

## **REPORT ON AGENDA ITEM TEN CONCERNING THE PRESENTATION BY THE BOARD OF DIRECTORS AND A REVIEW BY SHAREHOLDERS OF A DESCRIPTION OF THE COMPANY'S CURRENT STRATEGY ON TRANSITION AND SUSTAINABILITY IN RELATION TO CLIMATE CHANGE AND AN EXPLANATION OF WHETHER THIS STRATEGY IS CONSISTENT WITH CLIMATE TRANSITION OBJECTIVES**

As provided under Article 519 of Royal Legislative Decree 1/2010, of 2 July, approving the Consolidated Text of the Corporate Enterprises Act (hereinafter “**LSC**”) and Article 16 of the Bylaws of AENA, S.M.E., S.A., (hereinafter “**AENA**” or the “**Company**”), TCI Luxembourg S.à.r.L and Talos Capital Designated Activity Company, shareholders of AENA, have requested a supplement to the notice of the General Shareholders' Meeting of Aena, including the following item, among others, on the Agenda of the aforementioned Ordinary General Shareholders' Meeting of the Company:

**Ten.** Presentation by the Board of Directors and review by shareholders of a description of the Company's current strategy on transition and sustainability in relation to climate change; and an explanation of whether this strategy is consistent with the Climate Transition Objectives.

In accordance with this request for information, the Chairman and Chief Executive Officer issue this report which demonstrates the company's clear concern and commitment, based on the targets, actions and measures taken in the area of the environment and sustainability that have been communicated in the different Boards of Directors and approved through the corresponding Strategic Action Plans.

### **1.- Quality, Environmental and Energy Efficiency Policy, and Integrated Quality and Environmental Management System.**

Aena has a Quality, Environmental and Energy Efficiency Policy in place which was approved on 29 November 2016. This Policy establishes the company's commitment to promoting efficiency and the progressive use of renewable energies as a key element in reducing greenhouse gas emissions, optimising energy consumption and the use of fossil fuels and improving air quality.

In order to deliver upon the commitments undertaken in the Quality Policy and the Environmental and Energy Policy, and as stated on the Company's public website for the information of all stakeholders, Aena has promoted the implementation and certification of the Integrated Management System (SGI) in accordance with the international standards ISO 9001 and ISO 14001 in its centres and facilities.

The certification of the Integrated Management System also guarantees compliance with the requirements established by the international standards of reference, and also regularly verifies the degree of compliance with prevailing environmental and energy laws and regulations.

## **2.- 2018-2021 Strategic Plan and Sustainable Development Goals (SDG).**

Aena's 2018-2021 Strategic Plan, approved by the Board of Directors at its meeting of 29 May 2018 and published on the company's website (<http://www.aena.es/csee/Satellite/Accionistas/es/Page/1445450875057/1237572367889/>), put environmental sustainability at the centre of a strategy focused on efficiency, profitability and effective management of resources. To this end, a series of strategic objectives relating to the fight against climate change were established, such as:

- (i) 30% reduction in Aena's CO<sub>2</sub>/ATU emissions;
- (ii) 17.5% reduction in electricity/ATU consumption;
- (iii) Achieve a 100 % share of energy supply from renewable energies;
- (iv) Plan for 20% reduction in emissions from "Handling" agents by 2020.

All these targets have been met by the Company in 2019.

In line with the Company's Strategic Plan and with the Sustainable Development Goals (SDG) of the United Nations Agenda 2030, the Company helps to attain Goals 5, 7, 8, 11, 12, 13, 16 and 17 through specific initiatives that are included in the Corporate Responsibility Action Plan.

## **3.- Climate Change Strategy.**

Likewise, the Board of Directors of Aena, at its meeting on 30 October 2018, approved the Aena Climate Change Strategy. The strategy is aimed at maximising energy efficiency and promoting the use of energy from renewable sources for self-consumption, as well as implementing innovative solutions to reduce the Company's carbon footprint.

In this area, in addition to the targets set out in the aforementioned Strategic Plan, Aena committed itself to the following global targets for the 2025 and 2030 horizons:

- 2025: 40% reduction in CO<sub>2</sub>/ATU emissions.
- 2025: 25% reduction in electricity/ATU consumption.
- 2025: 100% Aena's eco-vehicles (passenger cars) by 2025.
- 2030: Achieve carbon neutrality according to ACI EUROPE Level 3+ or carbon accreditation in the main airports (Adolfo Suárez Madrid-Barajas and Barcelona-El Prat).

It should be noted that, due to the growing demands of the environment and greater environmental awareness, the emerging regulations and Aena's commitment to sustainability, the targets of the Climate Change Strategy were extended by incorporating the company's accession to ACI EUROPE's Net Zero Carbon commitment in 2019, which consists of achieving zero net carbon emissions from airports by 2050, excluding emission offsetting mechanisms. This agreement has currently been signed by more than 200 European airports and marks a significant milestone in the actions that airports are taking to fight climate change.

Likewise, this Climate Change Strategy was complemented by the launch of the Aena Photovoltaic Plan in 2019, consisting of a self-consumption model of 70% of electricity needs through the installation of photovoltaic solar plants from 2026, which will prevent

the emission of 167,000 tonnes of CO<sub>2</sub> into the atmosphere each year. This project will make Aena one of the leading airport management companies.

Given the importance of this project, it has been included in the National Air Pollution Control Programme approved by the Council of Ministers on 27 September 2019 in compliance with Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC.

During 2019, Aena has awarded the construction and commissioning of a photovoltaic solar plant that will occupy approximately 22 hectares at the Adolfo Suárez Madrid-Barajas Airport. With a nominal power of 7.5 MW in total self-consumption, the plant will provide clean energy to Madrid's airport. It will also generate 11.7 GWh per year, which represents 16% of the annual consumption of terminals 1, 2 and 3, equivalent to the average consumption of 3,082 homes per year.

Throughout 2019, Aena launched the "Installation and start-up of photovoltaic solar plants for self-consumption at the Canary Islands airports" project, covering the airports of Fuerteventura, Gran Canaria, Lanzarote and Tenerife Sur. The aim of this project is to equip these airports with photovoltaic installations for self-consumption, with power of between 600 kW and 1,000 kW and a total power of 3.5 MW awarded, equivalent to a saving with respect to the company's energy consumption in 2019 of approximately 0.7%.

#### **4.- New Innovation and Strategic Transversal Projects Department.**

On 24 April 2019, the Board of Directors approved the creation of the Innovation and Strategic Transversal Projects Department, which will report directly to the Chairman and CEO and part of the Management Committee, and which is designed to cover new strategic needs of a transversal nature such as innovation and sustainability. This Department is responsible for defining the company's strategy in terms of environmental sustainability and innovation.

#### **5.- Non-Financial Information Statement (NFIS).**

The Report on the Non-Financial Information Statement (NFIS) published on Aena's corporate website covers all these matters and many others. The report has been favourably verified by the independent external company Deloitte.

According to the last NFIS, the company's environmental investment in 2019 totalled 32.2 million euros.

#### **6.- Recognition of AENA's commitment.**

Given all of the above, Aena's commitment to sustainability and the fight against climate change is clear, and it has been measured and acknowledged as such throughout 2019 by different international institutions such as:

- (i) The Carbon Disclosure Project (CDP) which recognises Aena's commitment to fighting climate change. In 2019 Aena obtained the "Management A" rating, the highest level awarded by this organisation, placing it among the only 7 Spanish companies to have obtained this score.

- (ii) The Airport Carbon Accreditation (ACA) programme, a certification by the Airports Council International (ACI EUROPE) that establishes an accreditation system based on four levels (Level 1 “Mapping”, Level 2 “Reduction”, Level 3 “Optimisation” and Level 3+ “Neutrality”), which aims to achieve carbon neutrality.

In 2019, the airports Alicante-Elche, Menorca and Santiago have once again been awarded the ACA Level 1 “Mapping” certification; while the airports Adolfo Suárez Madrid-Barajas, Josep Tarradellas Barcelona-El Prat, César Manrique-Lanzarote and Palma de Mallorca once again received the Level 2 “Reduction” certification. Malaga-Costa del Sol Airport has been upgraded from Level 1 to Level 2.

## **7.- Commitment of the Board of Directors.**

As explained above, sustainability and the energy transition play an essential role in the way the Company does its business. Therefore, given the commitments made by the company in this area, the Board of Directors has received specific training on sustainability. Specifically, in the 2019 Training Plan—approved by the Board in 2018—a session was included on the noise impact of airport infrastructures. In the 2020 Training Plan—approved by the Board at its meeting on 26 November 2019—two courses have also been included on promoting sustainability and renewable energies, and the importance of ESG matters.

In line with this commitment by the Company and its Board of Directors to environmental sustainability, the Board of Directors has addressed the Company's sustainability strategy on two occasions in the last six months.

At the Board of Directors meeting held on 26 November 2019, the Innovation and Strategic Transversal Projects Department presented the instruments for environmental regulation in the area of climate change, and the projects underway, and planned to address the existing climate emergency, adapted to the emerging regulations both at international level (Green Deal) and national level (PNIEC, Climate Change and Energy Transition Law) and their corresponding targets that were expected to be launched for 2050 in Europe and Spain, such as carbon neutrality, which were debated in due course by the Board of Directors.

At its meeting on 28 January 2020, the Board of Directors discussed the tender to award the assistance services for the preparation of the Strategic Innovation Plan and the Strategic Sustainability Plan. This tender is based on the need to promote a sustainable business and reconciliation model with communities and the natural environment, which requires specific actions aimed at, among other environmental aspects, the fight against climate change and air pollution.

This call to tender was published on Aena's public portal on 25 February 2020. Although it cannot actually be approved by the Board of Directors due to the amount, it was discussed due to its importance for the achievement of the Strategic Plan and the environmental objectives. The Board was thus able to discuss how to set certain objectives, and the essential issues that must be included in the Plan.

This information can be found in various public sources, and on the Company's website, where more in-depth information is available (mainly in the Non-Financial Information

Statement and other corporate documents such as policies). This is an example of how AENA's unswerving commitment to this important issue led to the adoption of numerous measures and initiatives focused on the environment and sustainability.

#### **8.- Conclusion.**

In view of all the above, Aena's strategy on climate change and energy transition has been under preparation since 2018, and has been modified and adapted to the needs required as a result of the declared climate emergency, in line with the regulations envisaged both at international level (Green Deal) and at national level (PNIEC, Climate Change and Energy Transition Law). From 2018 onwards, actions began to be presented and approved by the Board of Directors in this regard, and the Company now has a process for drawing up a climate change strategy that is in line with the legally established climate transition objectives.

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Chairman-Chief Executive Officer