

Sustainability-Linked Financing Framework

April 2022



Table of Contents

I.	Introduction.....	2
1.1	Sustainability for ADR	3
1.2	The Corporate Sustainability Plan and Charter of Commitments	4
1.3	Decarbonisation	5
1.4	Circular economy	7
1.5	Sustainable Infrastructures	7
II.	Rationale for issuing Sustainability-Linked Financing Instruments.....	9
III.	Alignment with Sustainability-Linked Bond Principles 2020 and Sustainability-Linked Loan Principles 2022	10
3.1	Selection of Key Performance Indicators (KPIs)	10
3.2	Calibration of Sustainability Performance Targets (SPTs)	16
3.3	Financing's characteristics	17
3.4	Reporting	17
3.5	Verification	18
IV.	Amendments to this Framework.....	18
	Annex 1 – Overview of ACA Accreditation Process.....	19

I. Introduction

Aeroporti di Roma S.p.A. ("ADR" or the "Group") is the managing company of the Rome airport system and Italy's main airport operator with two airports – "Leonardo da Vinci" in Fiumicino (Rome) ("FCO") and "G.B. Pastine" in Ciampino (Rome) ("CIA") – serving the City of Rome and the surrounding areas.

Sustainable development is part of ADR's corporate strategy. Creating value shared with its stakeholders, sustainable development, attention to innovation, service quality and efficiency and industrial and economic soundness are the elements that ADR considers essential to build the airports of the future and implement a profound change, with the desire to increasingly position itself as a multiplier of positive impact for its community and an enabler of the ESG transition of the sector and the country - rather than operating only as a concessionaire of infrastructure.

The Group's business can be split into its aviation-related activities carried out at the Fiumicino and Ciampino airports, which include the allocation and management of airport infrastructure, security services, cleaning, etc., and its non-aviation activities, which include businesses such as sub-concessions, utilities, car parks, advertising, real estate, and other dealings with third-parties. Other activities such as handling, fueling, air traffic control (including taxing/landing and take-off), etc. are provided and managed at the airports by third parties. Such activities are neither managed nor controlled by ADR.

In 2019, both airports operated by ADR handled almost 50 million passengers with Fiumicino airport confirming its position as the leading European hub in the over 40 million passengers category by winning the Airport Council International ("ACI") Europe's "Airport Service Quality Award" for four consecutive years (2017, 2018, 2019 and 2020). In 2020, ACI Europe named Fiumicino the Best Airport in Europe with passengers over 25 million per year, marking the first time an airport has received this accolade for three consecutive years (2018, 2019 and 2020). In 2021 ADR won for the first time the "ACI Europe Digital Transformation Award", for the focus on innovation and digital solutions that it has brought to the forefront.

The airports of Fiumicino and Ciampino are well recognised as engines for the economic development of the country and the surrounding regions. The day-to-day business activities and development of efficient and sustainable infrastructures not only contribute to the creation of wealth and employment, but also play a key role in social and cultural development.

In 2019, prior to the COVID-19 pandemic, Rome's airport system contributed to the creation of approximately 54 billion euros of gross domestic product and over 390,000 jobs, including direct, indirect and induced employment. Rome's airports accounted for 3.1% of the region's GDP, as shown by the analysis carried out by PTSCCLAS S.p.A., a company specializing in economic and social analyses.



€53.9bn

Total value created (direct, indirect and related businesses)



392k

Employed people (direct, indirect and related businesses)



3.1%

Percentage of the total regional GDP produced by AdR (direct business)



129k

Employed people in the region (equal to 4.3% of the total of the Lazio region)

For the purposes of this Sustainability-Linked Financing Framework (the “Framework”), ADR intends to focus attention on Fiumicino airport only, which accounts for more than 94% of total CO₂ emissions produced by its airports¹. Moreover, at the date of this framework, further traffic developments may be envisaged only in Fiumicino.

A first Sustainability-Linked Financing Framework of ADR has been published in April 2021. This 2022 release reflects the increased level of ambition of ADR’s climate commitments as well as an acceleration of its decarbonisation plan: it incorporates updated assumptions on mobility, based on the latest industry report as well as the expected evolution of climate regulation, which are expected to significantly improve the reduction path of Scope 3 GHG emissions related to the “airport accessibility”.

1.1 Sustainability for ADR

Sustainability has been a strategic priority for the Group for many years and is integrated into its business model to create economic, social, and environmental.

As a further demonstration of ADR’s constant attention to the sustainability of its processes, the United Nations (UNWTO) awarded ADR an international recognition *“for leadership in sustainability and commitment to a responsible journey”* in the summer of 2020.

Confirming the company's growing commitment to a responsible business model, in 2020, ADR joined the United Nations Global Compact: the largest international platform on sustainability. Joining the Global Compact also requires the commitment to comply with specific obligations on the sustainability front and to annually report on the programs activated and the results achieved.

In 2021, the new trade association Aeroporti 2030 was established, bringing together the airports of Rome Fiumicino, Rome Ciampino, Venice, Treviso, Verona, Brescia with the aim of strengthening and promoting the innovation, digitalisation and environmental sustainability of Italian airports.

As far back as 2013, ADR established a Sustainability Steering Committee to promote ESG-relevant projects and to coordinate related activities. The Committee meets every two months to define and/or refine the sustainability guidelines needed to ensure ADR’s strategic plans incorporate best practices on the environmental front. It consists of a Chairman (from outside the Company), the Chief Executive Officer, the Chief Aviation Officer, the Chief Infrastructure Officer, the Chief Commercial Officer, the Vice President of Administration & Finance, the Vice President of Human Capital & Organization, Health & Safety, the Vice President of Legal and Corporate Affairs, the Vice President of Strategic Planning & Regulatory and the Vice of President External Relations and Sustainability. Moreover, the Sustainability Steering Committee is composed by the Sustainability Manager with secretarial function within the committee.

The Committee carries out its responsibilities in line with ADR’s environmental strategy, which is to:

- help top management adopt environmental sustainability guidelines and policies;
- promote coordination among corporate functions tasked with achieving sustainability objectives;
- monitor the implementation of the decisions taken and the initiatives executed;
- guide the corporate departments in their relations with service providers; and
- promote relations with key players and stakeholders.

To encourage innovation and continuous improvement in its sustainability performance, ADR has also set up a dedicated Sustainability department. It was originally set up in 2016 and since 2020 it has been placed under the direct supervision

¹ Considering Scope 1 and 2 emissions and using 2019 figures.

of the CEO (as Vice President of External Relations and Sustainability). The department, among its many activities, is responsible for: (i) helping top management define corporate sustainability objectives and standards; (ii) ensuring the drafting and implementation of the Corporate Sustainability Plan, and (iii) monitoring the projects among the Corporate Sustainability Plan through a key performance indicator system, a measurable value that demonstrates how effectively the group is achieving key objectives.

In addition, under the supervision of the Chief Infrastructure Officer, there is a department called "Environment", which was set up in 2000. The department was subsequently renamed "Environment and Noise Pollution". It is responsible for: (i) adopting a control system aimed at applying a "systemic" approach to issues that concern the protection of the main environmental issues, divided in three levels of supervision; (ii) ensuring that certifications like the Environmental Management System is retained, and (iii) helping corporate departments to properly manage the processes for which they are responsible as well as handling LEED certification projects.

In November 2020, a "Green Finance Committee" was established to support ADR's Green Bond financing programme. The main aim of this Committee is to update and monitor the Green Financing Framework, identify corporate investments eligible for inclusion in the green portfolio and report to institutional investors and other stakeholders, the allocation of proceeds and environmental impact of the investments.

With the publication of its first Sustainability-Linked Financing Framework in April 2021, the role of the Green Finance Committee has been extended. Such working group is now also in charge of:

- i. overseeing the correct implementation of the frameworks in any relevant transaction;
- ii. monitoring of the publication of the reporting as defined in the frameworks; and
- iii. management of any future updates to the frameworks, including the appointment of a Second Party Opinion provider following such updates.

The working group meets at least on an annual basis or more frequently when required.

The working group is formed by representatives from Treasury, Finance, Sustainability and Operations departments, as well as experts on the matter to ensure all relevant ADR stakeholders are represented.

1.2 The Corporate Sustainability Plan and Charter of Commitments

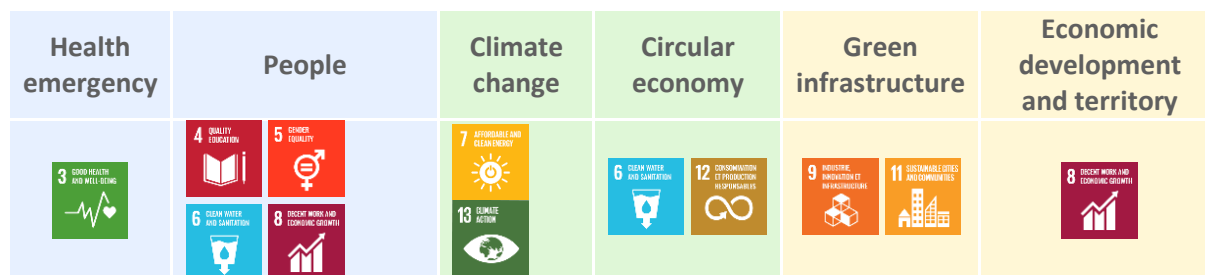
ADR has defined a structured path to objectively and transparently identify its priorities with respect to sustainability which is summarized in its Charter of Commitments on Sustainability² published in September 2021.

The starting point was an integrated analysis of:

- the corporate values;
- the international sustainability priorities (the 2030 Agenda for Sustainable Development, adopted by all United Nations (UN) Member States in 2015 and the Ten Principles of the United Nations Global Compact); and
- the priorities of the internal and external stakeholders of the company.

An integrated vision of these elements has led to identifying the areas on which to focus corporate commitment: ten Sustainable Development Goals have been identified through the analysis of the over 160 targets making up the Agenda. On these targets, ADR is already committed and therefore has defined objectively measurable KPIs and programs in order to ensuring the achievement of important results as highlighted in the Sustainability Scorecard represented in the image below.

² https://www.adr.it/documents/17615/20953574/Carta+Impegni_format+istituzionale+-+ENG+CP+4.10.2021.pdf/f29b7e3d-5937-4d64-e455-f94e6b39083a?t=1635259800899



The undertaking described above underpins the 5-year rolling Group's Corporate Sustainability Plan. The Sustainability Plan structure is based on three pillars, which constitute the drivers of the actions envisaged by the Group: People centrality (employees, passengers, suppliers, and communities), Environmental sustainability of operations and economic and social Development.

The Plan matches with ADR's values and with the Governance that ADR has adopted, while the communication system ensures transparent dialogue with all the categories of stakeholders.

Financing-wise, the Charter of Commitments includes a roadmap to achieve 50% or more of green or sustainable-based financing by 2025.

1.3 Decarbonisation

The aviation sector faces the challenge of achieving recovery and growth post the COVID-19 pandemic whilst pursuing its ambition to significantly reduce Greenhouse Gas ("GHG") emissions. To pursue this goal, ADR has made commitments and developed programmes to help achieve its target of zero CO₂ Scope 1 and 2 emissions by 2030.

As a first step, ADR is committed to monitoring on an annual basis GHG emissions (i.e. Scopes 1, 2 and 3) by ADR, its subsidiaries and other stakeholders in the sector, such as airlines and other companies operating at the ADR airports.

In March 2021, ADR secured the Airport Carbon Accreditation ("ACA") Level 4+ (Transition) certification, the highest level in existence to date. This achievement also made Rome's airports the first in Europe and among the first in the world to achieve this level of certification as of first quarter of 2021. More information on the ACA accreditation is provided in Annex 1.

ADR is engaged in a number of projects and initiatives to address direct GHG emissions and GHG emissions from its energy consumption, including:

- two large multi-megawatt photovoltaic plants;
- second-life-batteries electrical storage and thermal storage (ADR was awarded the EU funded project PIONEER, the largest EU second-life-batteries storage program with partners Enel X and Fraunhofer ISE);
- the use of bio methane and low-carbon transport infrastructure;
- investments in a network of electric charging stations for airport mobility.

Moreover, as part of the European Commission's Horizon 2020 research and innovation program, in 2020 ADR has participated and won a 12-million-euro tender to find solutions that demonstrate how an airport can be designed to operate completely without carbon emissions. In collaboration with Copenhagen airport, the International Air Transport Association ("IATA"), the University of Parma and 10 other European partners, ADR has joined the EU funded "ALIGHT" project³ to analyse the airport's zero-carbon emission future. The Smart Airport project also plans to make Sustainable

³ <https://cordis.europa.eu/project/id/957824/it>

Aviation Fuels (“SAFs”) available at participating airports (e.g. biofuel, electricity, hydrogen or e-fuel) all of which are essential for decarbonising aircraft flight.

As for airport Scope 3 carbon footprint, this is typically mainly driven by its “aircraft” component: take off, landing, approach, climb, and cruise from origin to destination, which account for around 90% of the total Scope 3 emissions.

In this context, ADR is taking initiatives through the establishment of a Stakeholder Engagement Plan to reduce the sources of its Scope 3 emission for which it can only provide guidance and influence:

- ADR is contributing to SAFs (Sustainable Aviation Fuel) development with full availability for aircraft targeted by 2024, making biofuel available at the airport distribution centre. Eni and ADR have signed a strategic agreement for the supply of SAF produced at Eni’s Taranto refinery through a co-feeding process at conventional plants with 0.5% made up of used cooking and frying oils. Thanks to this agreement, Fiumicino airport was the first airport in Italy to make SAF available, the latter capable of reducing CO₂ emissions by 60-90%;
- ADR successfully implemented the Airport Collaborative Decision Making (“A-CDM”), an operational procedure which aims to improve air traffic management through better sharing of information amongst all stakeholders. Thanks to its introduction, airlines have been able to save an average of 90 seconds of taxing time (-10%), which resulted in a CO₂ savings for ca. 11,800 tonnes (on an annual basis - 2018 figures);
- ADR participates in the SESAR programme (Single European Sky Air Traffic Management Research), which contributes to the targets of the Single European Sky (“SES”) initiative to reduce the environmental impact of flying through better use of airspace and a sky decarbonisation programme.

ADR also promotes rail access to Fiumicino airport, in partnership with the national rail operator, and is investing in smart and clean mobility to and from the airport through the following initiatives:

- installation of 500 electric vehicle charging stations by 2025 (100 airside and 400 landside);
- substitution of the entire light vehicle fleet with electric vehicles by 2029;
- initiatives to decarbonize trucks, heavy duty road vehicles and emergency generators at Fiumicino airport through the use of pure HVO hydrogenated biofuel supplied by ENI as part of their strategic agreement with ADR;
- construction of a cycle lane for employees;
- initiatives to facilitate electric car sharing
- initiatives to develop, together with its partner Volocopter, the Italian authorities and regulators and with Atlantia’s full support, Urban Air Mobility service (operating in electric mode) offering transportation for people and goods, to connect the international hub "Leonardo da Vinci" with various places in Rome, through vertical airports.

In addition to the objective of eliminating the CO₂ emissions over which it has direct control, ADR has decided to provide a further contribution by planning additional interventions that will allow to reduce CO₂ emissions by at least 5,000 tons on an annual basis, by 2030.

It is relevant to reiterate that this is an additional contribution, not meant as an alternative to the previously described commitment to zeroing the emissions as indicated in Scope 1 and 2.

This objective will be achieved through:

- projects of reforestation and renaturalization for the areas surrounding the airport;
- alternatively, participation to REDD + projects⁴ (which also have benefits in terms of biodiversity); as well as
- projects related to new technologies such as direct air capture (DAC) to extract CO₂ directly from the atmosphere.

⁴ <https://redd.unfccc.int/>

1.4 Circular economy

The waste management strategy at ADR has always been focused on reduction, reutilization and recycling. On waste recovery, ADR recovers 98% of waste produced at Fiumicino.

For the development of waste reutilization process, ADR airports have a widespread “door-to-door” waste collection system with “differentiated tariffs” which allows for an optimal split of waste produced and lays the foundations for its reuse.

ADR has built a big composting plant to facilitate the recovery of 1,000 tonnes of organic waste from food scraps collected from Fiumicino airport. The composting plant capacity has been sized in order to manage the equivalent amount of the total waste produced by ADR in 2019.

ADR does its best to avoid landfill disposal: the amount of waste collected that the Group can't send to material recovery, because is a poor-quality waste, is sent to energy recovery.

Through successful collaboration with other parties, ADR successfully reduced the amount of plastic produced at Fiumicino airport by 30% in 2019 versus the previous year.

Circularity also covers other important areas including the sustainable management of the water resources, recycling of construction materials, land reuse and donation of goods and meals unsold.

With regards to the efficient and sustainable management of water resources, it is noted that Fiumicino is one on the few large airports in the world to use a “dual” network that allows the use of potable water (883,526 cubic meters in 2019) only when indispensable. For other uses such as firefighting, toilets etc., industrial recycled water is used allowing for a water saving of 1,237,000 cubic meters in 2019.

ADR intends to pursue the described path with the goal of being a zero-waste airport within 2030, assuring the reutilization of 100% of the waste produced in the airport. ADR is committed also to reduce by 2030 the amount of waste for each passenger by 10% versus 2019.

1.5 Sustainable Infrastructures

For ADR, developing an infrastructure system that enables it to provide its stakeholders with services in line with the best international standards is the main strategic priority. In this context, the sustainability principles are structurally embedded in all phases of the design, construction, operation and maintenance process of the Capital's airport system. Two issues are particularly important, as they can be considered symbolic of ADR's commitment to ensuring the full sustainability of the Leonardo da Vinci airport development plan:

- developing the level of sustainability of infrastructures by ensuring and constantly optimising their environmental, economic and social performance;
- ensuring the protection and development of the airport's ecosystems by guaranteeing the improvement of biodiversity in an integrated manner.

Green Infrastructure

In 2020, ADR decided, as part of its plan for developing Fiumicino airport, to set out a roadmap to ensure the deployment of the sustainability levels of its infrastructure system.

The roadmap is based on a rigorously scientific and quantitative approach using the most authoritative international certification systems: LEED® (Leadership in Energy and Environmental Design) and BREEAM® (Building Research Establishment Environmental Assessment Method). It is important to specify that the indices adopted assess the sustainability of the infrastructures with an “holistic” approach: energy efficiency, CO2 emissions generated, circular

approach to the management of materials also during the construction phase, management of suppliers and the impact of the works on the socio-economic context of reference.

The progress of certification activities will be monitored by ADR through the “Green Infrastructures” indicator, calculated as the ratio of i) certified terminal surfaces as at the observation date, weighted according to the level of certification achieved, and ii) total terminals surface.

The programme envisages, starting with the base year 2019, in which the value of the index was around 4%, to reach by 2030 a ratio of at least 60% of certified terminal infrastructures. By the end of the concession in 2046, the index will be above 80%.

In the 2021-2022 period, AdR has also launched an “extraordinary maintenance” programme to increase the level of sustainability of existing buildings, using the BREEAM® certification protocol to assess the sustainable performance achieved. This programme is already operational for the “Terminal 3 Forepart” and “Pier E”, which opened in 2016. Following the roadmap, the immediate next step is the certification of “Pier B”, a building soon to be renovated, and the 'Terminal 1 forepart', whose construction is currently being finalised.

Protecting biodiversity

ADR incorporates into its mission the climate change and biodiversity loss challenges, emphasising the need to include measures to protect and effectively manage these two issues in its development plan.

A detailed environmental analysis was drawn up using the ILC (Index of Landscape Conservation- Pizzolotto & Brandmayr) which allows to derive the state of conservation of the territory based on the consistency between the land cover and the corresponding potential natural vegetation. ADR has defined a path that ensures an improvement in this index in parallel with the implementation of the infrastructure development plan.

The achievement of the biodiversity protection objective defined by ADR implies the activation of an articulated programme of initiatives in the vast area surrounding Fiumicino airport that will ensure an overall improvement in the index by balancing the effects induced by the airport development plan and, in particular, by the construction of the planned fourth runway.

It is important to emphasise that this type of intervention, the operational planning of which is underway, will also have a positive impact on other important dimensions from an ESG perspective:

- climate change mitigation, as interventions include ecosystem upgrading and the planting of a large number of tree species with a positive impact on offsetting CO2 emissions and improving air quality; and
- development of the socio-economic context, as the projects will have a positive impact on local employment in both the construction and maintenance phases.

II. Rationale for issuing Sustainability-Linked Financing Instruments

In November 2020, ADR released its Green Financing Framework which enabled the Group to incur “Green Debt” (through the issue of bonds or the assumption of bank loans) to finance and / or refinance projects with a positive environmental impact. ADR’s Green Bond offering in November 2020 made the Group one of the leading players in sustainable finance from the sector.

The inclusion, in 2021, of Sustainability-Linked financing instruments to ADR’s toolbox of sustainable finance instruments was a natural step in the Group’s constant and growing commitment to environmental and sustainability issues. In April 2021, ADR issued its inaugural Sustainability-Linked Bond - the first public offering of its kind by an airport in the world - for an amount of 500 million euros and a maturity of 10 years.

This Framework reflects the increased level of ambition of ADR’s climate commitments and includes longer term targets (compared to those under the 2021 release) as well:

- commitment on 2030 SPTs for all KPIs; and
- an acceleration of its decarbonisation plan driven by updated assumptions on mobility in line with the latest industry report and consistently with the expected evolution of climate regulation.

By doing so, ADR intends to:

- i. align its financing strategy with its mission, objectives and sustainability targets – to this end, it shall be noted that its above mentioned Charter of Commitments on Sustainability includes a roadmap to achieve 50% or more of green or sustainable-based financing by 2025;
- ii. ensure that the proceeds from institutional investors and customers are channelled into investments that contribute to a transition to an economy that has a lower environmental impact; and
- iii. contribute to the development of the sustainable finance market, underlining the importance of the airport sector in the implementation and achievement of the UN’s SDGs and in particular SDG 13 ‘Climate Action’.

III. Alignment with Sustainability-Linked Bond Principles 2020 and Sustainability-Linked Loan Principles 2022

The Framework has been established in accordance with the Sustainability-Linked Bond Principles (“SLBP”) 2020 as administered by the International Capital Markets Association (“ICMA”), and the Sustainability-Linked Loan Principles (“SLLP”) 2022 as administered by the Loan Markets Association (“LMA”). In the case of Sustainability-Linked Bonds (“SLB”), the core of the Framework is focused on the selection of Key Performance Indicators (“KPIs”), calibration of Sustainability Performance Targets (“SPTs”), instruments structuring, reporting and verification.



In alignment with the core components of the SLBP and the SLLP, the following sections contain a discussion of the main components of this Sustainability-Linked Financing Framework:

1. Selection of Key Performance Indicators (KPIs);
2. Calibration of Sustainability Performance Targets (SPTs);
3. Financial Characteristics;
4. Reporting;
5. Verification.

ADR may link the financial characteristics of certain sustainability-linked bond or loan to be issued or assumed by it to the KPIs and SPTs used under this Framework. For the avoidance of doubt, the above mentioned financing instruments falling within this version of the Framework will be those issued and/or executed after the publication of this version of the Framework in ADR’s website.

3.1 Selection of Key Performance Indicators (KPIs)

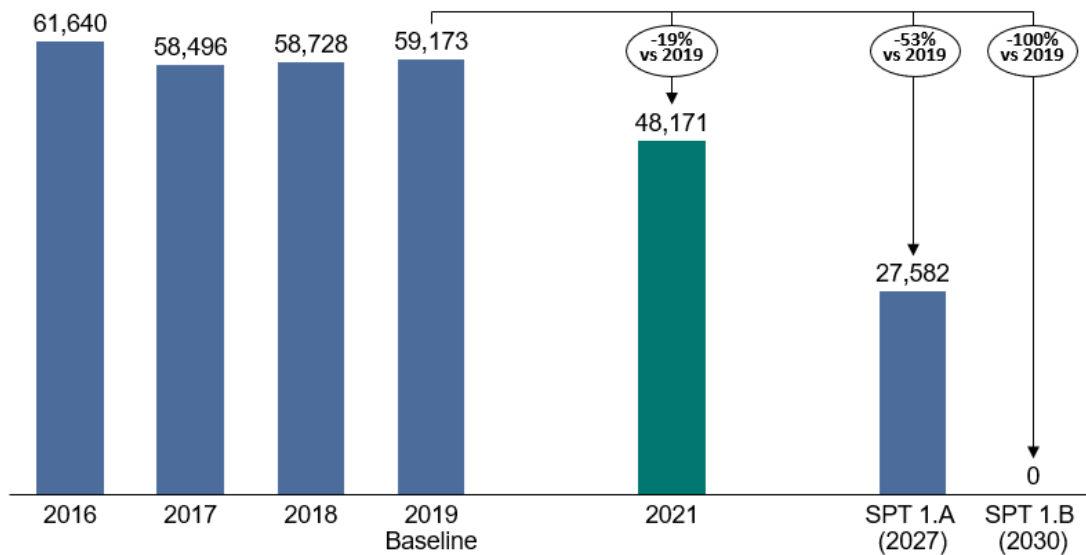
ADR has selected the following three KPIs, which are core, relevant and material to ADR’s business and measure the sustainability improvements of the Group.

KPI 1: Scope 1 and 2 CO ₂ emissions (tonnes)	
 	<p>Definition of the metric: Scope 1 and 2 emissions, which constitute all the CO₂ emissions across ADR's operational activities. The metric is measured in tonnes/year.</p> <p>Unit: Percentage of reduction of tonnes of carbon dioxide equivalent (tCO₂).</p> <p>Perimeter: Fiumicino ("FCO") airport</p> <p>Methodology The total amount of CO₂ Scope 1 and 2 emissions is calculated according to the ACA rules for Level 4+ defined by ACI Europe, in line with the guidance provided by ISO 14064-1. This scheme provides for the accounting of direct and indirect emissions, distinguishing them in three fields of application or "Scope": (i) Scope 1: direct emissions; (ii) Scope 2: indirect emissions from the production of purchased electricity; (iii) Scope 3: other indirect emissions.</p> <ul style="list-style-type: none"> i. Direct CO₂ emissions include: 'stationary sources', 'mobile sources', 'process emissions', and 'other'. Emission factors for Scope 1 are derived from the GHG Protocol; ii. Indirect CO₂ emissions associated with energy consumption include: emissions from purchased electricity, heating and cooling. Emission factors associated with electricity consumption are those published by the ISPRA⁵. <p>For more detailed examples of the types of emissions included please refer to Annex I</p> <p>Baseline:</p> <ul style="list-style-type: none"> i. 59,173 tonnes CO₂ in 2019 (Scope 1= 4,413 and Scope 2=54,760); ii. The 2019 Baseline has been audited by RINA and WSP according to ACA rules. <p>Rationale ADR has selected the above KPI, which is core, relevant, and material to the business and measures the sustainability improvements of Scope 1 and 2 CO₂ emissions that are under ADR's direct or indirect control. Scope 1 and 2 emissions are defined in the above section.</p> <p>Action Plan related to Scope 1 & 2: ADR is committed to constantly reducing its climate-damaging emissions. Over time, ADR has implemented a series of actions to limit the environmental footprint of the airport system. In particular, the following actions are aimed at controlling and reducing direct and indirect emissions of CO₂ related to its activities:</p> <ul style="list-style-type: none"> i. Renewable Energies: construction and realization of multi MW photovoltaic power plants and procurement of certified green electricity; ii. Phase out of the existing methane powered CHP and use of bio methane for boilers from 2029; iii. Installation (on top of the existing thermic storage of 20 MW and 60 MWh) of a Multi MW electric storage; iv. Green Buildings: with a view to pursue "brownfield" development, the infrastructure plan is based on new, existing or refurbished buildings which have received at least one of the following criteria: the LEED "Gold", BREEAM "Very Good", EPBD "A"; v. Initiatives to decarbonize the road airport vehicles including: substitution of the entire fleet of light vehicles with electric vehicles and use of pure HVO hydrogenated biofuel for trucks, heavy duty road vehicles and emergency generators; and vi. Energy efficiency technologies vii. Investments in a network of electric charging stations for airport mobility

⁵ <https://www.isprambiente.gov.it/en>

Historical performance:

Scope 1 & 2 Emissions (tonnes of CO₂)



Comment on 2021 performance:

In 2021 airport operations were strongly affected by the Covid-19 pandemic, both in terms of air traffic and because of health protection policies issued by the competent authorities to protect the safety of passengers and airport operators. However, the substantial decrease in passengers (-73% at Fiumicino) did not imply a proportional reduction in energy consumption and related emissions, since cooling and heating operations of airport terminals have been revised to ensure continuous ventilation of the common areas, pursuant to sanitary protocols and to ensure the safety of operators and passengers. At the same time, in order to ensure social distancing and to accommodate traffic profile, Fiumicino has undergone multiple configuration changes regarding the configuration of the airport, which helped optimizing energy consumption and related emissions.

KPI 2: Airport Carbon Accreditation Level 4+



Definition of the metric: ACA Level 4+ is the most advanced certification in the airport sector aimed to achieve emissions reduction, including from Scope 3 sources, over which the airport can only provide guidance or influence.

Perimeter: Fiumicino ("FCO") airport

Methodology

Accreditation at Level 4+ has to be renewed every three years. The requirements to be fulfilled are:

- i. Submission of a verified carbon footprint as per Level 4 requirements;
- ii. Revised Carbon Management Plan. The Plan shall demonstrate that the airport has achieved in a timely manner any relevant long-term target or interim milestone that had been set;
- iii. Update of the Stakeholder Partnership Plan with information about the progress of stakeholder emissions reduction against the overall objective for the stakeholders;
- iv. Annual submission of a non-verified carbon footprint in the interim years;
- v. Every second renewal (i.e., every six years), the airport shall demonstrate that it is on track with the forecast trajectory to their long-term target or interim milestone.

Rationale

In order to combat climate change, ADR guaranteed the maintenance of ACA carbon neutrality certification for FCO (i.e. ACA 3+) since 2013. The aim of ACA is to encourage airports to implement best practices in carbon management and achieve emissions reduction. The accreditation provides the opportunity for airports to gain public recognition for their achievements, promotes efficiency improvements, encourages knowledge transfer, raises an airport's profile & credibility, encourages standardisation, and increases awareness and specialisation.

ADR has limited or no control, direct or indirect, over Scope 3 emissions. In order to reduce Scope 3 emissions, ADR prepared a Stakeholder Partnership Plan aimed at providing guidance and influence stakeholders to reduce Scope 3 emissions from ADR standpoint.

In 2020, Level 4+ (Transition) has been added to the ACA programme to align it with the objectives of the Paris Agreement to limit the increase of global average temperature to 2°C above pre-industrial levels and aim to not exceed 1.5°C. Level 4+ has been introduced as an interim step towards the long-term goal of supporting airports in achieving net zero carbon emissions in 2050.

ADR has selected the above KPI, which is core, relevant, and material to the business and measures the airports' carbon footprint, including Scope 3 emissions. As part of our commitment to combating climate change, in March 2021 FCO became the first airport in Europe to achieve Level 4+ "Transition" by the ACA, which we believe is key to maintain.



Action Plan (other than already disclosed in KPI 1):

- i. Availability of Sustainable Aviation Fuels by 2024 in line with the ALIGHT EU-funded project;
- ii. Installation into the airport of ca. 500 charging points for electric vehicles by 2025 to favour electric mobility (roughly 100 air side and 400 land side);
- iii. Improvement of rail accessibility, number of trains and decrease of tariffs;
- iv. Improvement of buses accessibility and link the airport to the regional cycle lines network;
- v. Initiatives within SESAR program⁶;
- vi. Actions to raise awareness on airport's tenants for the procurement of green certified energy and the use of electric vehicles; and
- vii. Raising awareness initiatives and working group with handlers for the usage of hybrid/electric vehicles and incentive policies.

Historic performance:

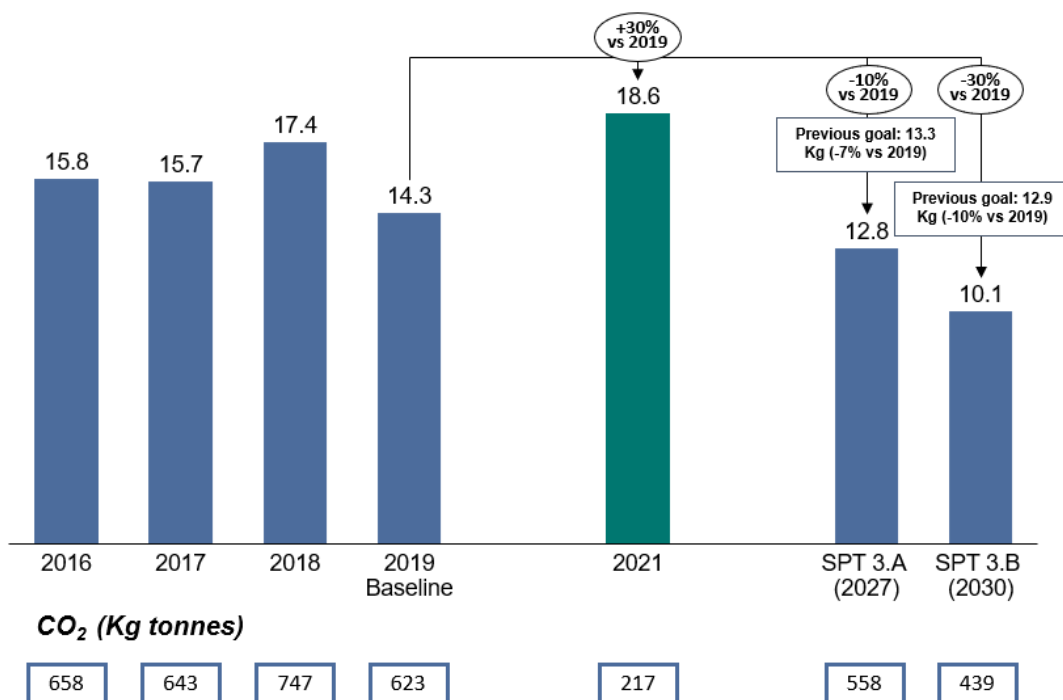
Fiumicino airport is certified ACA 3+ since 2013, and ACA 4+ certified since March 2021

⁶ <https://www.sesarju.eu/>

KPI 3: Scope 3 CO ₂ emissions per passenger (excluding aircrafts sources - kgCO ₂ /passenger)	
 	<p>Definition of the metric: Scope 3 CO₂ emissions (excluding Cruise, Landing and Take-off Cycle (LTO) and taxing of aircrafts) per passenger</p> <p>Unit: Percentage of reduction of kilos of carbon dioxide equivalent per passenger (kgCO₂/passenger).</p> <p>Perimeter: Fiumicino ("FCO") airport</p> <p>Methodology The total amount of Scope 3 CO₂ emissions is calculated according to the ACA rules for Level 4+ defined by ACI Europe, in line with the guidance provided by ISO 14064-1. The KPI 3 will aggregate emission sources from:</p> <ul style="list-style-type: none"> i. Ground Support Equipment ("GSE") and handlers' vehicles, supporting aircraft during the turnaround at the stand; ii. Passengers accessibility, travelling to and from the airport; iii. Other staff accessibility (third parties), travelling to and from the airport; iv. Goods accessibility (estimated); v. Waste management, treatment and disposal of solid and liquid waste generated in the airport's operations; vi. Business trips of ADR's staff; vii. Third parties fixed sources (emissions from generators and on-site plant); viii. Deicing airplanes; and ix. Energy purchased by third parties. <p>Baseline:</p> <ul style="list-style-type: none"> i. 623,357 tonnes CO₂ in 2019, 14.3 kgCO₂ per passenger; ii. The 2019 Baseline has been audited by RINA and WSP according to ACA rules. <p>Rationale Scope 3 emissions are out of ADR's direct or indirect control. For Scope 3 emissions ADR can only provide guidance and influence the airport stakeholders.</p> <p>Nevertheless, given that a large proportion of ADR's CO₂ emissions are Scope 3 emissions, it is important to have a KPI that is focused on these emissions.</p> <p>ADR has selected the above KPI, which is core, relevant, and material to the business and measures the sustainability improvements of Scope 3 CO₂ emissions that are not under ADR's direct or indirect control. The typical airport Scope 3 carbon footprint boundaries are described in the above section.</p> <p>Action Plan:</p> <ul style="list-style-type: none"> i. Installation into the airport of ca. 500 charging points for electric vehicles by 2025 to promote electric mobility (approximately 100 air side and 400 land side); ii. Energy efficiency technologies; iii. Improvement of rail accessibility, number of trains and decrease of tariffs, improvement of bus accessibility and link the airport to the regional cycle lines network; iv. Actions to raise awareness on airport's tenants for the procurement of green certified energy; v. Raising awareness initiatives and working group with handlers for the usage of hybrid/electric vehicles and incentive policies; vi. Construction of a cycle lane for employees; vii. Initiatives to facilitate electric car sharing; and viii. Development of Urban Air Mobility service (operating in electric mode) to connect the international hub "Leonardo da Vinci" with various places in Rome.

Historical performance:

Scope 3 CO₂ emissions per passenger (excluding aircrafts sources - kgCO₂/passenger)



Comment on 2021 performance:

2021 Scope 3 emissions in scope were significantly influenced by the pandemic (217Kg tonnes or -65% vs 2019). The main reason is attributable to emissions related to the “Accessibility of passengers traveling to and from the airport”, which represented, in 2019, 90% ca of Scope 3 emissions included in the baseline. More specifically, in 2021 the use of higher-emission transportation alternatives, such as personal car and taxi, showed a significant increase (+8% considering both private car parket at airport during travel and private car access with companion), while the use of other public transport, such as coaches and car sharing has fallen sharply. This temporary modal shift depends both on the general and widespread preference to limit the use of public transport, but also on the suppression of numerous trips by public transport companies. The following table highlights the 2019 and 2021 preferred means of transport (focusing on road access) for passengers.

Transportation means (focus on road access)	% of 2019 passengers	% of 2021 passengers	Changes (p.p.)
Private car / motorbike (parked at airport)	27.7%	12.0%	-15.7%
Private car with companion	18.2%	41.9%	23.7%
Taxi	9.9%	15.8%	5.9%
Coach / Bus	18.1%	1.1%	-17.0%
Rent-a-car	2.7%	2.7%	0.0%
Limo service (NCC)	2.7%	0.8%	-1.9%
Car sharing	0.6%	0.1%	-0.5%

3.2 Calibration of Sustainability Performance Targets (SPTs)

SPT 1.A: Reduce absolute Scope 1 and 2 emissions by 53% by 2027 from a 2019 baseline

ADR wants to reduce carbon emissions by 53% by December 31st, 2027, compared with the base year of 2019.

SPT 1.B: Reduce absolute Scope 1 and 2 emissions by 100% by 2030 from a 2019 baseline

ADR wants to reduce carbon emissions by 100% by December 31st, 2030, compared with the base year of 2019, achieving its carbon neutrality objective on Scope 1 & 2.

The SPTs are ambitious as they support ADR's ambition to become net zero emissions by 2030 and net zero carbon by 2050. It represents a material improvement when compared to ADR historic trend of performance. Indeed from 2016 to 2019 ADR has reduced CO₂ emissions by 2 kt/year. With net zero commitment by 2030, the reduction from 2019 to 2030 will be in excess of 24x, for a total amount of 59 kt/year.

SPT 2: Maintain the ACA Level 4+ when the certification will be reviewed in 2027 and 2030

Now that ADR has achieved the highest accreditation by the ACA, ADR wants to maintain this achievement when the certification is reviewed in 2027 and 2030.

The SPT is ambitious as Level 4+ (Transition) confirms that ADR intends to align with the objectives of the Paris Agreement to limit the increase of global average temperature to 2°C above pre-industrial levels and aim to not exceed by 1.5°C.

SPT 3.A: Reduce per passenger Scope 3 emissions (excluding aircrafts sources) by 10% by 2027 from a 2019 baseline

ADR wants to reduce per passenger CO₂ emissions by 10% by December 31st, 2027, compared with the base year of 2019. This SPT reflects an improvement to the previous target set in 2021 which encompassed a 7% reduction by 2027 (on the same 2019 baseline).

SPT 3.B : Reduce per passenger Scope 3 emissions (excluding aircraft sources) by 30% by 2030 from a 2019 baseline

ADR wants to reduce per passenger CO₂ emissions by 30% by December 31st, 2030, compared with the base year of 2019.

This SPT reflects an improvement to the previous target set in 2021 which encompassed a 10% reduction by 2030 (on the same 2019 baseline).

The SPT 3.A and SPT 3.B are ambitious as they monitor ADR Scope 3 emissions that ADR doesn't control. On Scope 3 emissions ADR can only provide guidance and influence the stakeholders. From 2016 to 2019 Scope 3 CO₂ emissions per passenger (excluding aircraft sources) were decreased by 1.5 kg/passenger/year. With -30% commitment by 2030 the reduction from 2019 to 2030 will be another 4.2 kg/passenger/year.

Furthermore, SPT 3.A and SPT 3.B support ADR's ambition to maintain ACA 4+ certification providing targets also for some Scope 3 emissions sources.

ADR set its first target on per passengers Scope 3 emissions (excluding aircraft sources) in April 2021. Then, ADR reinforced its objective to reduce per passenger Scope 3 emissions (excluding aircraft sources):

- by 10% by 2027 from a 2019 baseline, compared to 7% in the 2021 version of the Framework; and
- by 30% by 2030 from a 2019 baseline, compared to 10% in the 2021 version of the Framework.

This new objective takes into account more favourable assumptions regarding the transition to sustainable mobility in Italy, on the back of the latest industry reports ⁷ as well as the expected evolution of climate regulation, which are expected to significantly benefit Scope 3 emissions related to the accessibility to and from the airport. More specifically, ADR is now expecting a more accelerated mobility transition, driven by:

- higher penetration of Battery Electric Vehicle (BEV); and
- faster reduction of car, coach and train-related emissions, boosted by new EU policies from «FitFor55» package and ETS application on road transports from 2026 – which are expected to accelerate carmaker evolution towards lower emissions' car models as well as a faster adoption of biofuel.

3.3 Financing's characteristics

The financial characteristics of the instruments will be impacted depending on the achievement or failure to meet the SPTs indicated in the previous section of this Framework. Performance against the SPTs, representing the instrument's trigger events, will be observed at each observation date.

The exact mechanism and impacts of the achievement or failure to reach the pre-defined SPTs will be detailed for each financing in the relevant documentation.

The proceeds of ADR's sustainability-linked financing instruments (*i.e.* bonds or loan, as the case may be) ("Sustainability-Linked Financing(s)") will be used for general corporate purposes.

Sustainability-Linked Financing have a sustainability-linked feature that will result in a margin/coupon adjustment, or a premium payment as the case may be, if the Group's performance does not achieve the relevant SPT(s). The relevant KPI, SPTs, step-up margin amount or the premium payment amount, as applicable, will be specified in the relevant documentation of the specific transaction (e.g. final terms, loan agreements or analogous documents).

Furthermore, such documentation may include provisions allowing for the redetermination (also on a *pro forma* basis, if any) of the CO₂ emissions and/or related baselines as well as the resulting additional reporting obligations vis-à-vis investors in case of a redetermination (including an explanation of and the reasons behind the redetermination).

Finally, notes issued under ADR's 2022 EMTN Programme contain provisions according to which ADR shall have the right (but not the obligation) to, inter alia, increase the SPTs and/or introduce new KPIs without the consent of the noteholders. Such amendments will be aimed to reflect any changes to the issuer's sustainability strategy which occur after the issue date of the notes and have the effect of introducing more ambitious sustainability targets.

The Issuer will notify the investors of the achievement or not of the SPT as soon as possible and in any event by the deadline specified in the relevant financing documentation.

3.4 Reporting

ADR commits to report at least annually in its Integrated Annual Report (or in any equivalent publication including annual sustainability reporting) and keep readily available and easily accessible on the Group's website:

- Up-to-date information on the performance of the selected KPI, including the baseline where relevant;
- Any relevant information enabling investors to monitor the ambition of the SPT including any update in the issuers sustainability strategy or on the related KPI/ESG governance, and more generally any information relevant to the analysis of the KPIs and SPTs; and
- Information regarding a redetermination of CO₂ emissions and/or related baselines if relevant.

⁷ Smart Mobility Report 2021 (Politecnico di Milano) – available at <https://www.energystrategy.it/es-download/>

ADR also commits to publish at least annually and to keep readily available and easily accessible on the Group's website a verification assurance report relative to the SPT outlining the performance against the SPT and the related impact, and timing of such impact, on a financial instrument performance, as defined in the Post-issuance part of the Verification section.

3.5 Verification

Independent and external verification of performance level against each SPT for each KPI by a qualified external reviewer with relevant expertise such as the Group's auditor.

Pre-issuance

ADR's Sustainability-Linked Financing Framework has been reviewed by Sustainalytics who provided a Second Party Opinion ("SPO"), confirming the alignment with the SLBP administered by the ICMA. Following the update of the framework, Sustainalytics updated its SPO, confirming the alignment of the framework with the Sustainability-Linked Bond Principles 2020 and the Sustainability-Linked Loan Principles 2022. Both the SPOs will be available on ADR's website.

Any other external review from consultants with recognized environmental and social expertise to provide an opinion on the sustainability benefit of this Sustainability-Linked Financing Framework as well as the alignment to the SLBP will also be made publicly available on ADR's website.

Post-issuance

Annually, and in any case for any date/ period relevant for assessing the KPI performance against the SPT leading to a potential financial adjustment, such as a step-up coupon or a premium payment on the Sustainability-Linked Financing, until after the KPI trigger event of a financing has been reached, ADR will seek independent and external verification of the performance level for the stated KPI by the Assurance Provider.

The Assurance Provider means ADR's external auditor, or any such other qualified provider of third party assurance or attestation services appointed by ADR, who will provide a verification assurance report in the form of a "Limited Assurance".

The verification of the performance of the KPIs, along with the Assurance Provider's verification report, will be made publicly available on ADR's website.

IV. Amendments to this Framework

ADR will review the contents of this Framework from time to time, including its alignment to updated versions of the relevant principles as and when they are released, with the aim of adhering to best practices in the market. Over time, additional KPIs/SPTs may be added and new SPTs for KPI 1, 2 and/or 3 may be proposed.

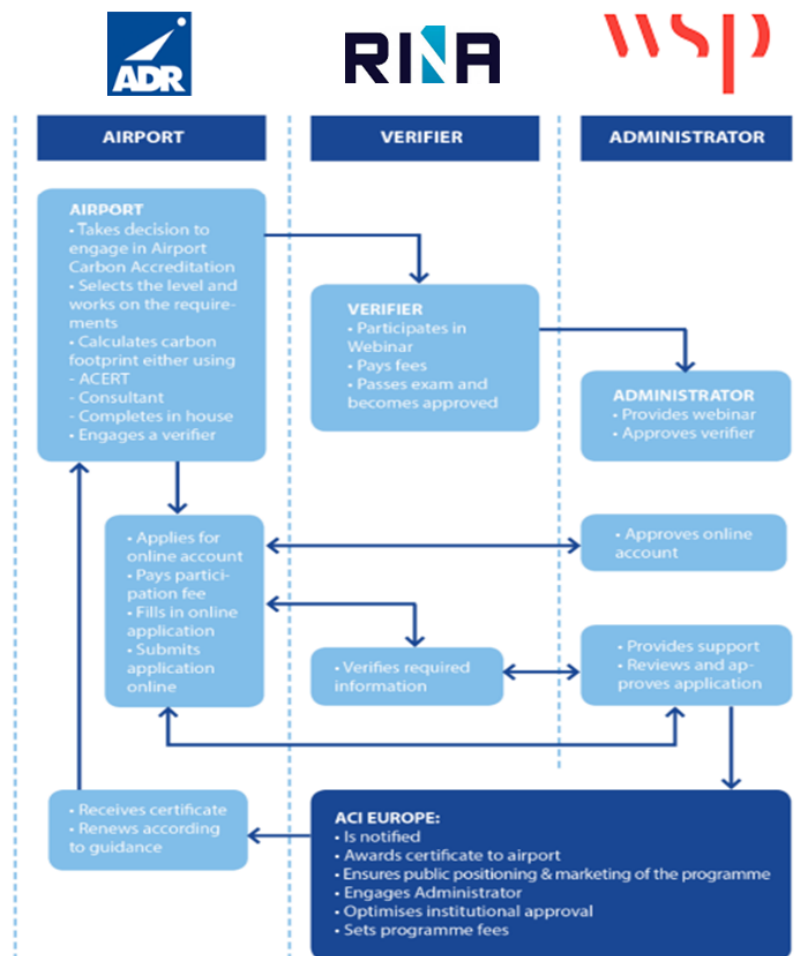
ADR will also review this Framework in case of significant changes affecting the calculation and/or observation of the KPIs and/or the SPTs, significant or structural changes to the business model of ADR and/or an amendment to the applicable legal or regulatory framework directly and/or indirectly applicable to the operation of FCO.

Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an external verifier. The updated Framework, if any, will be published on ADR's website.

Annex 1 – Overview of ACA Accreditation Process

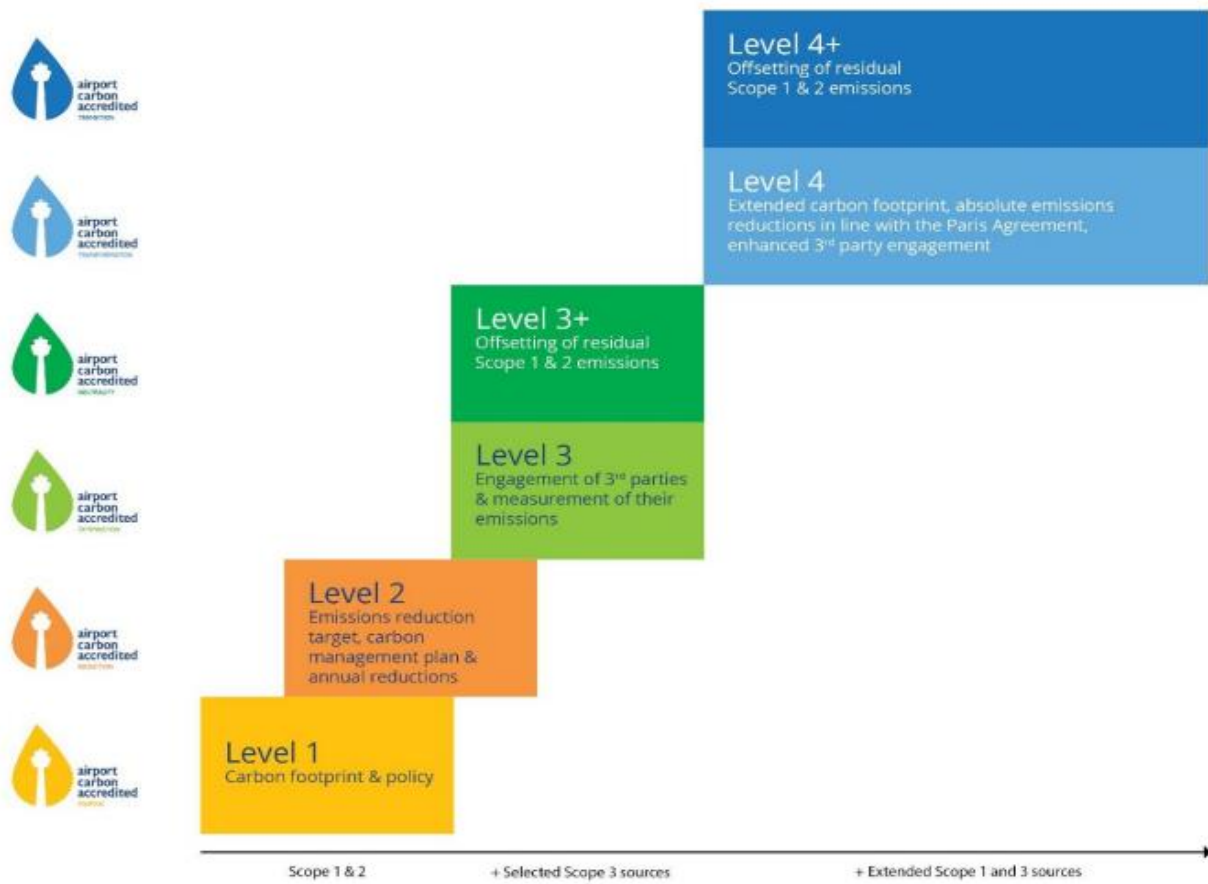
The ACA is owned and governed by ACI EUROPE (the European region of Airports Council International) in close cooperation with four ACI regions and with support of ACI World⁸.

ACA is a global carbon management certification programme for airports. It independently assesses and recognizes the efforts made by airports in managing and reducing their carbon emissions through six levels of certification: 'Mapping', 'Reduction', 'Optimisation', 'Neutrality', 'Transformation' and 'Transition'.



The ACA follows the GHG protocol guidance to identify and categories direct and indirect emissions at each operational level.

⁸ <https://www.airportcarbonaccreditation.org/about/what-is-it.html>



In 2020, Level 4 ("Transformation") and 4+ ("Transition") were added to the ACA programme to align it with the objectives of the Paris Agreement to limit the increase of global average temperature to 2°C above pre-industrial levels and aim to not exceed 1.5°C.

As at the end of 2021, around 381 airports in the world were certified by the ACA, 193 of which are based in Europe, including all the largest airports. Worldwide 10 airports hold the highest accreditation of Levels 4+.

In March 2021, ADR became the first airport in Europe to achieve Level 4+ "Transition" following the submission of a verified application which contained carbon footprint, policy and other programme information relevant to ADR obtaining Level 4+ accreditation. Going forward, ADR would be expected to submit a verified application every second year subsequently as long as ADR remains at the same level of accreditation⁹.

⁹ <https://www.rina.org/en>
<https://www.wsp.com/>



Which emissions can occur at an airport?



Scope 1: Direct GHG emissions that occur from sources that are owned and/or controlled by the airport. These include:

Stationary sources	Boilers, furnaces, burners, turbines, heaters, incinerators, engines, firefighting exercises, flares, generators, etc.
Mobile sources	Automobiles (airside / landside), trucks, employee buses, ground power units, construction vehicles and plant, etc.
Process emissions	Onsite waste management, wastewater management, etc.
Other	Refrigerant losses, de-icing substances, leaks from plant particularly fire suppression CO2, fuel tanks etc.

Scope 2: Indirect GHG emissions from the generation of purchased electricity, steam, heat or cooling consumed by the airport. Scope 2 emissions physically occur at the facility where purchased electricity is generated.

Scope 3: All other indirect emissions, which are a consequence of the activities of the airport but occur from sources not owned and/or controlled by the company (e.g., aircraft movements, vehicles and equipment operated by third parties, off-site waste management, etc.). Such sources can be located within or outside the airport premises (geographical boundary).

- The ACA distinguish the relevant emissions sources to determine where airports have control over emissions (Scope 1, 2 and airport operator staff business travel) and where they can guide or influence emissions from activities of other stakeholders (Scope 3).
- In particular Scope 3 indirect emissions that are not under the control of airports are defined by ACA as follows:

Scope 3 emissions sources	For which the airport company can provide guidance.	For which the airport company can only influence
Aircraft	Aircraft ground movements, engine start up to idle (run ups), engine reverse thrust, taxiing, APU, PCA, etc.	Take off, landing, approach, climb, cruise from origin to destination, etc.
Stationary Sources	Boilers, furnaces, burners, turbines, heaters, incinerators, engines, firefighting exercises, flares etc.	3rd party boilers, furnaces, burners, turbines, heaters, incinerators, engines etc.
Mobile sources	Vehicles, GSE equipment and ground power units operated by 3rd parties, staff travel in own vehicles / commute, haulage, construction vehicles and plant, etc.	Business travel (3rd parties), land or maritime surface access (passengers), staff travel / commute (3rd parties), 3rd party owned vehicles, etc.
Process emissions	Offsite management / disposal of airport waste, etc.	Management of waste where disposal arrangements are made by 3rd parties, etc.
Infrastructure	Grid power and fuel consumed by close partners, etc.	Grid power and fuel consumed by other 3rd parties, etc.
Other	Refrigerant losses, de-icing substances, leaks from plant particularly fire suppression CO ₂ , fuel tanks etc.	Refrigerant losses, de-icing substances, leaks from plant particularly fire suppression CO ₂ , fuel tanks etc.

Accreditation at Level 4 has to be renewed every three years. The requirements to be fulfilled are:

- Submission of a verified carbon footprint as per Level 4 requirements;
- Revised Carbon Management Plan. The Plan shall demonstrate that the airport has achieved in a timely manner any relevant long-term target or interim milestone that had been set;
- Update of the Stakeholder Partnership Plan with information about the progress of stakeholder emissions reduction against the overall objective for the stakeholders;
- Annual submission of a non-verified carbon footprint in the interim years; and
- Every second renewal (i.e., every six years), the airport shall demonstrate that it is on track with the forecast trajectory to their long-term target or interim milestone.

DISCLAIMER

This document (the Sustainability-Linked Financing Framework) is intended to provide non-exhaustive, general information related to ADR approach to environmental and sustainability issues. This document may contain or make reference to public information not separately reviewed, approved or endorsed by ADR and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by ADR as to the fairness, accuracy, reasonableness or completeness of such information. This Sustainability-Linked Financing Framework contains statements about future events and expectations that are forward-looking statements. None of the future projections, expectations, forecasts, estimates or prospects such as, *inter alia*, the achievement by ADR of sustainable target described in this document should be taken as forecasts or promises of compliance with such projections, expectations, forecast, estimates or prospects nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the document. Being the forward-looking statements subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of ADR to control or estimate precisely. Unless otherwise stated, ADR has and undertakes no obligation to update, modify or amend this document or the statements contained herein to reflect actual changes in assumptions or changes in factors affecting these statements or to otherwise notify any addressee if any information, opinion, projection, expectations, forecast or estimate set forth herein changes or subsequently becomes inaccurate or impracticable. The information contained in this Sustainability-Linked Financing Framework does not purport to be comprehensive and, unless differently specified herein, has not been independently verified by any independent third party. This document is not intended to be and should not be construed as providing legal, financial or technical advice. It does not constitute an offer or invitation to sell or any solicitation of any offer to subscribe for or purchase or a recommendation regarding any “sustainability-linked bond” or other securities of ADR or provide financing to ADR, and nothing contained herein shall form the basis of any contract or commitment whatsoever and it has not been approved by any security regulatory authority. This material is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. Persons who might come into possession of it must inquire as to the existence of such restrictions and comply with them.