0%	0.6%	0.4%	1.8%
	2018									Total
	<30			30-50			>50			
	Female	Male	Total	Female	Male	Total	Female	Male	Total	
Linate	2	5	7	3	12	15	-	3	3	25
Malpensa	-	1	1	1	6	7	-	3	3	11
Total	2	6	8	4	18	22	-	6	6	36
Turnover	33.3%	60.0%	50.0%	0.9%	1.8%	1.5%	0.0%	0.6%	0.5%	1.3%

Note: intra-group transfers are not considered.

Source: SEA

The 89 hires, 57% administrative staff and approximately 89% male, mainly concerned insourcing, following the indication by ENAC, of the Baggage Handling System at Linate (81%). Over 52% of new hires were age 50 and over. 90% of hires were recruited for Linate airport.

SEA Group employees by professional level, gender and age grouping at December 31 (No.)

	2020									Total
	<30			30-50			>50			
	Female	Male	Total	Female	Male	Total	Female	Male	Total	
Executives	-	-	-	1	12	13	5	32	37	50
Managers	-	-	-	44	71	115	59	110	169	284
White-collar	6	10	16	296	467	763	332	649	981	1,760
Blue-collar	-	3	3	23	272	295	21	338	359	657
Total	6	13	19	364	822	1,186	417	1,129	1,546	2,751

	2019									Total
	<30			30-50			>50			
	Female	Male	Total	Female	Male	Total	Female	Male	Total	
Executives	-	-	-	2	12	14	4	34	38	52
Managers	-	1	1	51	74	125	52	113	165	291
White-collar	5	6	11	339	531	870	292	613	905	1,786
Blue-collar	-	4	4	25	297	322	20	288	308	634
Total	5	11	16	417	914	1,331	368	1,048	1,416	2,763

	2018									Total
	<30			30-50			>50			
	Female	Male	Total	Female	Male	Total	Female	Male	Total	
Executives	-	-	-	2	13	15	5	35	40	55
Managers	-	-	-	58	72	130	45	115	160	290
White-collar	6	6	12	370	577	947	265	574	839	1,798
Blue-collar	-	4	4	27	328	355	19	275	294	653
Total	6	10	16	457	990	1,447	334	999	1,333	2,796

Source: SEA

56% of the population is aged over 50 years, 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. At 31/12/2020 127 disabled people were employed by the company (124 at 31/12/2019). Furthermore, five employees belonged to categories referred to by Article 18 of Italian Law 68/99 (five in 2019).

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
31/12/2020	11	CGIL; CISL; CUB-TRANSPORT; FLAI; SIN.PA; U.G.L.; UIL; USB; ADL VARESE; LABOUR; SI COBAS	57%
31/12/2019	11	CGIL; CISL; CUB-TRANSPORT; FLAI; SIN.PA; U.G.L.; UIL; USB; ADL VARESE; LABOUR; SI COBAS	56%
31/12/2018	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 2020

The following agreements were signed in 2020:

- activation of the Extraordinary Temporary Lay-Off Scheme, from March 16, 2020 to March 15, 2021, due to COVID-19;
- extension of the validity of welfare credits, due to the impossibility of use as a result of the COVID-19 restrictions.

	2020	2019	2018
Number of agreements signed with the Trade Unions	2	3	3

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 - Shared Protocol March 14, 2020.

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 Cisl and Cisl and Cisl 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.

Malpensa - Raw material consumption

	2020	2019	2018
Kilfrost ABC3 TYPEII (Litres)	770,814	1,070,069	1,020,952
Solid de-icing material (Kg)	7,725	7,825	10,950
Liquid de-icing material (Kg)	427,620	270,507	414,800

Linate - Raw material consumption

	2020	2019	2018
Kilfrost ABC3 TYPEII (Litres)	163,617	274,871	313,745
Solid de-icing material (Kg)	-	-	-
Liquid de-icing material (Kg)	163,460	180,466	256,161

Source: SEA

ANALYSIS OF SCOPE OF MATERIAL TOPICS AND RECONCILIATION WITH GRI STANDARDS

Legislative Decree 254/2016 topics	Material topics	GRI topic reconciliation	Boundary	
			Party impacted	Type of impact
Environment	Promotion of sustainable mobility	Ground travel connections	Group, Airport operators Public Administration	To which the Group contributes
	Infrastructure development compatible with biodiversity and reduced land consumption	Water and effluents	Group, Airport operators	Caused by Group and directly connected through a business relationship; To which the Group contributes
		Biodiversity		
		Effluents and waste		
	Initiatives to reduce indirect CO ₂ emissions	Energy Emissions	Group, CNA, Suppliers, Airport operators	To which the Group contributes
	Actions to contain noise impact	Noise Customer health and safety	Group, Airport operators	Caused by Group and directly connected through a business relationship
	Reduction of direct CO ₂ emissions and pollutants	Energy Emissions	Group, Suppliers	Caused by Group and directly connected through a business relationship
Low-impact construction methods inspired by the circular economy	Procurement practices Supplier environmental assessment Supplier social assessment	Group, Suppliers	Caused by Group and directly connected through a business relationship	
Related to personnel	Employment protection and minimising the social downsizing impact	Employment	Group, Employees	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 Training and education	Employees	Caused by the Group	
Social	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			
Measures to combat active and passive corruption	Strategic vision oriented to long-term value	Anti-corruption	Group	Caused by the Group
		Economic performance		
		Indirect economic impacts		
Governance	Definition and updating of a Strategic Sustainability Plan	N/A	Group	Caused by the Group
	Insertion of ESG performance in the management incentive system (MBO)	N/A	Group	Caused by the Group

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103-1	Explanation of the material topic and its boundary	37-39; 155
103-2	The management approach and its components	19-21
103-3	Evaluation of the management approach	19-21
GRI 205: Anti-corruption (2016)		
205-3	Confirmed incidents of corruption and actions taken	21
GRI 300: ENVIRONMENTAL PERFORMANCE INDICATORS		
Topic: Energy		
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its boundary	37-39; 155
103-2	The management approach and its components	31; 58; 70-71; 110
103-3	Evaluation of the management approach	31; 58; 70-71; 110
GRI 302: Energy (2016)		
302-1	Energy consumption within the organization	70
302-3	Energy intensity	71
Topic: Water and Effluents		
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its boundary	37-39; 155
103-2	The management approach and its components	31; 58; 67-68; 71; 110

TOPIC-SPECIFIC STANDARDS

GRI Standard	Disclosure	Page No.
103-3	Evaluation of the management approach	31; 58; 67-68; 71; 110
GRI 303: Water and Effluents (2018)		
303-1	Interactions with water as a shared resource	71
303-2	Management of water discharge-related impacts	67-68
303-3	Water withdrawal	71
303-4	Water discharge	67
A04	Quality of storm water by applicable regulatory standards	67-68
Topic: Biodiversity		
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its boundary	37-39; 155
103-2	The management approach and its components	73-74
103-3	Evaluation of the management approach	73-74
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	73-74
304-2	Significant impacts of activities, products, and services on biodiversity	73-74
Topic: Emissions		
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its boundary	37-39; 155
103-2	The management approach and its components	31; 58-63; 110
103-3	Evaluation of the management approach	31; 58-63; 110
GRI 305: Emissions (2016)		
305-1	Direct (Scope 1) GHG emissions	59-63
305-2	Energy indirect (Scope 2) GHG emissions	59-63
305-3	Other indirect (Scope 3) GHG emissions	59-63
305-4	GHG emissions intensity	59
305-7	Emissions of NO _x , SO _x and other significant emissions	63-64
A05	Ambient air quality levels according to pollutant concentrations in micrograms per cubic meter (µg/m ³) or parts per million (ppm) by regulatory regime	63-64
Topic: Effluents and waste		
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its boundary	37-39; 155
103-2	The management approach and its components	31; 58; 69; 72-73; 110
103-3	Evaluation of the management approach	31; 58; 69; 72-73; 110
GRI 306: Effluents and waste (2016)		
306-3	Significant spills	69
A06	Aircraft and pavement de-icing/anti-icing fluid used and treated (m ³ and/or tons)	68; 154
Topic: Supplier environmental assessment		
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its boundary	37-39; 155
103-2	The management approach and its components	98-101
103-3	Evaluation of the management approach	98-101
GRI 308: Supplier environmental assessment (2016)		
308-1	New suppliers were screened using environmental criteria	99-100
Topic: Noise		
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its boundary	37-39; 155
103-2	The management approach and its components	64-66
103-3	Evaluation of the management approach	64-66
A07: Noise (2014)		
A07	Number and percentage change of people residing in areas affected by noise	65

TOPIC-SPECIFIC STANDARDS

GRI Standard	Disclosure	Page No.
GRI 400: SOCIAL PERFORMANCE INDICATORS		
Topic: Employment		
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its boundary	37-39; 155
103-2	The management approach and its components	75-77
103-3	Evaluation of the management approach	75-77
GRI 401: Employment (2016)		
401-1	New employee hires and employee turnover	151-152
401-2	Benefits provided to full-time employee that are not provided to temporary or part-time employees	86
Topic: Labour/Management Relations		
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its boundary	37-39; 155
103-2	The management approach and its components	153-154
103-3	Evaluation of the management approach	153-154
GRI 402: Labour/Management Relations (2016)		
402-1	Minimum notice periods regarding operational changes	154
Topic: Occupational Health and Safety		
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its boundary	37-39; 155
103-2	The management approach and its components	31; 80-85; 110
103-3	Evaluation of the management approach	31; 80-85; 110
GRI 403: Occupational Health and Safety (2018)		
403-1	Occupational health and safety management system	81
403-2	Hazard identification, risk assessment, and incident investigation	84-85
403-3	Occupational health services	83-84
403-4	Worker participation, consultation, and communication on occupational health and safety	81
403-5	Worker training on occupational health and safety	83
403-6	Promotion of worker health	82-83
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	84
403-9	Work-related injuries	85
403-10	Work-related ill health	85
Topic: Training and education		
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its boundary	37-39; 155
103-2	The management approach and its components	77-79
103-3	Evaluation of the management approach	77-79
GRI 404: Training and education (2016)		
404-1	Average hours of training per year per employee	78
404-2	Programs for upgrading employee skills and transition assistance programs	78
404-3	Percentage of employees receiving regular performance and career development reviews	78
Topic: Diversity and equal opportunity		
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its boundary	37-39; 155
103-2	The management approach and its components	75-76; 80
103-3	Evaluation of the management approach	75-76; 80
GRI 405: Diversity and equal opportunity (2016)		
405-1	Diversity of governance bodies and employees	14; 153
405-2	Ratio of basic salary and remuneration of women to men	80
Topic: Local communities		
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its boundary	37-39; 155
103-2	The management approach and its components	39-40
103-3	Evaluation of the management approach	39-40

TOPIC-SPECIFIC STANDARDS

GRI Standard	Disclosure	Page No.
GRI 413: Local communities (2016)		
413-1	Operations with local community engagement, impact assessment and development programs	126
413-2	Operations with significant actual and potential negative impacts on local communities	127-138
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.
Topic: Supplier social assessment		
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its boundary	37-39; 155
103-2	The management approach and its components	98-101
103-3	Evaluation of the management approach	98-101
GRI 414: Supplier social assessment (2016)		
414-1	New suppliers were screened using social criteria	99-100
Topic: Customer Health and Safety		
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its boundary	37-39; 155
103-2	The management approach and its components	64-66; 119-120
103-3	Evaluation of the management approach	64-66; 119-120
GRI 416: Customer Health and Safety (2016)		
416-1	Assessment of the health and safety impact of product and service categories	64-66; 119-120
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.
A09	Total annual number of wildlife strikes per 10,000 aircraft movements	120
Topic: Service quality		
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its boundary	37-39; 155
103-2	The management approach and its components	120-122
103-3	Evaluation of the management approach	120-122
Topic: Ground travel connections		
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its boundary	37-39; 155
103-2	The management approach and its components	49-57
103-3	Evaluation of the management approach	49-57
Topic: Definition and updating of a Strategic Sustainability Plan		
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its boundary	37-39; 155
103-2	The management approach and its components	38; 148
103-3	Evaluation of the management approach	38; 148
Topic: Insertion of ESG performance in the management incentive system (MBO)		
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its boundary	37-39; 155
103-2	The management approach and its components	16-17
103-3	Evaluation of the management approach	16-17



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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 (hereinafter “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 (hereinafter the “Group”) as of December 31, 2020 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 25, 2021 (hereinafter “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 (hereinafter “*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.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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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*" (hereinafter "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.
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.

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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 with the employees of SEA Energia 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 companies, Società per Azioni Esercizi Aeroportuali – SEA S.p.A., SEA Energia S.p.A., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out remote meetings, during which we have met their 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, 2020 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the *GRI Standards*.

DELOITTE & TOUCHE S.p.A.

Signed by
Marco Pessina
Partner

Milan, Italy
April 30, 2021

This report has been translated into the English language solely for the convenience of international readers.



SEA Group - Consolidated Non-Financial Statement 2020

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