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Climate governance

In view of the social importance of the ENAV's operations, the main objective of the Company's corporate governance system is to perpetuate the Company's sustainable success, by creating medium/long-term sustainable value for its shareholders and appropriately balancing and fostering all the interests involved.

ENAV group through the board of directors (BoD) oversees climate-related issues, that are scheduled at least annually in the board meetings. The Board of Directors represents the highest level of direct responsibility for climate issues, as well as other environmental and sustainability issues. In fact, the BoD is charged with the role of pursuing ENAV's sustainable success, and to this end it directs and oversees the Group's strategies, adopting decisions related to the Industrial and Sustainability Plan and defining the corporate governance system most functional to the pursuit of these strategies.

In carrying out its duties, the Board of Directors is supported by 3 internal committees: the Sustainability Committee, the Control, Risk and Related Parties Committee, and the Remuneration and Appointments Committee. These committees are composed of members of the Board of Directors according to the provisions of the Corporate Governance Code and best practices. Regulations governing the responsibilities and functioning of each committee are approved by the Board of Directors.

- **Sustainability Committee**: in carrying out the guiding and supervisory role outlined above, the Board of Directors is supported by the Sustainability Committee with special reference to sustainability issues, including those related to climate. The Sustainability Committee consists of the 3 independent directors and has advisory and proactive duties on ESG issues, including in relation to the Sustainability Plan and non-financial reporting as well as monitoring activities related to ongoing ESG strategies. The sustainability committee reports directly to the board quarterly. With a view to ensuring the creation of value in the medium and long term for the benefit of ENAV Group's stakeholders, the Sustainability Committee participates in the definition of the objectives of the Sustainability Plan, contributes with its advisory functions to the implementation of the climate strategy and is constantly aligned by the relevant organizational structures on the progress of the relevant corporate projects. In addition to expressing opinions on specific sustainability issues, the Sustainability Committee examines the general layout of the Sustainability Plan and non-financial reporting - proposed by the CEO - and the articulation of their contents, as well as the completeness and transparency of the information provided outside ENAV Group, expressing a prior opinion to the Board of Directors in this regard. In addition, the Sustainability Committee liaises - like best practices - with the Remuneration and Appointments Committee in order to construct the ESG objectives

included in the variable remuneration of the CEO and strategic executives of ENAV Group. The sustainability committee has been assigned responsibilities related to managing climate-related risks and opportunities, assessing these risks and opportunities, setting climate-related corporate targets, conducting climate-related scenario analysis, and monitoring progress against these targets. These responsibilities have been delegated to the committee to leverage their specialized expertise and dedicated focus in addressing climate-related challenges within the organization. By actively managing and assessing climate-related risks and opportunities, the committee ensures effective risk mitigation strategies and identifies avenues for sustainable growth. Setting climate-related corporate targets enables the committee to drive progress and align the organization's efforts with sustainability objectives. Through conducting scenario analysis, the committee can anticipate potential impacts and make informed decisions to enhance resilience. Furthermore, monitoring progress against climate-related targets allows the committee to track performance, identify areas for improvement, and provide regular updates to stakeholders. Overall, the allocation of these responsibilities to the sustainability committee strengthens the organization's commitment to addressing climate-related issues and fosters a more sustainable and resilient future.

- **Control, Risk and Related Parties Committee: a**lthough the main climate-related responsibilities are assigned to the Sustainability Committee, the Control, Risk and Related Parties Committee (composed of 3 members of the Board of Directors), by virtue of its role, also oversees some corporate climate-related issues as part of the risk management activities it oversees. In addition, in accordance with the provisions of the Corporate Governance Code and internal regulatory provisions, the Control, Risk and Related Parties Committee is tasked with reviewing the content of periodic non-financial information, which includes climate-related information, and assessing its suitability to fairly represent the company's business model, corporate strategies, and the impact of its activities and performance achieved.
- **Remuneration and Appointments Committee:** although the main responsibilities in climate matters are assigned to the Sustainability Committee, the Remuneration and Appointments Committee (composed of 3 members of the Board of Directors) also has some responsibilities in climate matters. This Committee is charged with ensuring that ENAV Group's Remuneration Policy is appropriately challenging and functional in the pursuit of sustainable success. Specifically, the Remuneration and Appointments Committee is responsible for supporting the Board of Directors (which is responsible for approval) in the development of ENAV Group's Remuneration Policy. As of 2019, the variable remuneration of the CEO and executives with strategic responsibility includes ESG objectives, including climate-related objectives, and the Remuneration and Appointments Committee expresses opinions on

performance targets and the calculation of business results related to the implementation of incentive plans and on the definition of variable remuneration. Therefore, the Remuneration and Appointments Committee is involved in activities preparatory to the provision of incentives for the management of climate-related issues and objectives related to sustainability in general.

The ENAV Group also identifies the highest management positions and committees with responsibilities for climate-related issues.

The Chief Executive Officer (CEO), reports to the board directly quarterly, with the following climate-related responsibilities:

- Providing climate-related employee incentives
- Integrating climate-related issues into the strategy
- Setting climate-related corporate targets
- Assessing climate-related risks and opportunities
- Managing climate-related risks and opportunities

The allocation of these responsibilities to the CEO is motivated by the need for strategic leadership and accountability in tackling climate challenges. The CEO's role encompasses overseeing risk management strategies, conducting thorough analyses to evaluate potential impacts, establishing measurable targets aligned with sustainability objectives, integrating climate considerations into decision-making processes, and fostering a culture of environmental awareness. To effectively monitor these responsibilities, the CEO engages in regular reviews, tracks progress towards targets, actively collaborates with the sustainability committee and the sustainability manager and communicates updates to the Board of Directors and other stakeholders. This collaborative approach ensures that climate-related issues are addressed proactively, and that the organization progresses towards a more sustainable and resilient future. The processes by which the CEO is informed and the processes in which he monitors climate-related issues are numerous and structured; in particular, the CEO is constantly updated through documentation and reports by the Sustainability Manager, through different weekly staff meetings; moreover, among the processes in which he monitors climate-related issues, we find the periodic meetings that take place throughout the year with the Sustainability Committee and the ESG Steering Committee (the latter is chaired by the CEO himself and its purpose is to ensure constant alignment on the Company's policies in the ESG sphere, ensuring, on the basis of a prospective vision, the consolidation of information flows within the Group and in order to intercept all corporate events with potential impacts in the Environmental, Social and Governance sphere).

ESG Steering Committee, brings together the heads of organizational areas reporting directly to the CEO half-yearly, established with the aim of ensuring the coordination of processes and initiatives with potential ESG impacts, incorporating stakeholder requests and ensuring a constant flow of information on current policies and activities, as well as industry guidelines, best practices and regulatory updates. With the following responsibilities:

- Integrating climate-related issues into the strategy
- Conducting climate-related scenario analysis
- Assessing climate-related risks and opportunities

Within the framework of the sustainable development of the ENAV Group and taking into account the strategic relevance of the integration of sustainability in corporate governance and in the initiatives of the Industrial Plan, the strategic ESG Steering Committee was established with the objective of ensuring the coordination of processes and initiatives with potential impacts in the field of ESG issues, taking into account the requests of stakeholders and the constant flow of information on the relative policies and activities underway as well as on the guidelines, best practices and regulatory updates in the sector. The ESG Steering Committee has been assigned responsibilities for assessing climate-related risks and opportunities, integrating climate-related issues into the strategy, and conducting climate-related scenario analysis. These responsibilities are entrusted to the committee due to their expertise in ESG matters and their role in driving the organization's sustainability agenda. The committee, comprised of top executives within the company, actively collaborates with the Board of Directors to monitor these responsibilities. Through regular reviews, progress tracking, and reporting updates to senior management and stakeholders, they ensure the effective management of climate-related factors and facilitate proactive decision-making.

Sustainability Director reports to the CEO quarterly, having the follow climate-related responsibilities:

- Integrating climate-related issues into the strategy
- Conducting climate-related scenario analysis
- Assessing climate-related risks and opportunities

The Sustainability Director monitors progress, implements monitoring mechanisms and communicates updates to promote sustainable practices and integrate sustainability goals into business initiatives and innovation. The Sustainability Director actively collaborates with cross-functional teams and stakeholders to establish ambitious and measurable climate goals aligned with the organization's sustainability

vision. Conducts scenario analyses, assesses risks, identifies opportunities and ensures proactive decision making. The Sustainability Manager, also, is responsible for setting corporate climate-related goals, conducting climate-related scenario analyses, and monitoring progress toward those goals because of his or her sustainability expertise and ability to promote sustainable practices within the organization.

Climate-related incentives

The monetary incentives provided in ENAV's remuneration policies highlight the synergistic value with the integrated business and sustainability strategy. Therefore, short- and long-term incentives for the CEO, managers with strategic responsibilities, and executive managers of the Group are linked to ESG metrics, including climate-related metrics.

Component of remuneration	Company figure	Weight (%)	ESG target
Short-term incentives (STI)	CEO (Chief Executive Officer)	15%	Abatement of 1 million kg of CO_2 emissions by carriers at Fiumicino airport through the use of the AMAN (Arrival Manager) system on Rome ACC
	(DSR) Directors with Strategic Responsibilities	15%	Installation of three photovoltaic systems at Venice airport center, Brindisi airport center and Brancasi site
	Executive Managers	15%	Definition of a strategy and action plan aimed at reducing Scope 3 emissions according to SBTi approved targets
Long-term incentives (LTI)	CEO (Chief Executive Officer)	10%	Maintenance and growth in the rating solicited S&P cluster “Infrastructure and Transportation Infrastructure”
	(DSR) Directors with Strategic Responsibilities	10%	
	Executive Managers	10%	

Climate-related risk management

ENAV Group adopts a process of Enterprise Risk Management (ERM) aimed at identifying, assessment and monitoring of risks at the Group level and the definition and management of actions to contain the level of risks within the thresholds of propensity approved by the Board Board of Directors (Risk Appetite). The ERM process includes the activities of identification, analysis, assessment and monitoring including of ESG risks, which include the phenomenon of climate change.

The climate risk management process is integrated into multi-disciplinary company-wide risk management process. The value chain stages covered are direct operations, upstream and downstream activities; moreover the time horizon covers the short, medium and long term. The assessment is conducted more than once a year. The time horizon is defined as follow:

Time horizon	From (years)	To (years)	Comment
Short-term	0	1	ENAV considers short term risks and opportunities as those which may occur or impact within the operating year.
Medium-term	1	5	ENAV operates in regulatory periods of five years. Medium term risks and opportunities are considered to be those which may occur in the current regulatory period.
Long-term	5	15	ENAV considered long term risks to be those which may occur more than 5 years away, i.e., beyond the next regulatory cycle period.

Governance of climate-related risks takes place at various levels throughout our company. The system for the identification, evaluation and management of climate-related risks is embedded within the group's management, business planning and reporting processes and is aligned with the ISO31000 risk management standard. The detailed identification of risks is carried out at the level of business units and departments and is recorded and measured in a structured and controlled company-wide database. A company-wide methodology is used to monitor, mitigate and adapt all risks. As mentioned above, each risk is assigned a probability of occurrence and a severity of the impact in order to define a treatment and mitigation plan for those risks that are deemed to require further treatment. The impacts of climate change-driven phenomena on air traffic stakeholders have been identified and studied over the years at an international level. In particular, the Eurocontrol

document "EUROCONTROL study on climate change risks for European aviation" (September 2021) identifies five main key findings of weather phenomena that could potentially impact aviation:

- Short-term weather outlook
- Impact of storm patterns and intensity on flight operations
- Impact of sea level rise (SLR) on European airport operations
- Impact of Climate Change on Tourism Demand
- Impact of changes in wind patterns on flight operations

The study comes as an update to Annex 2 (Adapting aviation to a changing climate) of 2018's Challenges of Growth report. Nevertheless, ENAV has worked with the support of external experts to assess in detail the effects of climate change in specific locations of delivery of its services on the national territory and in particular at airports.

The results of the analysis did not highlight any particular criticalities for ENAV's operations in the time frame analyzed and will lay the foundations for monitoring the phenomena under study over time: the monitoring of a phenomenon that presents such extended temporal dynamics can be obtained periodically updating the analysis of climate scenarios (e.g. every 2-3 years) developing a fair amount of new data (business and scenario) in order to update the quantification of the operational and financial impacts of climate risks. Any further mitigation or adaptation actions will be undertaken after monitoring, as a possible consequence of the increased level of risk. The study has allowed to evaluate the possible impacts of climate change on the core business activities of ENAV on the two distinct time horizons and on the two different climate scenarios used by the IPCC. The first scenario (SSP8.5), the most pessimistic, assumes, by 2100, atmospheric concentrations of CO_2 tripled or quadrupled (840 /1120 ppm) compared to pre-industrial levels (280 ppm). This scenario is energy-intensive with a total consumption that continues to grow over the century reaching well over 3 times the current levels. The second (SSP4.5) assumes the implementation of some initiatives such as the use of a series of technologies and strategies to reduce greenhouse gas emissions. It is considered a stabilization scenario: CO_2 emissions peak around the middle of the century, and by 2070 they fall below current levels. The atmospheric concentration of carbon dioxide stabilizes by the end of the century at about twice (520 ppm) pre-industrial levels.

TYPES OF CLIMATE-RELATED RISK INCLUDED IN THE RISK ASSESSMENT	
Types of risk	**Description**
Current regulation	The nature of the activity carried out by the Group is conditioned by the constant evolution of the legal and regulatory context. In this regard, ENAV is engaged in continuous monitoring and constructive dialogue with national and local institutions in order to seek out opportunities for discussion and promptly assess the regulatory changes that have taken place, working to minimise the resulting climate and environmental impact. With reference to the ENAV Group's Environmental Policy, we have implemented a specific Environmental Management System - EMS - for the Group's companies, with the aim of analysing and improving the environmental performance of our activities and services. The main objectives of the EMS include reducing the risk of negative environmental impacts and directing improvement objectives towards sustainable development. The international standard used as a reference is ISO 14001. As part of the development of the Integrated EMS, an environmental analysis was also started up, with a specific analysis and monitoring of current regulations, in relation to the activities carried out by ENAV and by the subsidiaries Techno Sky and IDS AirNav, on the basis of which the significance of the identified impacts will be assessed. The typical risk in this context is the potential non-compliance with a specific regulation. For example, ENAV is required to comply with the environmental and climate regulations (e.g., Legislative Decree 152/2006, etc.). We have internal processes in place to verify our compliance with these regulations (e.g., legal requirements associated with infrastructure asset management, environmental requirements and pollution prevention, as well as contractual and regulatory requirements) and to assess changes in regulations.
Emerging regulation	ENAV is particularly interested in emerging regulations-voluntary and mandatory. We have now implemented the requirements of the EU standards on non-financial reporting and as part of the development of the Integrated EMS, an environmental analysis was also started up, with a specific analysis and monitoring of existing and emerging regulations, in relation to the activities carried out by ENAV, Techno Sky and IDS AirNav, on the basis of which the significance of the identified impacts will be assessed. The typical risk in this context is the potential loss of revenue or the increase in costs. Example of risk: ENAV could encounter obstacles in achieving its energy transition objectives due to regulatory systems, lack of sufficient incentives, uncertainty or slowdown in the introduction of new sustainable tools and rules, delays in authorization processes, failure to adapt the electricity grid, policies on prices and CO_2 emissions, greater investment margins in renewables and resilience, etc., which can influence ENAV's economic results. To manage this risk, ENAV constantly monitors emerging regulations and evaluates their potential impacts.
Technology	The level of operational safety of ATM services, including the technological aspects, is a top priority for ENAV, which has defined specific Business Continuity plans defining the appropriate procedures to be applied in the event of a ATM infrastructure outage or service interruption, in order to preserve continuity in different possible emergency scenarios.

TYPES OF CLIMATE-RELATED RISK INCLUDED IN THE RISK ASSESSMENT	
Types of risk	**Description**
	All events are covered by the existing measures within ENAV Quality Management System and within specific agreements with its partners. The necessary levels of availability and reliability of the technology component are ensured through specific functional redundancies and by means of an extensive maintenance plan for all facilities and equipment supporting ATM services. The service level of the technological component is also supported by specific investment plans that aim to increase the performance of the systems and equipment in terms of reliability, availability, safety and efficiency. With regard to the increase of performances, ENAV is delivering new technological enablers that will improve performances ensuring enhanced reliability of the services. Within its business plan, ENAV is consolidating Approach centers within Area Control Centers in order to allows optimization of resources as well as consolidation of relevant infrastructures. ENAV is fully committed in delivering the deployment of two Remote Tower Control Centers (RTCCs). Within each RTCC, ENAV will deploy 13 Remote Tower modules, each providing ATC over a single remotely controlled Airport. RTCC is provided with full redundancy of infrastructures and the opportunity of having 13 modules within a single RTCC allows improved management of existing resources and resilience. ENAV will evolve the Remote Tower modules into Multiple Remote Towers, this will further improve the capability of managing infrastructures on the basis of the expected ATC and Airport Capacity. The typical risk in this context is the reduction of service capacity or operational performance with consequent economic and reputational impacts. Example: ENAV plans to increase its photovoltaic power generation capacity and the main risk is the possible further increase in demand for rare metals, including metals for photovoltaic cells (such as lithium, nickel and cobalt) and semiconductors, which could lead to delays in procurement and/or an increase in costs, which could slow down the realisation of photovoltaic plants. ENAV constantly monitors these issues through ERM.
Legal	The company has also adopted an "Organisation, management and control model", which has been updated on several occasions, to implement the "administrative responsibility of entities" pursuant to Legislative Decree 231/2001, and which is overseen by a special supervisory body. The typical risk in this context is the civil liability of the company or members of its top management. Example of risk: ENAV is exposed to the risk of judicial measures or administrative sanctions in the event of non-compliance with the applicable rules. To mitigate this risk, and in line with the decarbonisation objective, ENAV carefully monitors the current compliance with legal requirements and assesses the implications that regulations entail to ensure that all existing regulatory related risks are considered in our control system internal and risk management.
Market	The growing consumer focus on sustainability and climate change issues is a key consideration for the Group's activities. In order to promote the sustainable development of air transport, ENAV is committed to an ongoing review and

TYPES OF CLIMATE-RELATED RISK INCLUDED IN THE RISK ASSESSMENT	
Types of risk	**Description**
	modernisation of the infrastructure and the ATS network, optimising the performance of services and, not least, making available instrumental procedures and flight paths that are increasingly efficient and useful to help reduce fuel consumption and, consequently, reduce the related impact on the environment. Always guaranteeing the highest levels of operational safety, ENAV plans and implements modernisation of its assets that, also through cooperation and synchronisation of collaborative initiatives with stakeholders, aim to achieve the continuous improvement of the ATS network, making available to Operators Aircraft trajectories that are increasingly environmentally friendly, characterised by shorter travel times shorter and reduced constraints on flight planning and operations. All the interventions planned and implemented to provide air navigation services in a useful way to contribute to the reduction of fuel consumption and, consequently, to reduce the related impact on the environment of airspace users are catalogued and monitored, periodically, in the Flight Efficiency Plan (FEP). Examples of risk: ENAV is exposed to intense international competition in the sale of its consultancy services. To manage this risk, ENAV offers a wide range of services supported by the most advanced technologies
Reputation	A decrease in sustainability ratings represents a risk in terms of reputation damage, and ENAV continues in promoting transparency as part of a broader view on sustainability issues. For this reason, ENAV is involved to disclose his climate change commitment through the publication of his Sustainability Report and the response to the CDP questionnaire. ENAV is currently actively monitoring the risk associated with the loss of investor engagement due to pollutant spills or failure to meet sustainability targets. Example of risk: ENAV operates throughout the national territory, carrying out business activities that involve the development of infrastructure throughout the national territory, which in some cases can cause problems or potential disputes with the community. These conditions could lead to delays in the execution of infrastructural development projects with a potential negative economic-financial and reputational effect.
Acute physical	Extreme weather events, such as very strong winds or storms, could have a significant impact on our air traffic operations. ENAV constantly assesses acute physical risks from extreme weather events. ENAV has business continuity procedures and dedicated operations personnel who provide specific and very detailed weather forecasts to enable our operations to manage risk and plan appropriately. The typical risk in this context is the reduction of service capacity or operational performance with consequent economic and reputational impacts. Example of risk: extreme events can expose ENAV to potential unavailability of assets and infrastructure, service restoration costs, inconvenience for customers, etc. as to reputational damage and loss of customer confidence.

TYPES OF CLIMATE-RELATED RISK INCLUDED IN THE RISK ASSESSMENT	
Types of risk	**Description**
Chronic physical	Within ENAV, long-term meteorological changes could have an impact mainly in terms of physical infrastructures. ENAV is currently examining climate forecasts to understand how these may pose a future risk. The typical risk in this context is the potential increase in operational costs due to (i.e.) more maintenance work. Example of risk: Chronic variations in climatic conditions can expose ENAV to chronic physical risks: for example, structural variations in temperature can impact the demand for electricity and consequent costs.

Financial Risks of Climate Change

Risk no.1			
Acute physical | Heavy precipitation (rain, hail, snow/ice)			
Impacted value chain part	**Primary potential financial impact**	**Estimated time frame for financial implications**	**Impact magnitude**
Direct operations	Increased indirect (operating) costs **Estimated financial implications of the risk before taking action** € 290,000.00	Short-term: from 0 to 1 year	Low
Company specific description			
Emerging climate risk due to the circumstance that ENAV's infrastructure is dispersed across the country, with many remote engineering sites, e.g. radar, communications, navigation, etc., exposed to extreme weather conditions. ENAV's assets are not immune to disruption, with access to offices, towers and centres, supply chain resilience and utilities at risk. The above can lead to air traffic restrictions if not adequately supported by protocols aimed at guaranteeing business continuity with consequent economic or reputational impacts for ENAV.			
Explanation of financial impact figure			
For the calculation of potential economic impacts related to this emerging climate risk, the monthly air traffic volume of Italy's main airport (Rome Fiumicino) during the year 2019 (the year with the highest historical traffic levels) was considered. The scenario considered is based on two days of airport closure due to weather events. In particular, for the calculation of the potential financial impact, the traffic demand on the main Italian airport (Rome Fiumicino) observed during the peak of Italian air traffic (August 2019) was taken as a reference. This air traffic demand (Rome Fiumicino in August 2019) generated fee revenue of approximately EUR 4.4 million (average daily fee revenue of approximately EUR 145,000 x 2 days of closure due to extreme weather = EUR 290,000 financial impact from lower revenue).			
Risk response cost			
ENAV is constantly engaged in investment projects - for several hundred million euros over the years - for the periodic modernization of its infrastructures and technologies, in order to always guarantee the highest levels of safety, punctuality and continuity of services. On the basis of an in-depth Business Impact Analysis activity, the ENAV Group has defined - and regularly tests - specific Business Continuity and Disaster Recovery plans, including appropriate procedures to be applied in the event of events involving a significant deterioration or interruption of services, in order to preserve continuity in the various possible emergency scenarios. The necessary levels of availability of the operating personnel are guaranteed without interruption, who are subjected to periodic training and education activities for the			

maintenance of the required professional qualifications, as well as the necessary levels of availability in relation to the technological component, through specific functional redundancies and through an extensive preventive maintenance plan to which all systems and equipment supporting air navigation services are subjected. The service level of the technological component is also supported by specific investment plans which aim to further increase the performance of the plants and equipment in terms of reliability, availability, safety and efficiency.

As described above, the actions through which ENAV Group is mitigating this risk fall within the normal business operations and investment plans. Therefore, it is not possible to precisely define the value of these costs because they are 'embedded' in the ordinary costs sustained by the Group for the maintenance of the infrastructures and in the strategic investment lines provided for by the Group's Business Plan, which aim, among other things, to make ENAV's physical and technological infrastructure more resilient to climate change.

Risk no. 2			
Carbon pricing mechanisms			
Impacted value chain part	**Primary potential financial impact**	**Estimated time frame for financial implications**	**Impact magnitude**
Direct operations	Increased compliance costs **Estimated financial implications of the risk before taking action** € 1,250,000.00	Long-term: from 5 up to 15 years	Low
Company specific description			
Currently and in the medium term (1 to 5 years), a carbon tax is not expected to be introduced. In the long term, this emerging climate risk could manifest itself due to the eventual tightening of environmental regulations aimed at businesses could introduce a carbon tax for certain sectors considered to have a high climate impact, such as air transport and ATM services in which the ENAV Group operates. Although the Group's current business model and activities generate a limited impact in terms of CO_2 emissions, there are still some emissions (5,155.3 tCO2e in 2023) that could expose ENAV to the payment of a carbon tax with an impact on environmental compliance costs.			
Explanation of financial impact figure			
As described elsewhere in this document, in ENAV shadow carbon pricing is used, among others matters, to navigate GHG regulations, preparing for potential regulatory changes and ensuring compliance with evolving carbon pricing policies. The reference is the shadow cost of carbon 2020 to 2050 proposed by European Investment Bank (EIB), which is expected to grow steadily until 2050 from a baseline of			

EUR 80.00 per tonne of CO_2 in 2020. In detail, shadow cost of carbon will amount to approximately EUR 250.00 per tonne of CO_2 in 2030 and EUR 800.00 per tonne of CO_2 in 2050. Therefore, the carbon cost used for the calculation of the financial impact of this risk is equal to EIB's suggested carbon cost for 2030 (EUR 250.00). Scope 1 and 2 emissions generated by the ENAV Group in 2023 (5,155.3 tCO_2e) were taken into account; the carbon tax was assumed to be equal to EIB's suggested carbon cost for 2030 (EUR 250.00). In the short (0-1 year) and medium term (1-5 years), no increase in emissions generated by the ENAV Group's activities is expected; therefore, the reference scenario assumes a stable level of emissions compared to 2023. The assumed emissions 5,000 (tCO_2e) x 250.00 (EUR) = 1,250,000.00 EUR estimated financial impact in the long term, in terms of increased environmental compliance costs.
Risk response cost
The ENAV Group is committed to a decarbonisation strategy with science-based 2030 targets; the pathway started has already resulted in significant reductions in direct and indirect emissions from operations, as described elsewhere in this document. This results in negligible exposure to this emerging climate-related risk. Moreover, ENAV has implemented an in-depth system of study, analysis and monitoring of international and national regulations. The combined effect results in negligible response costs for this emerging climate-related risk. Therefore, this cost of responding to emerging climate risk has not been precisely defined.

Risk no. 3			
Emission Trading System			
Impacted value chain part	**Primary potential financial impact**	**Estimated time frame for financial implications**	**Impact magnitude**
Direct operations	Increased compliance costs **Estimated financial implications of the risk before taking action** € 180,000.00	Long-term: from 5 up to 15 years	Low
Company specific description			
The European Union Emissions Trading System (EU ETS) is the main instrument adopted by the European Union to achieve CO_2 reduction targets in major industrial sectors and aviation. The system was introduced and regulated in European legislation by Directive 2003/87/EC (ETS Directive). The mechanism is of the “cap&trade” type, i.e. it sets an overall cap on emissions allowed in the European territory in the sectors concerned (cap) to which corresponds an equivalent number of ‘quotas’ (1 ton of $CO_2eq.$ = 1 quota) that can be bought/sold on a special market (trade). Each industrial/aircraft operator active in the sectors covered by the scheme must ‘offset’ its actual emissions (verified by an independent third party) on an annual basis with a corresponding quantity of allowances. The accounting			

of offsets is kept through the EU Single Registry, while control over deadlines and compliance with the rules of the mechanism is entrusted to the National Competent Authorities (NCAs). ENAV has a small air fleet (4 Piaggio P180 Avanti II aircraft), used for the flight service of inspection and validation of radar and satellite signals. Currently, ENAV is not covered by the EU ETS due to the very limited size of its aircraft fleet, but in the future this emerging climate risk could manifest itself through the extension of the scope of the EU ETS.

Explanation of financial impact figure

In 2023, the average price of emission allowances in the EU ETS secondary market was around EUR 83.47 per tonne of CO_2 (https://icapcarbonaction.com/en/ets/eu-emissions-trading-system-eu-ets). However, in the long term, industry forecasts indicate a significant increase in the coming years (consistent with the time horizon of this risk for ENAV). According to a recent Reuters poll, the EU carbon quotas price is expected to reach an average of EUR 111.14 per tonne of CO_2 by 2027 due to reduced supply resulting from political and economic measures. In the long term, this trend is expected to continue. Currently, the EU ETS is not expected to be extended such that the EU ETS system will be applicable to ENAV by 2027. Therefore, in the long term, an emission quotas price has been estimated based on the worst-case scenario equal to EUR 150.00.
Emissions generated by ENAV's aircraft fleet in 2023 (1,241.8 tCO_2e) were taken into account; the costs of participation in the EU ETS were assumed based on the worst-case scenario (equal to EUR 150.00). In the short term (0-1 year) and medium term (1-5 years), it is not expected that there will be an increased use of aircraft for the flight service of inspection and validation of radar and satellite signals and, therefore, an increase in the emissions generated by ENAV's air fleet; therefore, the reference scenario foresees a stable level of emissions compared to 2023. The assumed emissions 1,200 (tCO_2e) x 150.00 (EUR) = 180,000.00 EUR estimated long-term financial impact in terms of increased environmental compliance costs for ENAV's participation in the EU ETS due to this emerging climate risk.

Risk response cost

ENAV Group is committed to a decarbonisation strategy with science-based 2030 targets; the pathway undertaken has already led to significant reductions in direct and indirect emissions from operations, as described elsewhere in this document. Moreover, ENAV and its subsidiary D-Flight are carrying out important investments in research and innovation projects, also with the aim of using remotely piloted aircraft (drones) for the flight service of inspection and validation of radar and satellite signals, which in the future (consistent with the time horizon of this risk) could partially replace the use of current aircraft (4 Piaggio model P180 Avanti II). This results in a negligible exposure to this emerging climate-related risk. In addition, ENAV has implemented an extensive system of study, analysis and monitoring of international and national regulations. The combined effect results in negligible response costs for this emerging climate-related risk. Therefore, this response cost has not been precisely defined.

Financial Opportunities Arising from Climate Change

<table>
<tr><th colspan="4">Opportunity no. 1</th></tr>
<tr><td colspan="4">Energy source | Use of renewable energy source</td></tr>
<tr><th>Impacted value chain part</th><th>Primary potential financial impact</th><th>Estimated time frame for financial implications</th><th>Impact magnitude</th></tr>
<tr><td rowspan="3">Direct operations</td><td>Reduced indirect (operating) costs</td><td rowspan="3">Medium-term: from 1 up to 5 years</td><td rowspan="3">Medium-low</td></tr>
<tr><td>Estimated financial implications of the risk before taking action</td></tr>
<tr><td>€ 166,020.00
(average value between € 147,573.00 and € 184,467.00)</td></tr>
<tr><th colspan="4">Company specific description</th></tr>
<tr><td colspan="4">As part of its energy efficiency projects, the ENAV Group has identified a significant opportunity to reduce its environmental impact through the installation of photovoltaic systems. Specifically, at the Rome ACC site, a series of interventions are planned to integrate photovoltaic systems, contributing to the optimization of energy consumption and the production of renewable energy, in line with the group's sustainable strategy. These systems should allow for energy savings of 494,496 kWh/year. These planned installations offer a strategic opportunity to increase the share of renewable energy in ENAV’s energy mix, while also supporting the long-term goal of reducing environmental impact and improving overall energy performance.</td></tr>
<tr><th colspan="4">Explanation of financial impact figure</th></tr>
<tr><td colspan="4">The project is composed of three main interventions, each contributing to significant energy savings. The first intervention involves the installation of a 96 kWp photovoltaic system, estimated to generate 130,560 kWh annually. This system includes 240 panels of 0.4 kWp each, covering a surface of 800 square meters. This intervention is expected to deliver an annual economic saving of 48,704, calculated based on the energy savings (130,560 kWh/year) and the average 2023 electricity price (0.37/kWh). The second intervention is the installation of a 60 kWp photovoltaic system, with an estimated annual production of 81,600 kWh. It consists of 60 panels of 0.4 kWp each on a 500 square meter surface. The annual economic saving from this intervention is 30,440, calculated similarly from the energy savings (81,600 kWh/year) and the average 2023 electricity price (0.37/kWh). The third intervention involves installing a 208 kWp photovoltaic system with a single-axis tracker, estimated to generate 282,336 kWh annually. This system features 208 panels of 0.4 kWp, covering 1,730 square meters. The annual economic saving from this intervention is 105,323, based on the energy savings (282,336 kWh/year) and the average 2023 electricity price (0.37/kWh). For all three projects, various factors, such as latitude, panel tilt, orientation (optimized for</td></tr>
</table>

south), temperature, shading, and average solar irradiation levels were considered to estimate the annual energy production. In total, these interventions will result in a combined annual economic saving of 184,467 and an overall annual energy production of 494,496 kWh. However, considering a 20% margin of uncertainty, the financial effect figure minimum is indicated at -20%. This means the minimum expected economic saving could be reduced by 20%, which equals 147,574 (184,467 - 20%).
Risk response cost
Estimated cost of these actions: 506,400 € The identified opportunity includes three separate interventions, each with its own associated costs: - The total cost of the first turnkey project is estimated at approximately 120,000, calculated by multiplying the installed peak power (96 kW) by the total system cost (1,250/kWp). This includes technical expenses, potential demolitions, electrical systems, and the installation of the system. - The total cost for the installation of the second photovoltaic system is estimated at around 75,000, calculated by multiplying the installed peak power (60 kW) by the total system cost (1,250/kWp). This estimate also covers technical expenses, potential demolitions, electrical systems, and installation. - The total cost for the third turnkey project is estimated at approximately 311,400, based on an installed peak power of 208 kW and a system cost of 1,500/kWp. This figure includes technical expenses, potential demolitions, electrical systems, and installation. The total investment for these three interventions is 506,400 €.

Climate Strategy

ENAV's commitment to the environment and to fighting climate change is based on a strategy aimed at reducing its Carbon Footprint and in supporting the decarbonization of the aviation sector by enabling the reduction of energy consumption required for flying, through operational optimizations in cruise, landing, takeoff and taxiing to minimize waiting time and related consumption (contributing to the Net Zero European aviation route).

T**he ENAV Group conducts qualitative and quantitative climate-related scenario analyses, which have company-wide coverage.**

Climate-related scenario	Parameters, assumptions, analytical choices
Physical climate scenarios RCP 8.5	ENAV set up a special Working Group to assess in detail the effects of climate change in the specific locations where it provides its services in Italy and in particular at airports. The Working Group worked with the specialist support of external experts to assess the possible impacts of climate change on ENAV's core business activities over two distinct time horizons (2030 and 2050). The analysis, which is currently being finalised, made it possible to assess the possible impacts of climate change on ENAV's core business activities over two different time horizons (2030 e 2050) and two different climate scenarios used by the Intergovernmental Panel on Climate Change (IPCC). Among the possible scenarios, SSP8.5 (the 'worst case' scenario) and SSP4.5 (the 'stabilisation' scenario) were selected because they allowed for a sensitivity analysis under sufficiently different, but internally consistent, conditions and are in line with the choices made by other organisations in the sector. The first scenario (SSP8.5), the most pessimistic, assumes, by 2100, atmospheric CO_2 concentrations will triple, or quadruple (840/1120 ppm) compared to pre-industrial levels (280 ppm). This scenario is energy-intensive with total consumption continuing to grow over the century to well over 3 times current levels.
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Net-Zero Commitment

The ENAV Group, aware of its role in relation to the Country System, has long been committed to reducing the environmental impact of its activities and considers the protection of the planet an indispensable objective. The Group set the year 2050 as the target to achieve net zero[1], and is considering this a science-based target, moreover, is committed to seek validation of this target by the Science Based Targets initiative in the next two years. The objective applies to the entire organisation and there are no exclusions. ENAV Group achieved carbon neutrality in 2022 (first step before Net Zero). This important milestone reflects the ENAV Group's commitment to reducing direct and indirect emissions generated by its business activities and along its value chain and is consistent with the direction taken by the European and international civil aviation sector and its climate objectives (Net Zero 2050). By virtue of the climate objectives validated by the Science Based Target Initiative and the commitment to achieving them, the ENAV Group has achieved a reduction in Scope 1 and 2 emissions of more than 85% compared to 2019 and offset the emissions currently not reducible (5,155.30 t CO_2e) with the use of carbon credits - certified by VCS (Verified Carbon Standard) - related to two environmental protection projects.

- **Renewable energy hydro India**: A project to build a 300 MW flowing water hydroelectric power plant, whose main objective is to supply renewable energy to local communities in Kuppa, Kinnaur District Himachal Pradesh, India.
- **Efficiency improved cookstoves**: A project developed in the city of Maputo in Mozambique (Chamanculo C and Xipamamine districts), whose main objective is the replacement of the traditional, highly polluting stoves used by about 1,800 households that will benefit from this project.

[1] by reducing Scope 1&2 emissions by 95% and Scope 3 emissions by 90%, in line with SBTi's guidance.

ENAV Group has set a strategic objective to achieve net-zero emissions as an essential part of its sustainability strategy, closely aligned with specific regulations for the European aviation sector, particularly within the "Net Zero European Aviation" initiative. This target supports ENAV's broader vision of enhancing operational efficiency while reducing environmental impact, in line with the goals of the Single European Sky (SES). The objective of reaching net-zero emissions is twofold: first, it ensures compliance with the European Union's commitment to decarbonize the aviation sector by 2050, reducing greenhouse gas emissions through the adoption of advanced technologies and more efficient air traffic management systems. Secondly, it contributes to the achievement of the Net Zero European Aviation Roadmap, which aims to create a sustainable and resilient European aviation industry by progressively lowering emissions across the sector.

Low-Carbon Products

Type and description of products	Level of aggregation	Estimated avoided emissions (metric tons CO_2e per functional unit)	Comment
ENAV provides the air traffic control service to airlines flying over Italian airspace and is constantly engaged in the activities aimed at modernising and optimising the infrastructure and network of ATS (Air Traffic Services), maintaining the safety levels of air navigation and contributing to the goal of progressive decarbonisation of the air transport sector. The performance targets assigned at European level to ANSPs (Air Navigation Service Providers) require them to ensure the safe, timely and environmentally friendly movement of aircraft in their airspace at all stages of flight. All actions planned and implemented in this area are catalogued and monitored, periodically, in the Flight Efficiency Plan (FEP). In the annual update of the FEP, all of the implementations of 'operational efficiency' measures carried out by ENAV in the reporting period are reported and assessed. The FEP includes the Free Route navigation service (also known as Free Route Airspace Italy - FRA-IT), which ENAV can identify as a low-carbon product. FRA-IT is a revolutionary project implemented by ENAV in 2016 which allows aircraft overflying at an altitude above 9,000 metres to cross Italian airspace following a direct route that is free from the conventional route network. This design reduces fuel consumption and improves the energy profile of the flight, while maintaining safety levels.	Product	229,000 tCO_2	ENAV's revenues derive from the provision of services (the demand for air navigation services depends on many factors), of which the improvement of environmental performance is only one element (albeit a very important one). For this reason, it is not possible to highlight the revenues generated exclusively by Free Route navigation.

Type and description of products	Level of aggregation	Estimated avoided emissions (metric tons CO_2e per functional unit)	Comment
Among the services that ENAV classifies as a third-party avoided emissions product is the innovative AMAN system. The Arrival Manager (AMAN) system supports the Air Traffic Controller (ATC) in managing the arrival sequence of aircraft under heavy traffic conditions. This system tells the controller the optimal arrival sequence for aircraft calculated to allow reduction of the interval between successive approaches. This reduction saves distance to be flown for each aircraft and enables both fuel reduction - resulting in less atmospheric emissions by airlines - and a reduction in flight time to the benefit of passengers. This system was implemented during 2022 at Rome ACC, for the management of flights arriving at Rome Fiumicino airport (where we provide an estimate of emissions avoided during 2023). However, during 2023, AMAN was also implemented at the Milan ACC, for the optimisation of approach sequences at the airports of Milan Malpensa, Milan Linate and Bergamo Orio al Serio.	Product	1,153.4 tCO_2	ENAV's revenues derive from the provision of services (the demand for air navigation services depends on many factors), of which the improvement of environmental performance is only one element (albeit a very important one). For this reason, it is not possible to highlight the revenues generated exclusively by the AMAN system.

Internal Carbon Pricing

The calculation methodology for the shadow price of carbon, which applies to all ENAV Group operations, includes several key steps. First, an analysis of historical data on carbon prices is conducted to establish a growth trend. Next, economic models are used to project this trend until 2050, considering variables such as economic growth, inflation, and climate policies. An additional step involves calculating the social cost of carbon, which represents the economic cost of CO_2 emissions in terms of environmental, health, and social damages. Furthermore, scenario simulations are created based on different levels of regulation and technological innovation to see how these factors influence the carbon price. Finally, a weighted average of the different scenarios is used to arrive at a more accurate shadow price of carbon. The main assumptions made in this process include steady economic growth, the adoption of increasingly stringent climate policies, continuous technological advancement that reduces the costs of emission reduction technologies, and the use of the starting value of the shadow price of carbon indicated by the European Investment Bank (EIB) for 2020, which is EUR 80 per tonne of CO_2.

The reference is the Proposed EIB shadow cost of carbon 2020 to 2050, which is expected to grow steadily until 2050. In detail, shadow cost of carbon will amount to approximately EUR 250 per tonne of CO_2 in 2030 and EUR 800 per tonne of CO_2 in 2050. In detail, the shadow cost of carbon will be around EUR 250 per tonne of CO_2 in 2030 and EUR 800 per tonne of CO_2 in 2050. The minimum value indicated in the following points is the shadow cost of carbon indicated by the EIB with reference to 2020, equivalent to EUR 80, while the maximum value is the shadow cost of carbon indicated by the EIB with reference to 2030, (which is the time horizon of ENAV's Future Sky Strategic Plan), assumed to be EUR 250, with an increase of 212.5%.

The use of the shadow carbon price is not mandatory internally, but this measure is used for the following objectives:

- Identifying and seizing low-carbon opportunities both directly and along the value chain.
- Drive low carbon investment: Comparing investments in emission reduction programmes, products and services (e.g. Free Route flight procedures, company fleet replacement, energy efficiency improvement, and others) in order to select the most impactful developments and maximizing the benefits generated to civil society through such investments.
- enabling internal and external stakeholders to appreciate the value of the positive externalities generated by emission reduction initiatives.
- navigating GHG regulations, preparing for potential regulatory changes and ensuring compliance with evolving carbon pricing policies.
- meetings stakeholder expectations by demonstrating leadership in environmental responsibility and improving transparency in the communication of societal benefits.
- testing investments against potential carbon costs ensuring their resilience under different pricing scenarios.
- engaging suppliers and promoting collaboration to reduce emissions along the value chain and encouraging sustainable practices in procurement processes.

Energy management

To reduce the environmental impact of its activities and manage energy resources efficiently, ENAV has defined a structured program that addresses various aspects:

- implementing targeted action to reduce energy consumption associated with operational activities, such as replacing the company car fleet with electric, hybrid, or plug-in vehicles, upgrading and adapting LED lighting systems, and installing specialized control units for air conditioning systems to maintain optimal temperature conditions for personnel and equipment.
- purchasing electricity through Guarantees of Origin (GO), which currently covers 95% of the Group's electricity needs, and progressively increasing the share of self-generated renewable energy.
- setting specific quantitative targets for energy efficiency initiatives and monitoring progress, also in the context of the Sustainability Plan.
- developing research and innovation projects focused on energy efficiency and emission reduction, such as the research and development initiative on green hydrogen produced by photovoltaic systems, carried out in collaboration with Tecnosistem, UNINA, and UNIVPM.
- offering environmental training programs for employees to raise awareness and encourage energy consumption reduction.
- conducting audits on energy management quality to assess performance and identify potential improvements, with external certifications (such as ISO 14001) ensuring compliance with international standards.

Waste management

ENAV Group promotes waste management policies that reconcile the requirements of economic development and value creation of its activities with those of respect and protection of the environment, specifically by:

- implementing action plan to reduce waste generation, such as the project launched with the aim of eliminating plastic on company premises through the installation of water dispensers from the water network and the activation of a contract for the supply of water with non-returnable containers.
- defining quantitative targets for waste minimization and tracking progress, also in the context of the Sustainability Plan.

- carrying out investments in research and development in order to innovate the waste management process, such as the use of a computerised system for managing waste registers and transport forms.
- planning recycling programmes with the aim of giving the maximum possible implementation to the hierarchical criterion of prevention, reuse, recycling, recovery and disposal, in full compliance with current regulations. Moreover, waste created by ENAV Group companies is collected, transported, and subjected to recovery/disposal operations by third-party organisations with the relevant qualifications and authorisations.
- offering environmental training programs for employees to raise awareness and encourage waste minimization.
- conducting audits on waste management quality to assess performance and identify potential improvements, with external certifications (as ISO 14001) ensuring compliance with international standards. Furthermore, the Group monitors the effectiveness of the actions taken in this area also through internal audits.

Water management

Even though the Group does not make intensive use of water to carry out its business activities, ENAV monitors water consumption and wastewater discharges indicators and implements the following actions:

- conducting water use assessments to identify possible actions to improve water efficiency.
- implementing action plan to reduce water use by offering remote working options and installing energy-efficient devices.
- implementing measures to improve wastewater and stormwater discharges quality by providing purification treatments and plants with “sealed collection tanks”.
- offering environmental training programs for employees to raise awareness and encourage water efficiency.