

Sustainability Report 2022

EXECUTIVE SUMMARY



4,185
EMPLOYEES



4
AREA CONTROL
CENTERS

of which **199**
NAVIGATIONAL
AID SYSTEMS



45
CONTROL
TOWERS



735,600 km²
AIRSPACE MANAGED



6,867
PEAK NUMBER OF
FLIGHTS MANAGED IN
ONE DAY



1,875,685
FLIGHTS CONTROLLED
PER YEAR



Behind Every Flight

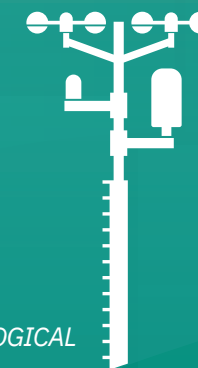
Every day we let passengers fly our routes with reliability and safety. We design the sky of the future, investing on people and innovation for sustainable air transport and the economic growth of our Country.



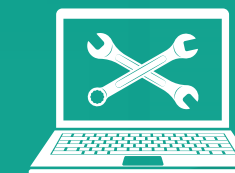
REVENUES
€944.3 mln

PROFIT
€105 mln

55
METEOROLOGICAL
SYSTEMS



21
MAINTENANCE
SOFTWARE SYSTEMS



for a total of
29,891
ATM (Air Traffic Management)
INSTALLATIONS IN OPERATION

135
TELECOMMUNICATION
CENTERS



44
RADAR SYSTEMS





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Our Group

ENAV S.p.A. IS AN ITALIAN JOINT-STOCK COMPANY THAT OPERATES AS AN EXCLUSIVE SUPPLIER OF CIVIL AIRSPACE MANAGEMENT AND CONTROL SERVICES UNDER ITALIAN COMPETENCE.

From its air traffic Control Towers at 45 airports, ENAV manages the take-offs, landings and ground movements of aircraft, and from its 4 Area Control Centres it provides navigation assistance to all en-route traffic, whether for overflight or for landing at one of Italy's airports.

Sustainable in our routes

Long considered one of Europe's "big five" in terms of operational performance and innovation, the ENAV Group is now at the forefront of environmental support thanks to the constant optimisation of routes to reduce aircraft fuel consumption and to the use of innovative technology to improve the efficiency of its infrastructure.

Listed on the capital market

ENAV has been listed on the Mercato Telematico Azionario MTA managed by Borsa Italiana S.p.A. since 26 July 2016, and is currently the only Air Navigation Service Provider (ANSP) to be listed on the capital market. The majority shareholder with 53.3% of the capital is the Ministry of Economy and Finance (MEF), while 46.7% is floating.

Side by side with Europe for sustainable growth

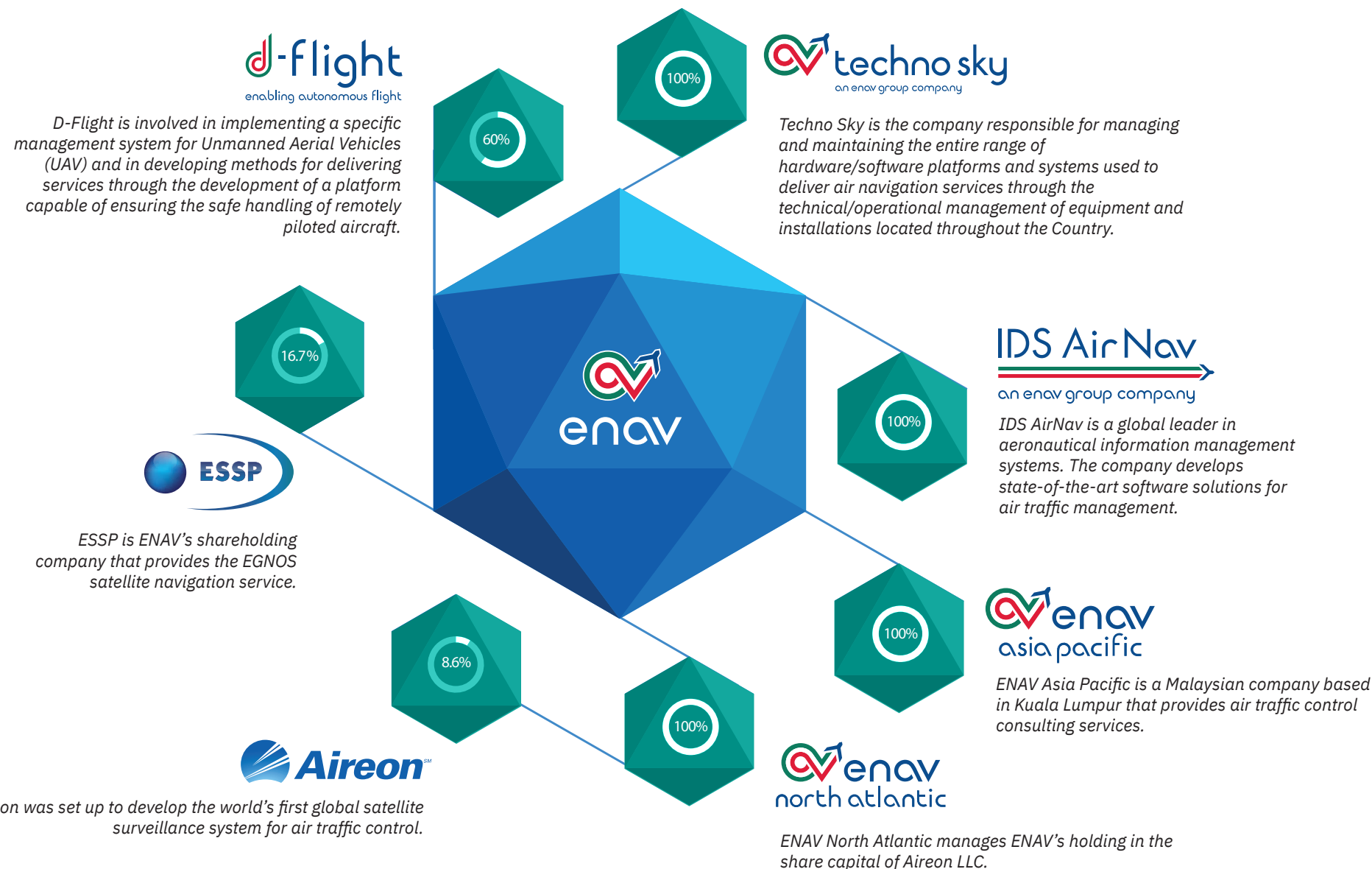
ENAV is a key component of the international Air Traffic Management (ATM) system and a major player in the realisation of the Single European Sky, the European Commission's programme to harmonise air traffic management in Europe.

We ensure safety and punctuality to millions of passengers

We are the only Italian company that selects, trains and updates professionals working in air traffic control services, guaranteeing safety and punctuality to the millions of passengers flying the Italian skies for over 40 years, contributing to the growth of national and European air transport with efficiency, innovation and respect for the environment. .

Sustainable for you

As a company, we place sustainability and social awareness at the heart of our business. In 2022, more than one million planes flew over Italian airspace and ENAV, with its 4,185 employees, guaranteed safety and punctuality around the clock, providing all air navigation services to carriers.

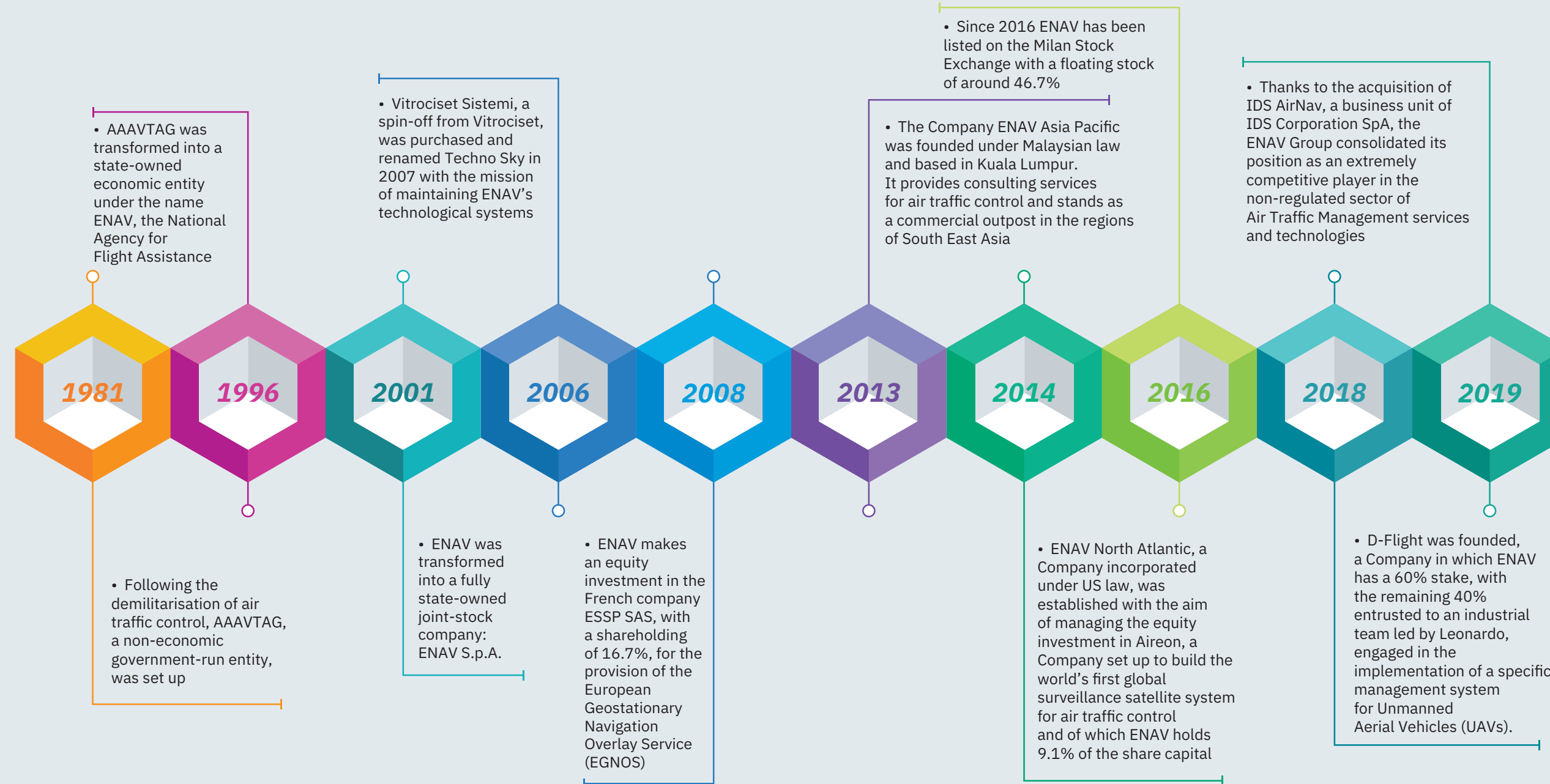


Our Story

FORTY YEARS OF CIVIL AIR TRAFFIC CONTROL. FORTY YEARS OF PROFESSIONALISM, INVESTMENTS, AND TECHNOLOGY. FORTY YEARS OF ENAV

A forty-year long flight

ENAV has its origins in the Autonomous Company providing Flight Assistance for General Air Traffic (AAAVTAG), established in 1981. The Autonomous Company took over from the commissariat for flight assistance established three years earlier as the GAT (General Air Traffic) Control Company to manage the passage of part of the air traffic controllers and of airports previously run by the Italian Air Force classified in what was then the Flight Telecommunications Inspectorate (ITAV), a military entity reporting to the Air Force General Staff.



A major turning point

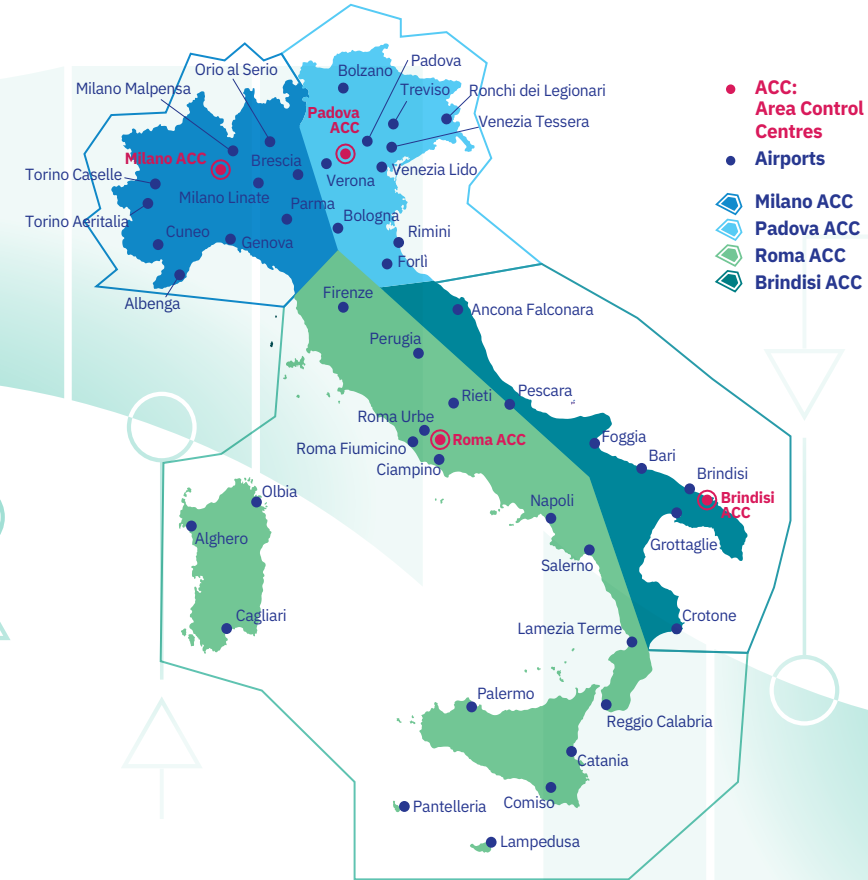
The 2000s marked a turning point, and we moved from air traffic control to air traffic management. ENAV was one of the first service providers to revolutionise its systems, thus creating the basis for making airspace a real strategic infrastructure for our Country.

Today

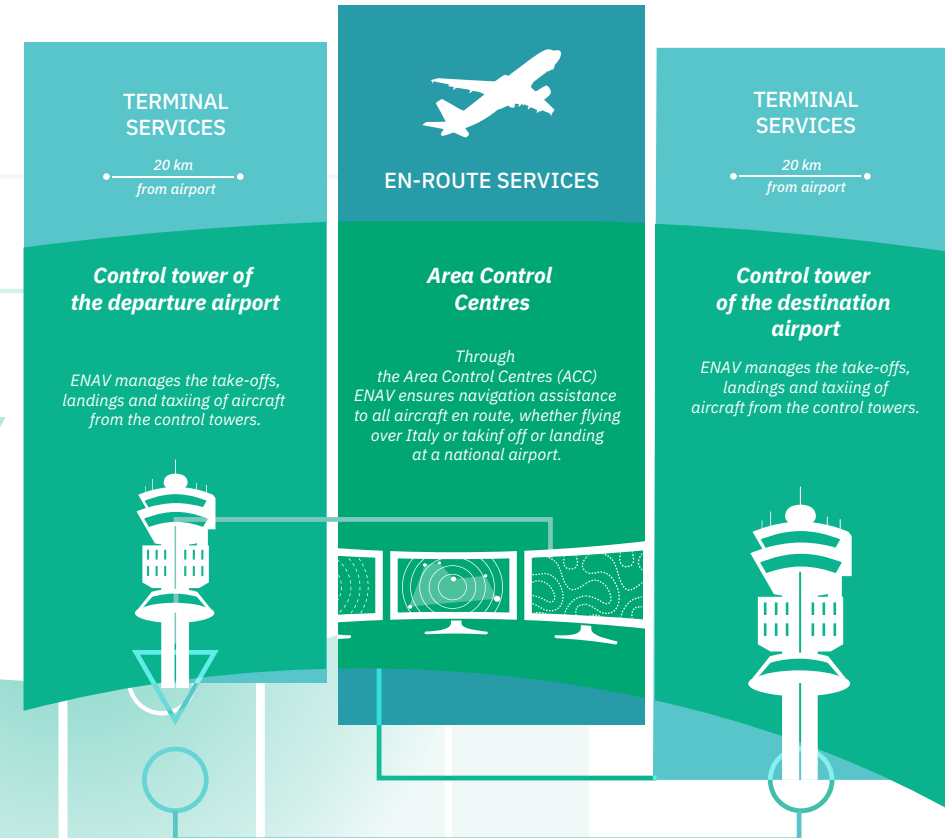
Today, the Company is controlled by the Ministry of Economy and Finance (53.3% of the share capital). It operates in a market regulated at the European level and provides its services in Italy under the supervision of the Ministry of Infrastructure and Transport (MIT) and the National Civil Aviation Authority (ENAC).

Our operational model

WE MAKE THE SKY A SAFE PLACE FOR MILLIONS OF PASSENGERS. WE GUARANTEE EXCELLENT SERVICE, IN WHICH PUNCTUALITY, SUSTAINABILITY, AND THE ABILITY TO INNOVATE ARE CENTRAL

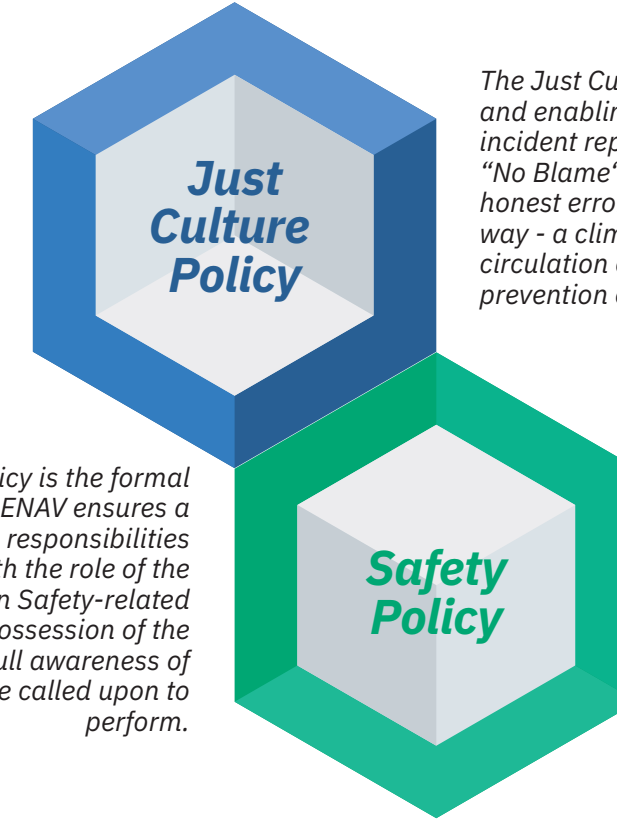


ENAV ensures navigation assistance to all aircraft, whether they are flying over Italy or landing at a national airport, by means of its 4 Area Control Centres (ACC) in Rome, Milan, Padua, and Brindisi for the en-route phase, and through its 45 control towers for take-off, landing and taxiing of aircraft.



In safe hands from take-off to landing

The task of an air traffic Controller is to guarantee safe and expeditious movement of aircraft by ensuring a minimum separation distance of 5 miles horizontally or of 1,000 ft vertically between aircraft. We wish to meet the flight efficiency goals by assigning the most direct route possible from the departure airport to the destination airport and ensuring the ideal climb and descent profile, i.e. the one that facilitates the lowest possible fuel consumption and the consequent reduction of the environmental footprint thanks to lower CO₂ emissions.



The Just Culture Policy is a fundamental and enabling element of the Safety incident reporting system. By adopting a “No Blame“ approach - i.e. accepting honest error without penalising it in any way - a climate of mutual trust and free circulation of information useful for the prevention of Safety events is guaranteed.

The Safety Policy is the formal declaration by which ENAV ensures a clear definition of the responsibilities for Safety, together with the role of the resources involved in Safety-related activities and their possession of the necessary skills and full awareness of the tasks they are called upon to perform.

A Safety culture: our priority

ENAV considers the operational safety level of air traffic control and air navigation services an essential priority. The same applies to operating efficiency and the seamless availability of installations, systems and software used to that end. We adopted a Safety Management System (SMS) with which we ensure a formal, explicit and proactive approach in the systematic management of Safety.

Our strategy

OUR BUSINESS PLAN ENHANCES THE FACTORS THAT CHARACTERISE ENAV GROUP'S SUSTAINABLE DEVELOPMENT, LEVERAGING ITS KEY VALUES OF SAFETY, EXCELLENCE IN THE QUALITY OF SERVICES, HUMAN RESOURCES, INNOVATION

Technical-operational excellence

The new technical-operational model aims at improving the efficiency and flexibility of the air traffic control system of national airspace, for the benefit of airlines, passengers, and the Italian economic system. The new model is based on three main actions: the consolidation of Area Control Centres (ACCs), from 4 to 2, located in Rome and Milan; the enhancement of the Brindisi and Padua ACCs, converted into Remote Tower Control Centres (RTCCs); the integration of eleven approach services (APPs) into their respective Area Control Centres (ACCs).

Digital innovation

The ENAV Digital path launched in 2021 aims at transforming the management systems by using advanced technologies, such as AI, Machine Learning, and IoT. The Group is also unifying and moving its management systems to the cloud. The new corporate ERP has been operating at IDS AirNAV since 2022, while the transition of the other Group Companies is ongoing and will be completed in 2023-2024. In addition, an Open-Innovation initiative, called ENAV Thinking Cup 2022, was held in Forlì, focusing on Unmanned Traffic Management and Advanced Air Mobility.

Commercial development

The ENAV Group is operating with its systems and services in about 100 countries. In 2022, we recorded new orders worth more than €31M, in line with 2021, and an increase in turnover in the non-regulated market of more than 35% compared to 2021, with further significant prospects of strengthening in 2023-2024.

ENAV people

Personnel is a key factor for the ENAV Group. It means focusing on young people, on talent, and on new digital skills.

Our Sustainability Plan is driven by the 17 sustainable development goals of the United Nations and is integrated into the Group's strategic lines of development: six assets for an increasingly ESG target.

Strategy and Governance

The Strategy and Governance asset includes a set of actions aimed at having an impact on the corporate strategies and on the Company's Regulatory and Management System to blend in Sustainability.



Policies

The Policies Asset includes a set of actions aimed at adopting a series of policies to address specific topics within ESG.



Technological Innovation

The Technological Innovation Asset includes a set of projects aimed at achieving some of the ENAV Group's strategic objectives by means of technological innovation.



Reporting and Communication

The Reporting and Communication Asset includes a series of actions aimed at strengthening the non-financial reporting process and the internal and external communications of the principles guiding ENAV's Sustainability Strategy.



Corporate culture and dedicated projects

The Corporate culture and dedicated Projects Asset includes a set of actions aimed at disseminating a culture – both individual and corporate – within the Company, focusing on the principles of sustainability.



Climate change

The Climate Change Asset includes a set of actions aimed at combating climate change.

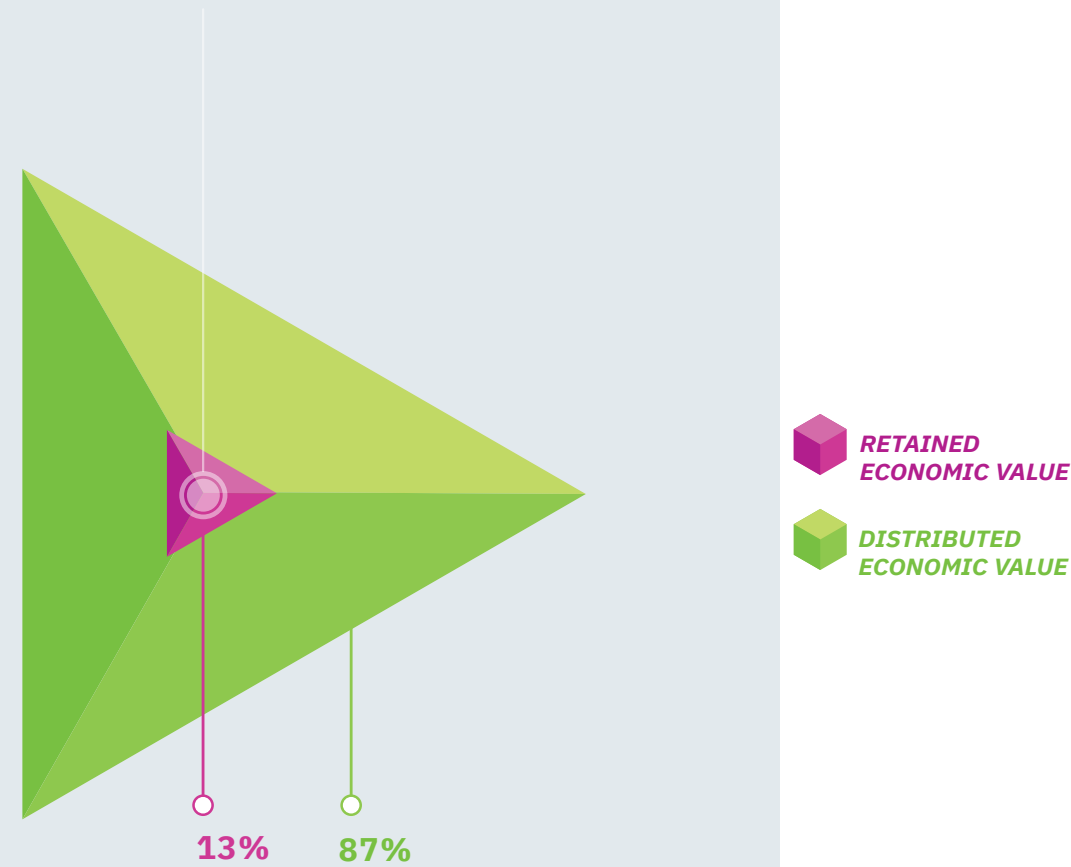


Our performance, and generated and distributed economic values

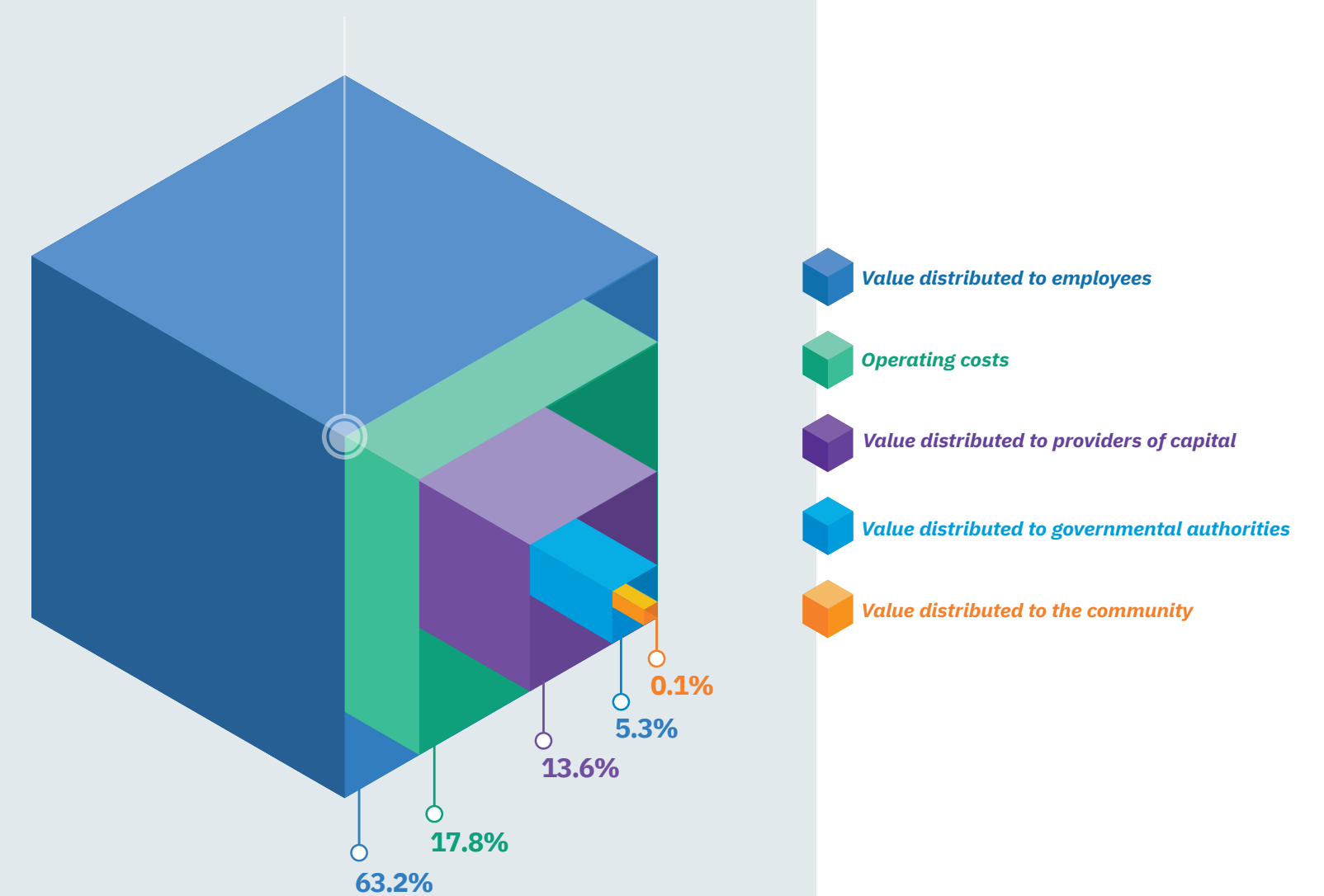
THROUGH OUR ACTIVITIES WE CREATE BENEFITS FOR OUR STAKEHOLDERS

In 2022, the Group generated €992,1 million in economic value, with an increase of 11.9% compared to 2021 as a result of the full resumption of the air transport industry. Although air traffic has not returned to pre-health emergency levels yet, the economic value generated by the Group is up by 4.6% compared to 2019 values.

Generated economic value

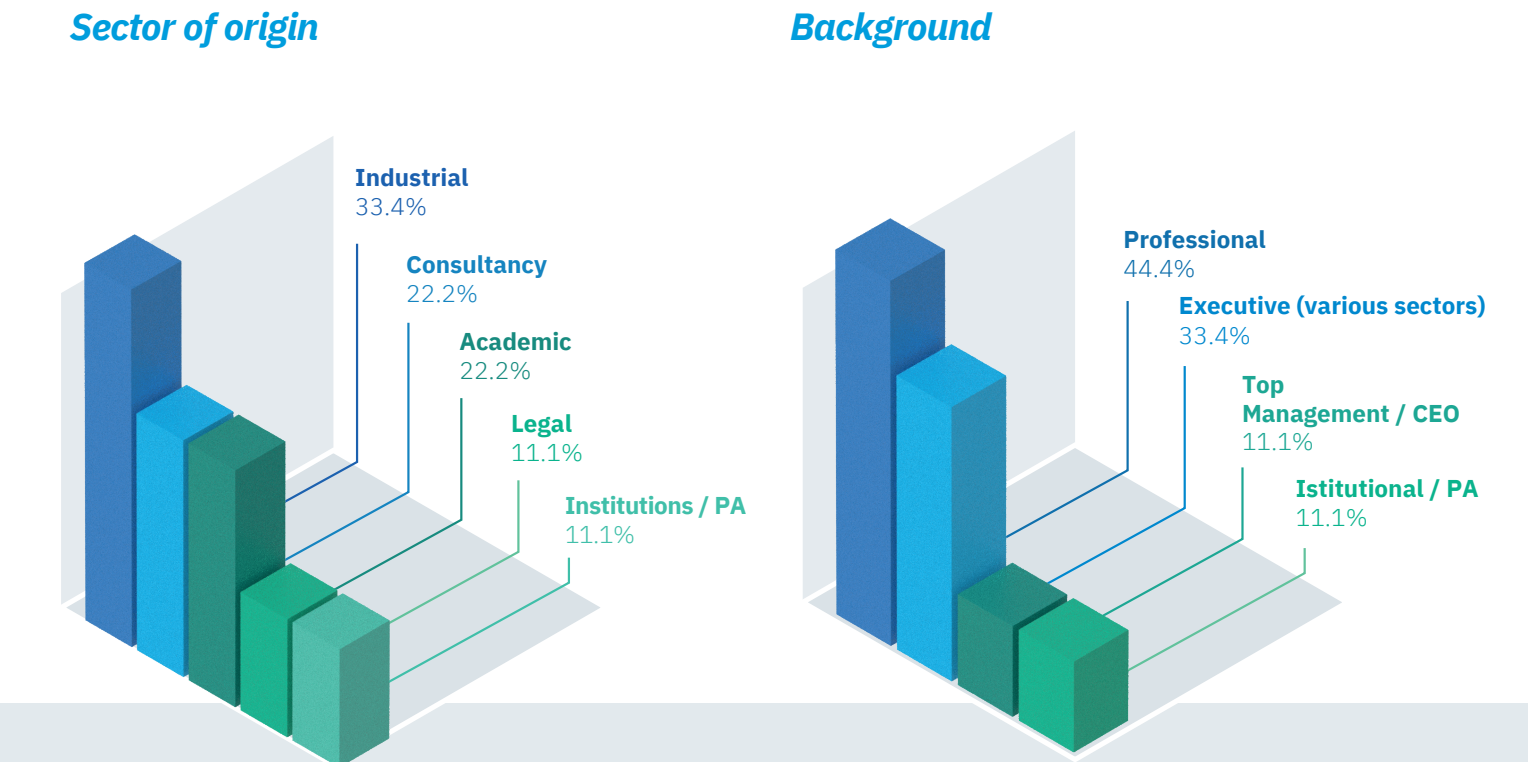
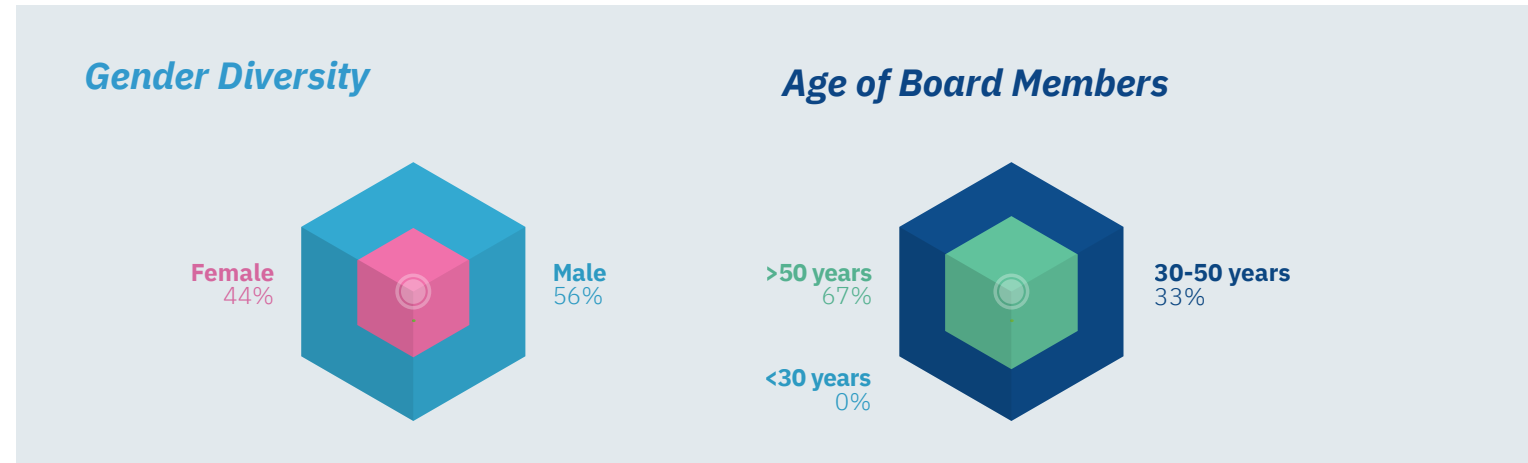


Distributed economic value



Corporate Governance

ENAV'S CORPORATE GOVERNANCE SYSTEM AIMS AT PERPETUATING THE COMPANY'S SUSTAINABLE SUCCESS THROUGH THE CREATION OF MID- AND LONG-TERM SUSTAINABLE VALUE FOR ITS SHAREHOLDERS AND BY APPROPRIATELY BALANCING AND FOSTERING ALL THE INTERESTS INVOLVED



This graph shows ENAV's corporate governance as at the date of approval of the Sustainability Report 2022.

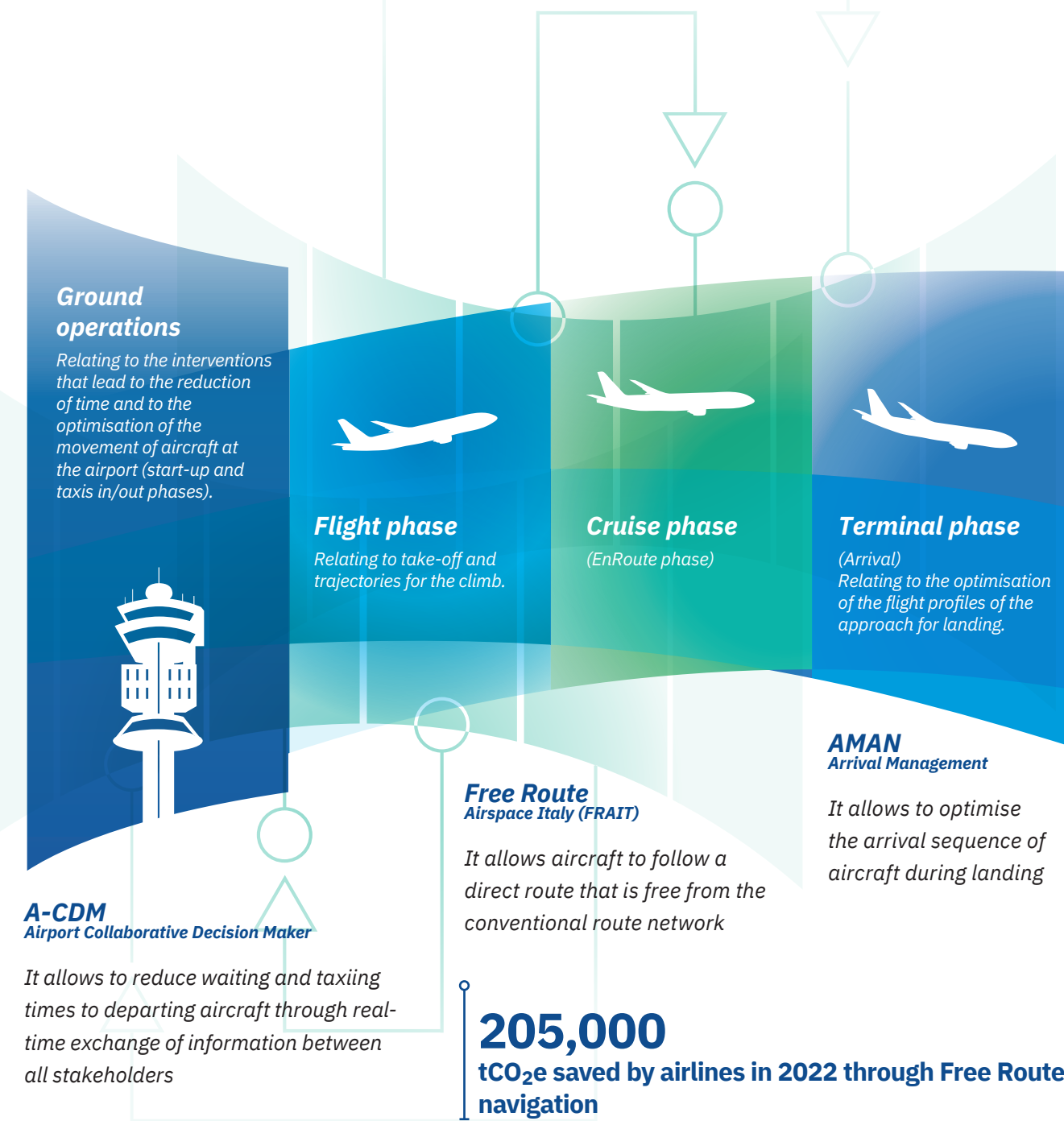
Sustainability Governance

SUSTAINABLE GOVERNANCE IS KEY IN PROMOTING TOTAL INTEGRATION OF SUSTAINABILITY ISSUES IN CORPORATE STRATEGIES AND BUSINESS PLAN. ENAV HAS DEVELOPED A GOVERNANCE SYSTEM CAPABLE OF MONITORING ESG ISSUES AND GUARANTEEING THE CREATION OF VALUE OVER TIME.



Our commitment to the decarbonisation of the aviation sector

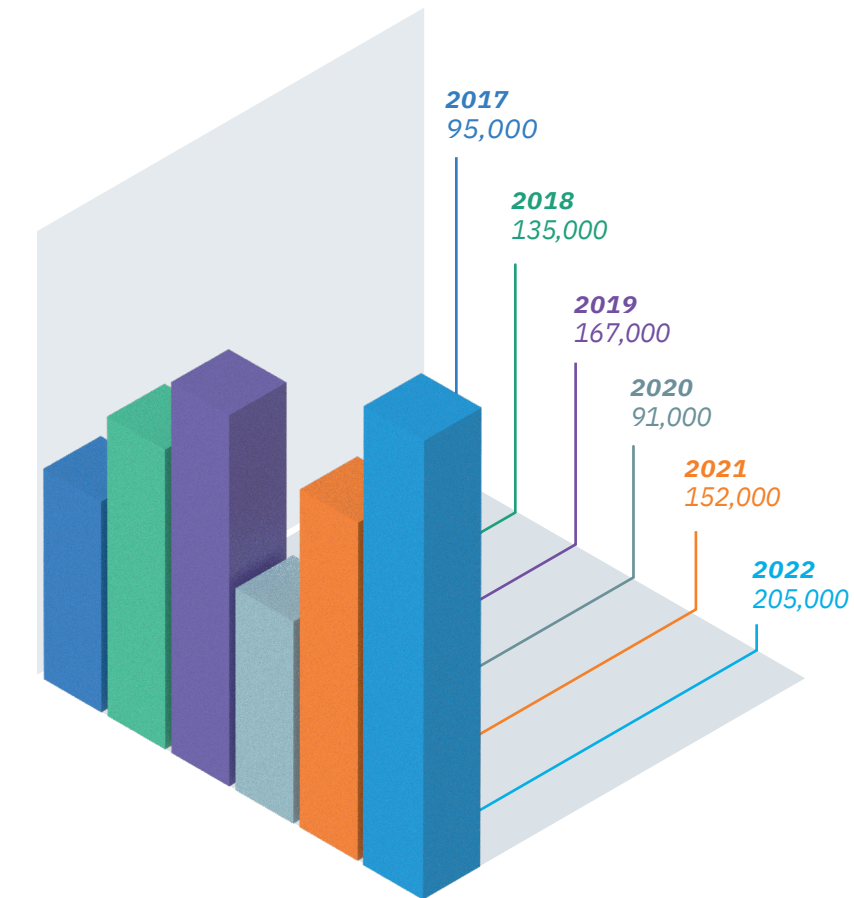
THE AVIATION SECTOR IS FACING THE BIGGEST CHALLENGE EVER: MEETING THE INCREASING DEMAND FOR AIR TRAFFIC WHILE REACHING CARBON NEUTRALITY BY 2050. THE ENAV GROUP WISHES TO DO ITS BIT: FOR THIS REASON, EVERY DAY IT WORKS INTENSIVELY FOR A MORE SUSTAINABLE MANAGEMENT OF AIRSPACE



CONTRIBUIRE ALLA DECARBONIZZAZIONE DEL SETTORE DEL TRASPORTO AEREO

We lead customers and passengers in the sky of the future, designing increasingly efficient routes and implementing innovative procedures and systems for air traffic management.

Emissions saved by airlines through Free Route navigation (tCO₂e)



Free Route

Free Route is an innovative procedure that allows all overflight aircraft, at an altitude above 9,000 meters, to cross the Italian skies with a direct route, without referring to a precise network of routes, which has been completely eliminated from that altitude

Our effort in the reduction of direct and indirect emissions

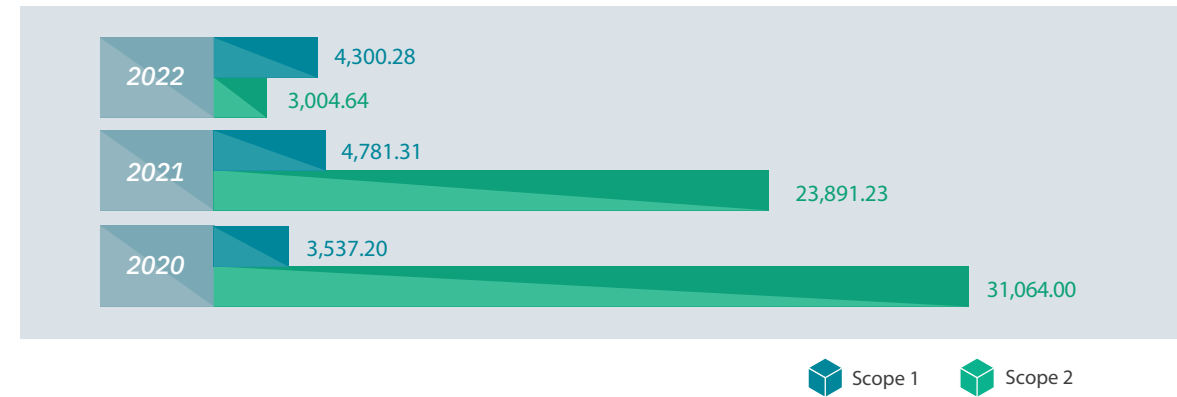
WE ARE AWARE OF THE IMPACT OF OUR ACTIVITIES ON CLIMATE AND EVERY DAY WE COMMIT TO REDUCING CONSUMPTIONS AND DIRECT AND INDIRECT EMISSIONS

We have set our climate targets for 2030 and obtained validation by the Science Based Target Initiative (SBTi). We have launched significant initiatives aimed at reducing our energy consumption, which represents the biggest part of our emissions. Over the past two years, we have transformed our direct electricity supplies into Guarantee of Origin purchase contracts, which now cover around 90% of the electricity we consume.

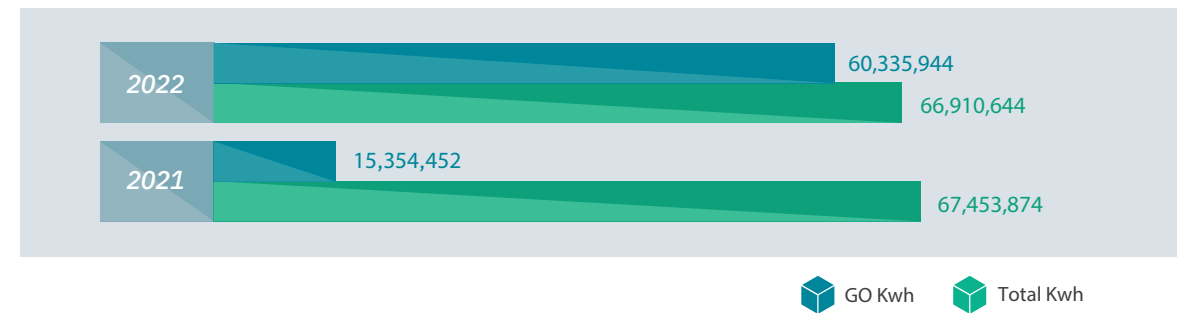
In 2022, we reduced our direct and indirect emissions by around 80% compared to 2019, also through the projects included in the Sustainability Plan, and compensated residual emissions.

Finally, in 2022 we took part in the CDP (formerly Carbon Disclosure Project) reporting for the first time, obtaining a C score ("Awareness" level).

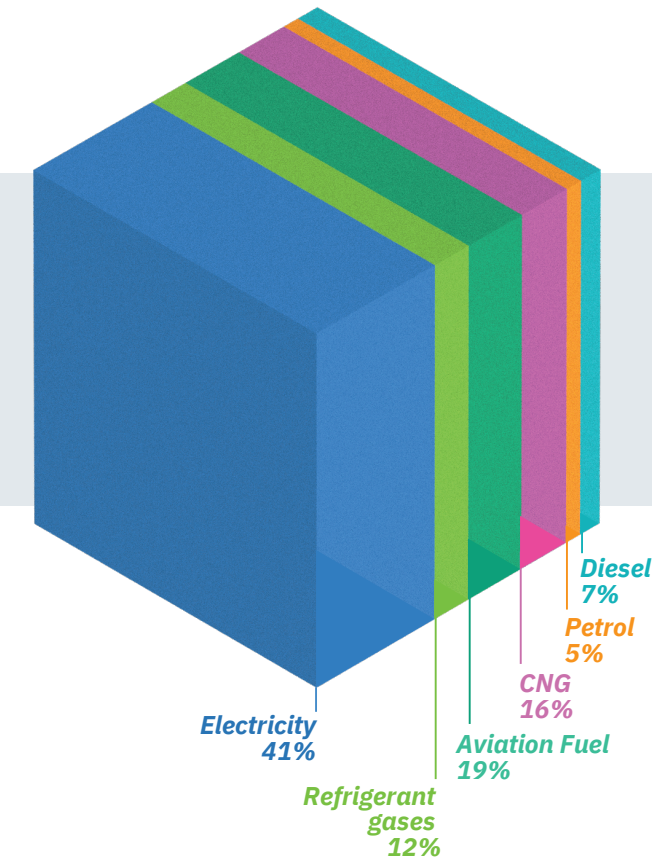
Direct and indirect emissions (tCO₂e) - Market Based



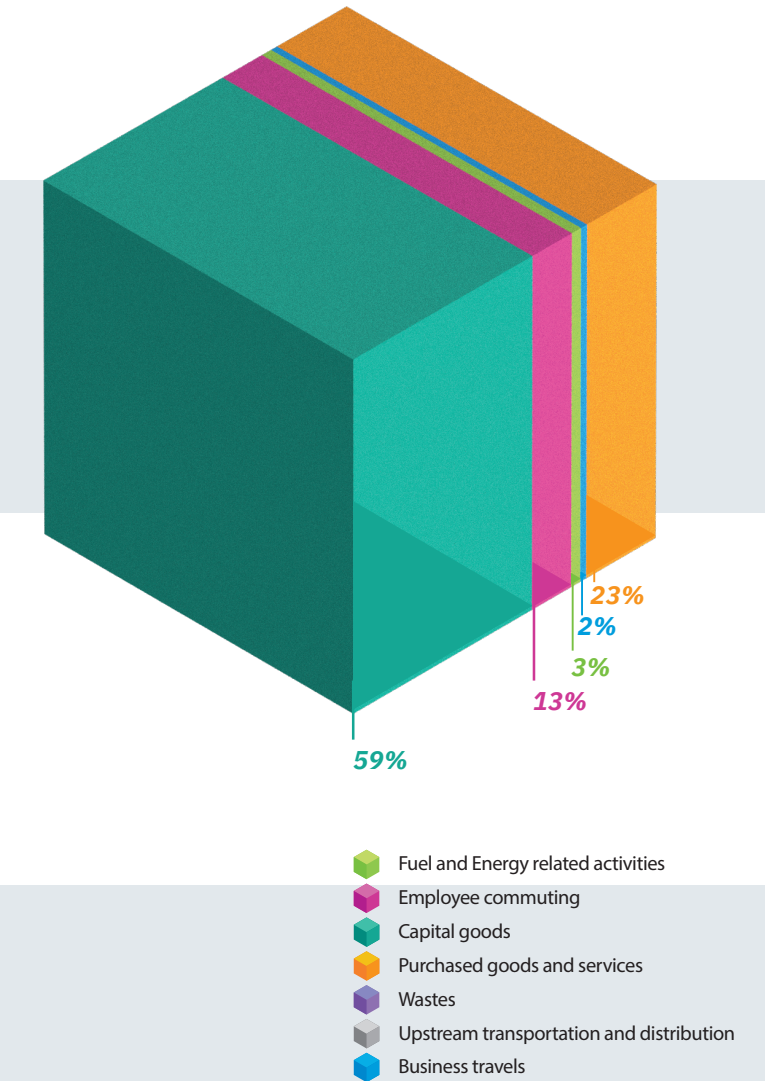
Electricity purchased through Guarantee of Origin (GO) over total electricity consumed (kWh)



Scope 1 and Scope 2 emissions



Scope 3 emissions





Our emissions

Direct emissions - Scope 1

- 1 Fuels for car fleet
- 2 Fuel for offices and other facilities
- 3 Fuels for air fleet
- 4 Refrigerant gases

Indirect emissions - Scope 2

- 5 Energia elettrica

Other indirect emissions - Scope 3

- 6 Capital Goods
- 7 Employee Commuting
- 8 Fuel and Energy – Related Activities
- 9 Purchased Goods and Services
- 10 Waste
- 11 Business Travel
- 12 Upstream Transportation and Distribution


Image is for illustrative purpose only.

Our investments in technological innovation

THROUGH OUR ABILITY TO INNOVATE AND THE CONSTANT PROFESSIONALISATION OF OUR RESOURCES, WE HAVE REVOLUTIONISED THE WAY OUR COUNTRY'S AIRSPACE IS USED

Infrastructure innovation

Participation in experimental programmes for the implementation of flight procedures based on Satellite Navigation systems, programmes that have enabled Free Route navigation and which, together with new techniques for the design of operating procedures (PBN), are already enabling ENAV to decommission terrestrial navigation infrastructure.



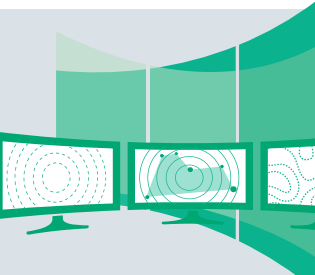
Digitalisation of communication

Replacement of printed communications in the towers with information displayed in real time on the radar screen at your station (EFS – Electronic Flight Strips). In addition, with the new Datalink system, digital and traditional communication – ground/air/ground radio – are integrated, reducing the risk of misunderstanding in radio communications between controllers and pilots. ENAV is also collaborating in the evolution of datalink through the development activities of the IRIS satellite constellation that will transmit datalink messages via satellite.

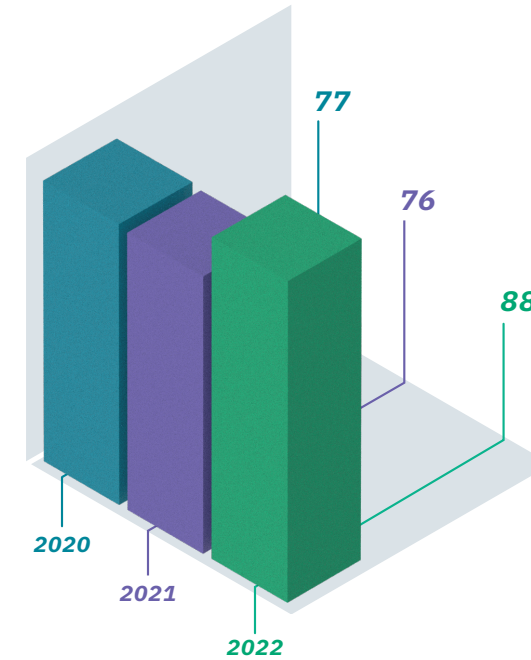


Interoperability of the platforms

The management of air traffic needs to be fluid and efficient, also on a supranational level. For this reason, different entities (service providers, airlines, airports, military) must be able to coordinate their data in real time in order to easily cooperate for flight management. COFLIGHT: a system developed with the French DSNA that makes it possible to further improve the system for the automation of operations.



Investments in infrastructures (€/mln)



Remote Tower

Air traffic at low-density airports will be managed by remote control towers that will be concentrated in two control centres at a national level. In this way, the airports will be able to operate 24/7, with a lower use of resources and energy, opening up to the needs of the airlines for flexibility, thereby making Italy's national economic system more attractive. In June 2022, the first Remote Tower in Italy went into operation at Brindisi Airport. In addition, within the SESAR programme, research activities were conducted on Remote Tower Centre and Multiple Remote Tower Operations.

Arrival Management System

This system will indicate to the controller the optimum sequence calculated for separating incoming aircraft at congested airports, thus enabling an important recovery of consumption and a further reduction in delays. The first operational implementation in Italy took place in December 2022 at the ACC in Rome.

Satellite Surveillance - AIREON

AIREON, of which ENAV is a shareholder, provides satellite surveillance services that make it possible for airlines to optimise their flight profiles in areas that are not covered by traditional surveillance, enabling an optimisation of consumptions.

Consolidation of Approaches in Area Control Centres

The consolidation of the approaches into Area Control Centres will optimise the approach procedures.

A new sustainable challenge: Advanced Air Mobility and drones

A NEW DIMENSION DESTINED TO HAVE A SIGNIFICANT IMPACT ON THE URBAN MOBILITY SECTOR, WITH ENORMOUS POTENTIAL FOR THE SUSTAINABLE DEVELOPMENT OF AIR TRAFFIC

Advanced Air Mobility

The future of sustainable mobility also passes through the development of Advanced Air Mobility and its urban component. In accordance with the National Plan for Advanced Air Mobility, prepared by ENAC, the Group is collaborating with its stakeholders in defining the proposed regulatory framework for the development of Advanced Air Mobility in Italy.

U-Space

U-Space is the airspace below 150 metres, considered as the key element for the safe use of drones. U-Space services evolve in parallel to the level of drone automation and guarantee advanced forms of interaction with the environment through the exchange of digital information.



D-Flight guarantees the safety of drone operations

The Group's new Company, D-Flight, pursues the development and provision of services for the low-altitude air traffic management of all types of aircraft in the unmanned aerial vehicles (UAV) category and all related activities. With the development of the U-Space platform, which enables the safe integration of drones into civil airspace, ENAV, through its subsidiary D-Flight, intends to make its indispensable contribution by guaranteeing the safety of flight operations.

We create benefits to traffic and the environment with utmost safety

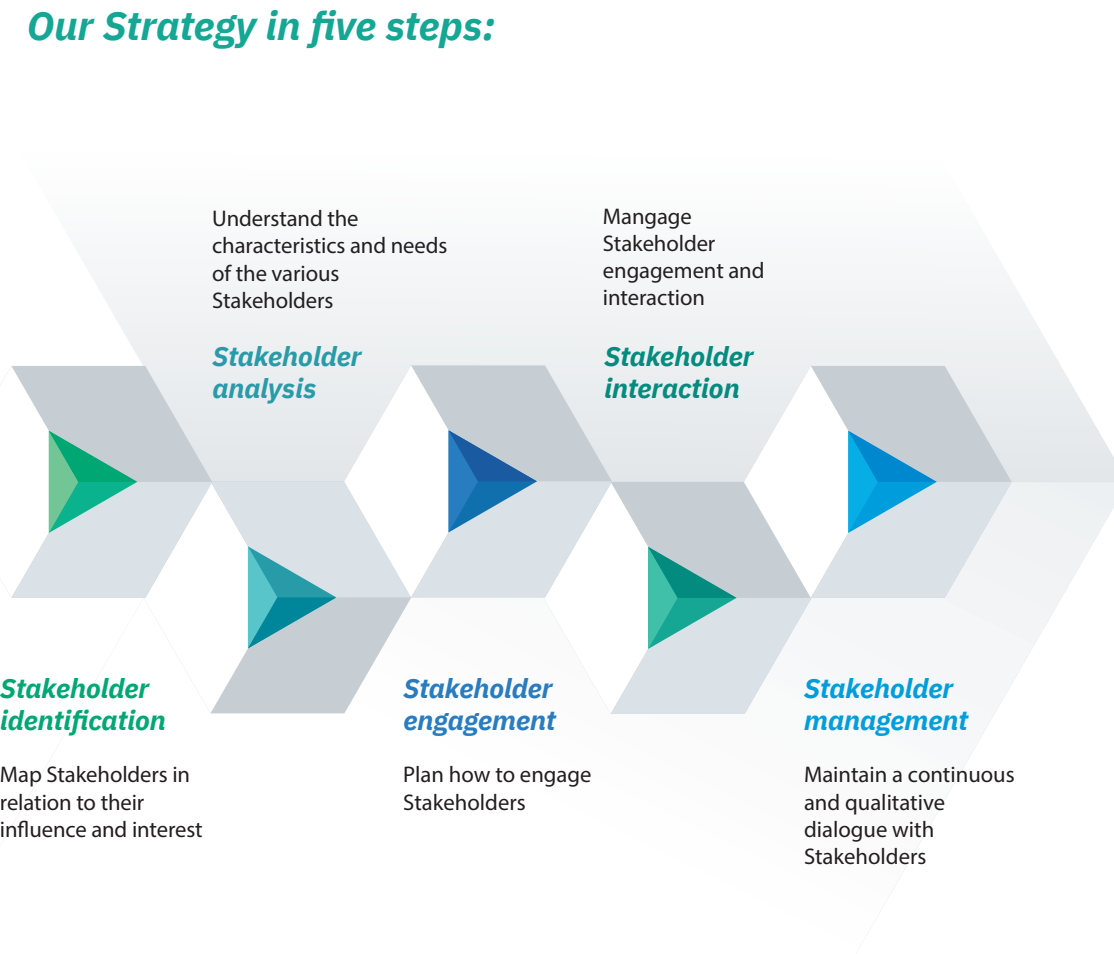
The objective of D-Flight is therefore to integrate and make these new needs coexist with traditional aircraft, while keeping the entire airspace safe. Our Vision is a world in which drones are common objects that are fully accepted in the daily life of all citizens, which are safely used in urban environments and offer services that are increasingly efficient, innovative, economic and above all sustainable.

Our Stakeholders

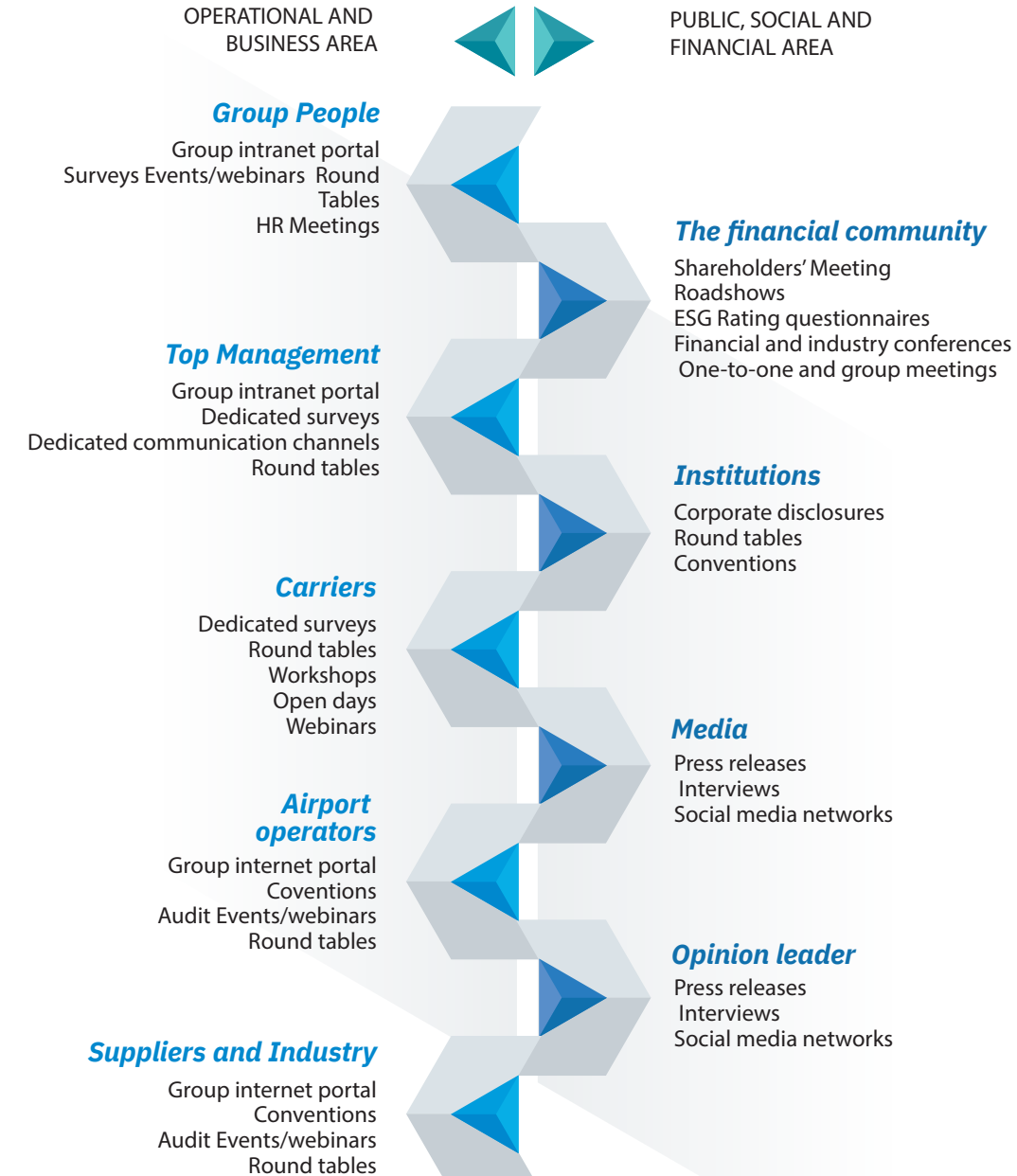
A SOLID COMPANY ACTS IN THE INTEREST OF ITS STAKEHOLDERS

Stakeholders are fundamental in the process of value creation and are considered an integral part of the responsible and sustainable management of the business.

In 2022, dialogue continued with the most representative Stakeholders, with a view to maintaining ongoing relations through a programmatic and proactive approach to managing their needs and expectations.



Stakeholders



The relations with the Aviation sector

THE RELATIONS WITH THE AVIATION SECTOR ARE AN ESSENTIAL PROCESS FOR THE COMPANY

We operate in a highly regulated sector, both nationally and internationally, which has many elements of regulatory complexity. We play roles at various level, in the technical and/or governance activities, contributing with our resources to guide the evolution and modernization processes of the ATM (Air Traffic Management) system, to the extent that we are among the main players in the implementation of the Single European Sky, the programme aimed at harmonizing air traffic management in Europe. ENAV has the opportunity to participate directly in the orientation of strategic choices related to the design, development, and management of new-generation ATM systems, safeguarding and enhancing the investments made to guarantee a state-of-the-art service for users.



National Bodies and Institutions

- ENAC – National Civil Aviation Authority
- ANSV – National Flight Safety Agency
- AM – Air Force
- MET – Ministry of Economy and Finance
- MIT – Ministry of Infrastructure and Transport



International Organisations and Institutions

- European Commission
- EUROCONTROL - European Organisation for the Safety of Air Navigation
- ICAO – International Civil Aviation Organisation
- CANSO – Civil Air Navigation Services Organisation
- EUROCAE - European Organisation for Civil Aviation Equipment
- EASA – European Union Aviation Safety Agency
- A6 Alliance

Main ongoing activities:



Activities to develop and implement a structured system for monitoring compliance with international regulations, with the aim of making the compliance of the Company's activities with international regulations even more accurate, timely and quantifiable.

Implementation of monitoring tool and internal cooperation planned for first half of 2023.



Update of the Single European Sky 2+ legislative package, which has a major impact on the aviation sector and the activities of the ENAV Group. Pro-active participation in coordination with other ANSPs and national and international bodies and organisations led to a major revision of the initial proposal made by the European Commission in September 2020.

Review of several key areas for ENAV and realignment of the content to the strategic lines of Company activities, still ongoing in 2023.



Establishment, during 2021-2022, of the SESAR Deployment and Infrastructure Partnership, a consortium involving the joint activities of the main ANSPs, Airports and Airlines together with Eurocontrol, which has been given a mandate by the European Commission to work to ensure the synchronization and coordination of SESAR deployment activities.

Development and strengthening of consultation and coordination processes of the SESAR Deployment and Infrastructure Partnership for full coordination of technical-operational deployment activities in support of the Single European Sky.

Business relations

INVESTOR RELATIONS AND FINANCIAL DISCLOSURE

In the opportunities for dialogue the main results for the period (quarterly, half-yearly, annual), business trends and strategy guidelines are disclosed to with the financial community. A dedicated mailing list and an e-mail address, which the Company uses to communicate relevant news and answers questions from investors or financial analysts in the event of new business activities or particular market trends, are available to the financial community.

ENAV share performance

Since the date of listing, ENAV's share price has increased by 20%, with a market capitalisation of approximately €2.14 billion as at 31 December 2022.

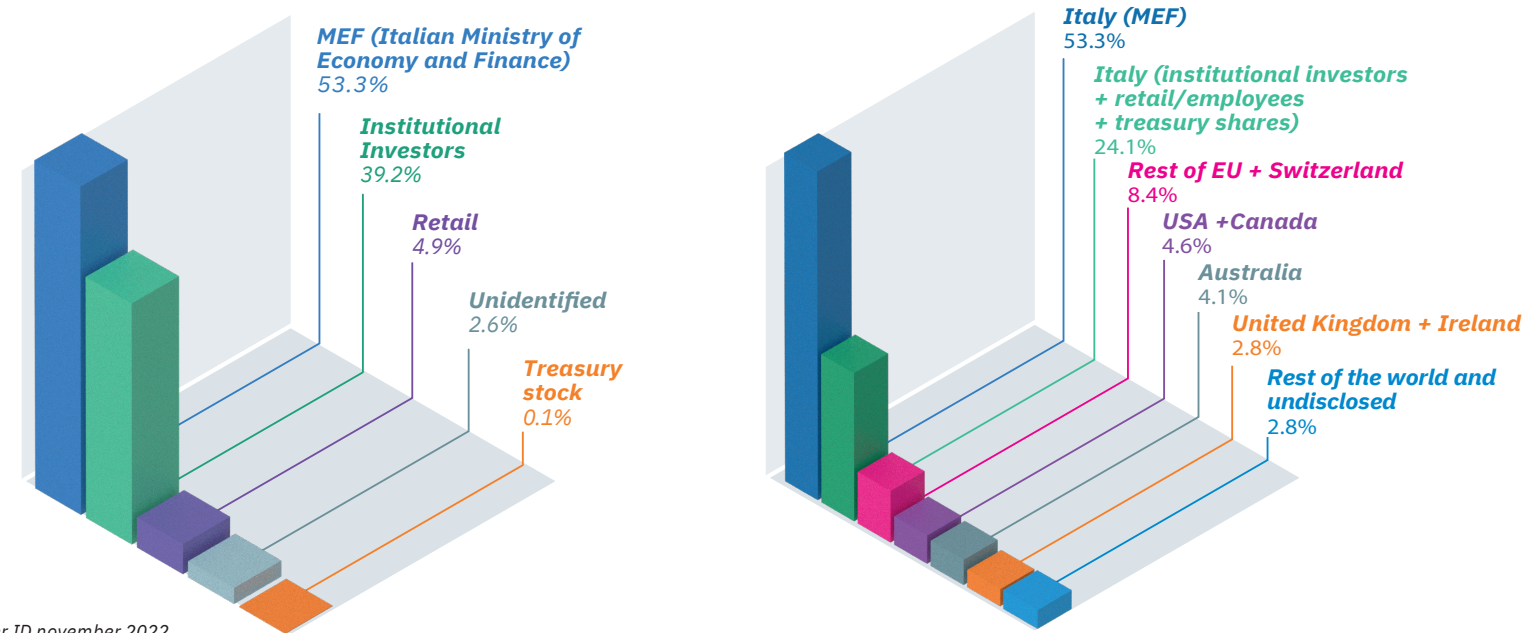


€541,744,385
ENAV's
share capital

€2.14 bil
market
capitalisation

over 220
interactions with
investors over the year

Shareholding structure



Source: shareholder ID november 2022

Customers

Among the Stakeholders of the ENAV Group, air navigation companies, together with the other components of commercial aviation, play an absolutely central role as customers. Over recent years, we have developed an effective network of relationships thanks to which we can understand customers' needs and expectations better, aligning, where necessary, service requirements to the dynamic needs of the aviation sector.

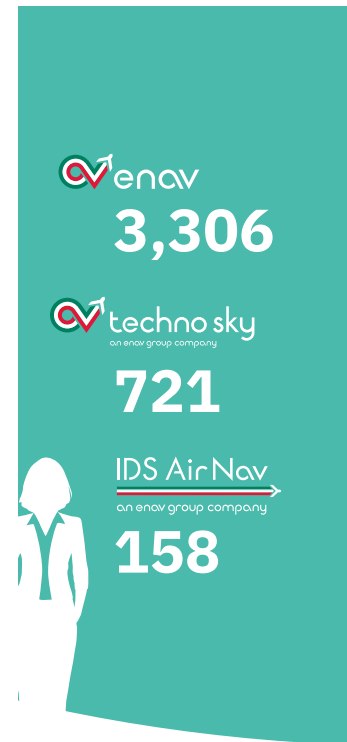
Strategy



IDS AirNav has activated its own support services for all customers, by means of a dedicated group of around 10 people (Customer Care Team, part of the Services area of IDS AirNav) which performs the initial analysis of the requests for technical support made by customers (users of the IDS AirNav system/SW). This initial support phase can end with instructions (or procedure) for the removal of the problem that was presented and/or in direct support in the use of the system/SW or with a workaround that can be defined permanent or temporary.

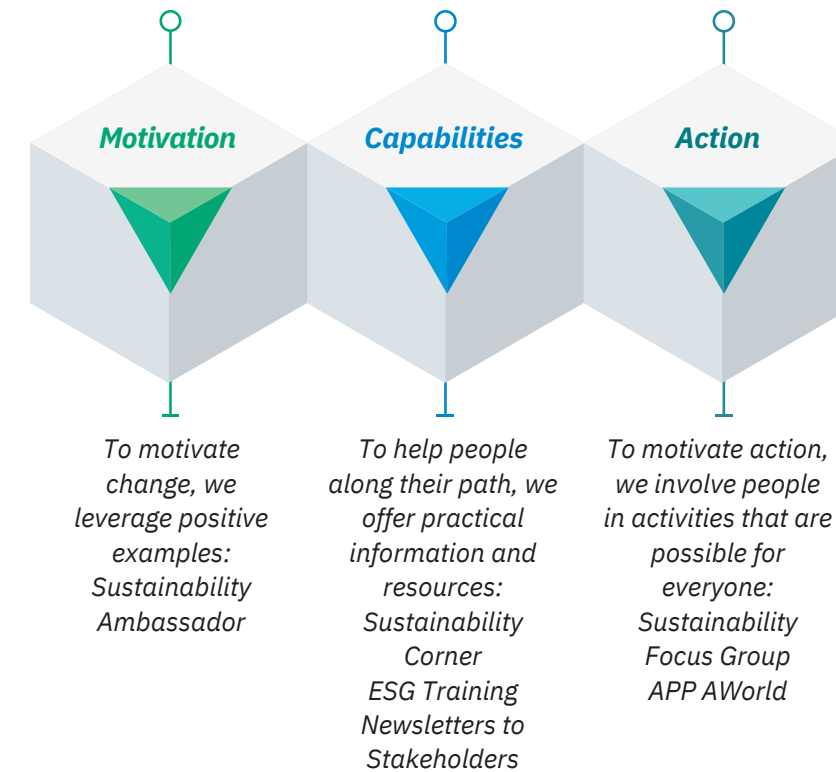
Our people

OUR PEOPLE ARE A KEY FACTOR IN DESIGNING AND MAKING SUSTAINABLE THE SKY OF THE FUTURE. THANKS TO THEIR DEDICATION AND PROFESSIONALISM, WE ARE ABLE TO PROVIDE SERVICES OF THE HIGHEST QUALITY FOR AIR TRANSPORT, WHILE MAINTAINING A CONSTANT COMMITMENT TO CREATING AN INCLUSIVE, COLLABORATIVE, AND SUSTAINABLE WORKING ENVIRONMENT, IN WHICH EVERYONE CAN FEEL VALUED AND INVOLVED



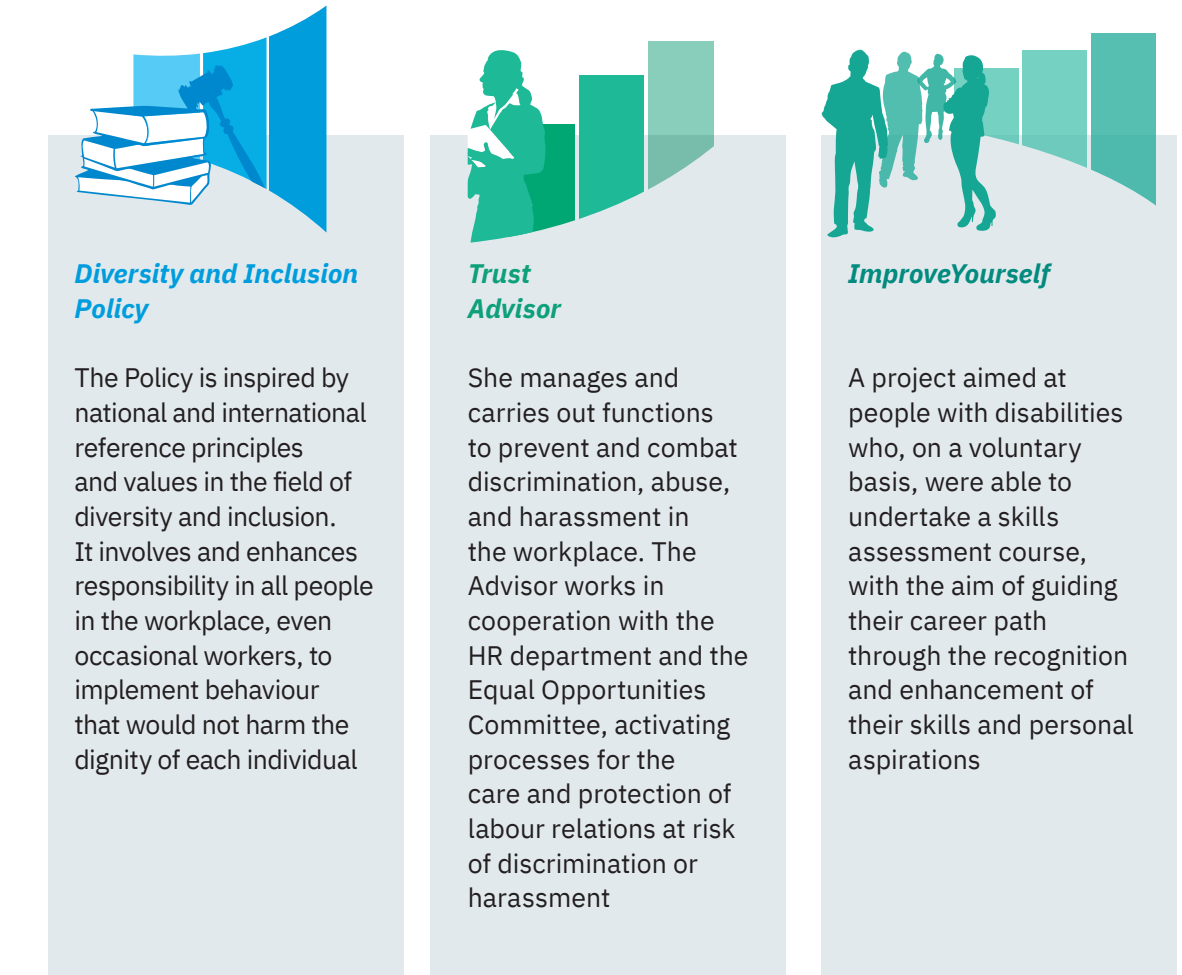
Sustainability culture

The human factor is decisive for us and this led to the need to start a real journey aimed at raising awareness of ESG issues and integrating sustainability into the corporate culture. This journey was developed following three main objectives: to inspire the people of the ENAV Group, increase their awareness, and to motivate them to act in a more 'sustainable' way



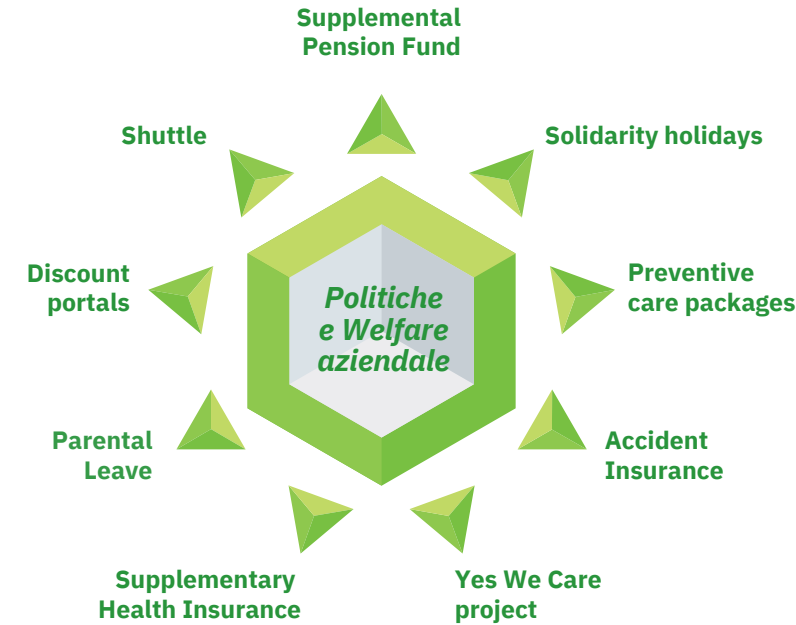
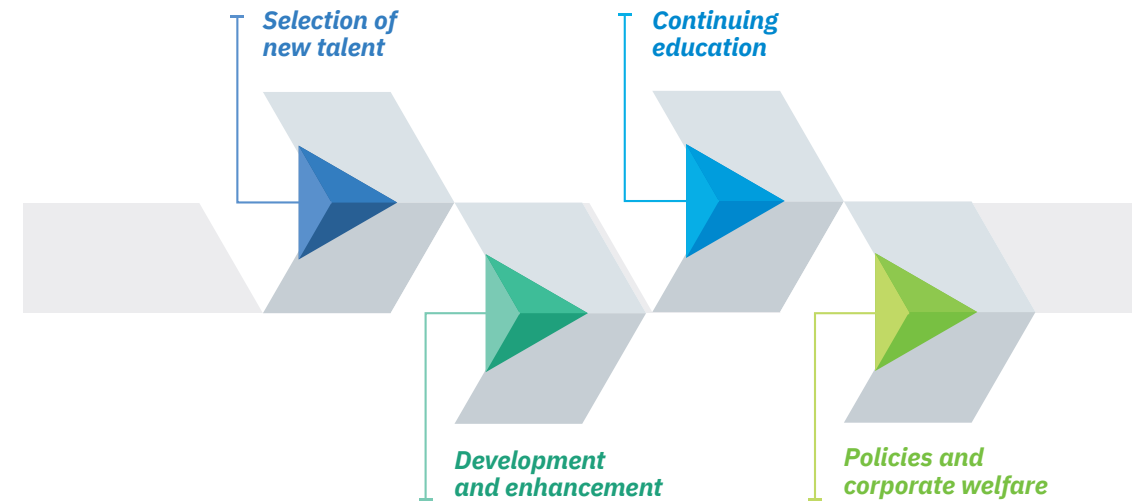
Diversity and Inclusion

For us, promoting diversity and inclusion is a moral imperative, because everyone has the right to express themselves to the best of their abilities in a working environment that is fair, inclusive, and respectful of individual differences.



Management and development of our people

ELEVATING PEOPLE MANAGEMENT AND DEVELOPMENT TO A CORPORATE PRIORITY IS THE MOST VALUABLE INVESTMENT IN BUILDING A SUSTAINABLE, INNOVATIVE ORGANISATION THAT CAN SUCCESSFULLY MEET THE CHALLENGES OF THE FUTURE

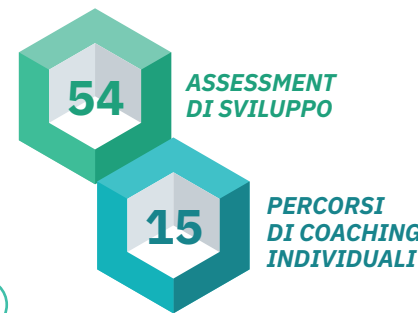


Social policies and corporate Welfare

We firmly believe that the well-being of our people is essential to their happiness and success, and we have therefore implemented corporate welfare policies aimed at improving the quality of life at work.

Development and enhancement

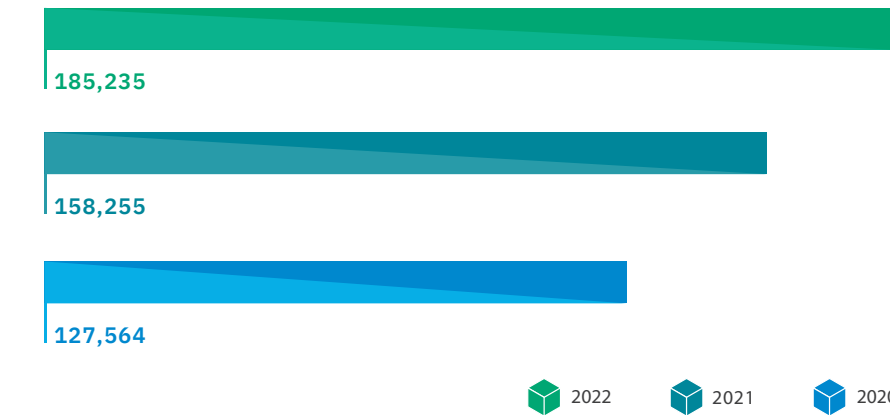
In an increasingly evolving context, which is impacted by constant change, and driven by technological innovation and profound changes in the social and economic landscape, we deem essential to offer our people growth and development paths that are up-to-date and consistent with their needs.



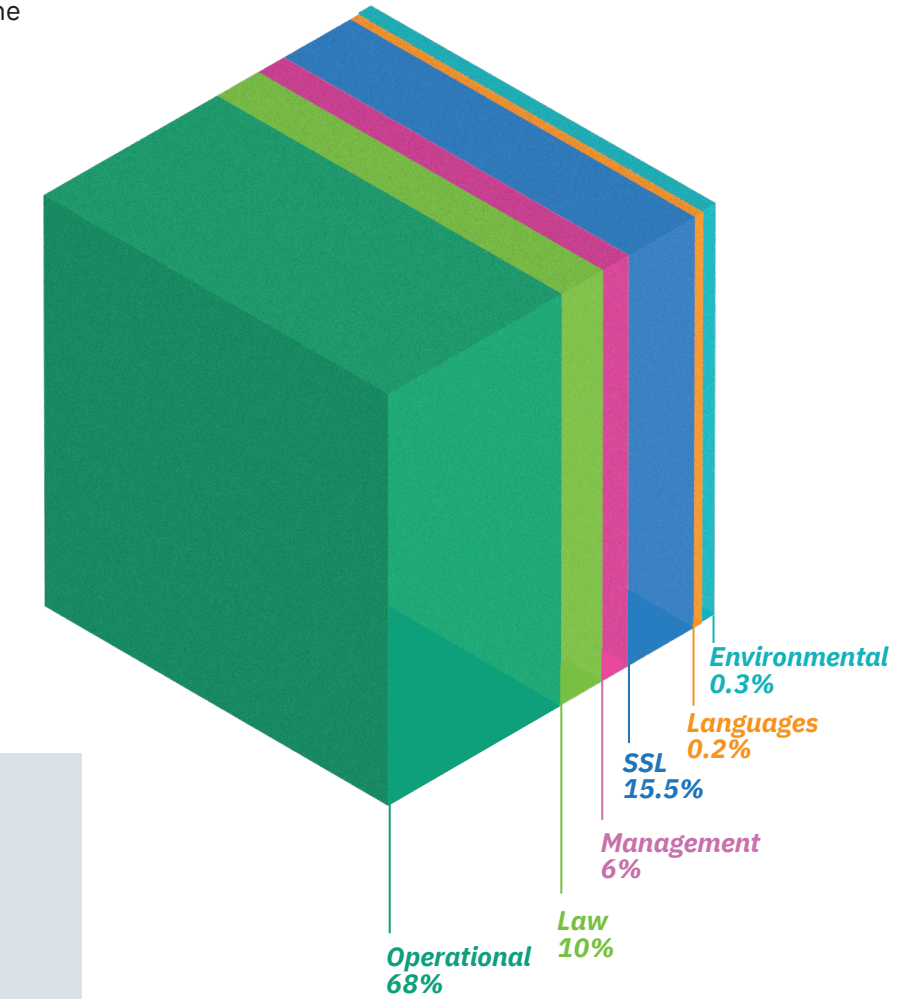
Training

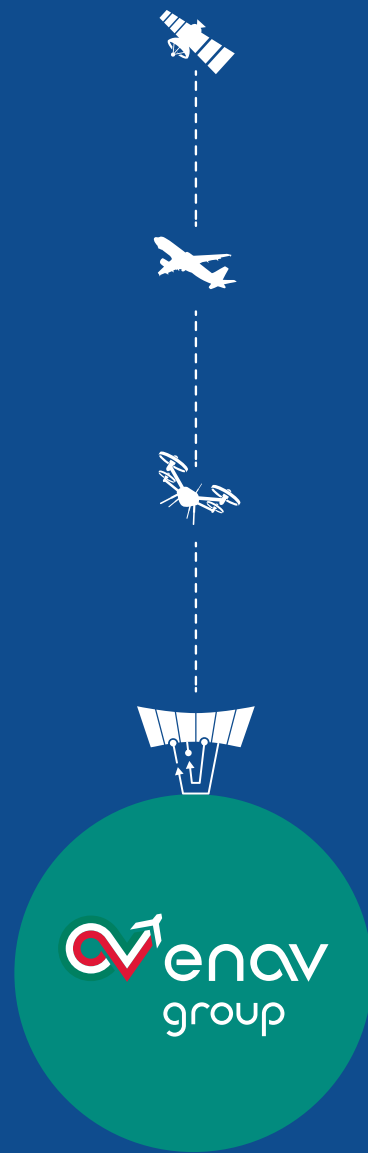
Training activities are provided precisely to emphasise the focus on managing the life cycle of the individual within the Company, with a special focus on their development needs.

Total training hours



Being an Air Traffic Controller (ATC) requires constant attention and safe and efficient operational behaviour. ATC training is frequent and continuous in order to operate in a highly reliable environment. ATCs must constantly demonstrate their skills and ability to direct and manage the pilots with whom they are in constant radio contact. For these reasons, we pay special attention to the development of skills through classroom and on-the-job training. In fact, 68% of total training is occupied by operational training.





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