



Expression of Interest for Sustainable Aviation Fuel Support Program Milan Linate and Milan Malpensa Airports Guidance for Airlines

Premises



SEA, operating the Milan Linate and Milan Malpensa airports (the “**Airports**”) pursuant to “Convenzione per la disciplina dei rapporti relativi alla gestione e allo sviluppo dell’attività aeroportuale degli aeroporti di Milano Linate e Milano Malpensa” entered into by SEA and Ente Nazionale Aviazione Civile (“**ENAC**”) on 4 September 2001, expiring on 2043 (the “**Concession**”), is confirming the Support Program for the refuelling of Sustainable Aviation Fuel (“**SAF**”) at Milan Linate and Milan Malpensa Airports during 2024.

This guide specifies how the SAF Support Program works, its participation rules, its remuneration system and the specific "Contract" that each airline must subscribe to with SEA in connection with this program.

This document shall be updated occasionally, at SEA discretion, in case of developments regarding SEA SAF policy.

1. MILAN AIRPORTS SAF SUPPORT PROGRAM: THE ROLE OF SEA FOR AVIATION DECARBONISATION

Making aviation more sustainable

SEA to make the use of sustainable fuels more attractive is confirming for 2024 the remuneration plan for the use of SAF for Airlines that fill up their planes with it in both Milan Airports.

The aim of SEA in this initiative is to accelerate the transition to a more sustainable aviation industry, strongly supporting the policies and initiatives for the decarbonisation of the aviation sector, in line with the global Net Zero 2050 objective and with the specific sector programs at international and national level, including the Italian National Airport Plan (“**PNA**”) assessment (October 2022 version) and EU Fit for 55 (Regulation EU 2023/2045 “**ReFuelEU**”).

The PNA provides that “the air transport system, a fundamental element of the country’s broader economic and social system, is involved and called, as a protagonist, to do its part to achieve the sustainability targets, most recently strengthened by the implementation of the PNRR; since it is a structured system of functions and players involved in various capacities, the responsibility and commitment to achieve these targets are necessarily shared”.

Among the environmental sustainability issues recognized as characterizing values for defining the quality of airport growth, the commitment of the air



transport sector to reduce its carbon footprint is expressly mentioned, as is the sector's commitment to ensure important mitigating actions and the introduction of best practices.

In anticipation of these indications, SEA has joined the ACI Airport Carbon Accreditation program since its creation in 2009 and in 2021 was among the first airport operators in the world to achieve level 4+ “Transition” for both Milan Airports.

This certification is primarily based on the commitment to reduce the absolute emissions of the Milan Airports which depend directly on the operator (Scope 1 and 2) on the basis of a specific “Carbon management plan”.

Concerning the initiatives to reduce Scope 3 emissions, SEA has also adopted a “Stakeholder partnership plan,” and in line with this it has taken steps to implement and anticipate the European deadlines (Refuel-EU Regulation active from 2025) regarding the supply of SAF at its Airports.

In this scenario SEA believes that airports must work together with airlines to play an important role in reducing greenhouse gas emissions and promoting sustainability in aviation.

Today SAF is significantly more expensive than fossil kerosene and also the general supply is at low levels, even if an increase in production is under development.

That's why SEA, in order to lower the cost of SAF at its Airports and to sustain the development of its use at Milan Airports, deployed these initiatives during the last years:

- SEA actively participate to national and European working groups aimed at defining future rules and policies to foster the use of SAF;
- In December 2022, SEA signed an agreement with ENI to ensure the availability of SAF at Milan Airports.
- In 2023, SEA implemented a SAF Support program providing 500 € for each ton of pure SAF refueled at Milan Airports. Propose this Remuneration Scheme to partially offset the higher cost of SAF than traditional jet fuel and encourage airlines to increase their use of sustainable fuels operating in its Airports.

2. SAF DEFINITION

SAF stands for “Sustainable Aviation Fuel”. It is a type of biofuel that is produced from sustainable sources such as waste materials or non-food crops and has a lower carbon footprint than traditional jet fuel. SAF can be blended with traditional jet fuel in varying ratios, and it is seen as a promising way for the aviation industry to reduce its greenhouse gas emissions and meet its sustainability goals.

SEA in order to make the use of cleaner fuels more attractive is confirming a remuneration for the use of SAF for Airlines that will refuel their planes with SAF in both Milan Airports.

These minimum requirements apply to SAF to be accepted for the remuneration



by SEA:

- It must be produced in European factories, preferably from materials of European origin (countries of the European Economic Area);
- It must be consistent with EU certification standards (RED II Directive Annex IX, Part A or B).

3. SAF REMUNERATION SCHEME: REGULATIONS

In line with the rare experiences already existing in other European airports, SEA acknowledges to recognize for the obligation deriving from the participation to SAF Support Program a remuneration equal to € 800/t of “neat SAF” purchased by the companies and effectively supplied at Linate and Malpensa airports during 2024.

The total fund available for 2024 is €500,000.00.

The program covers the refuelling of SAF carried out between 01/01/2024 and 31/12/2024 at Linate and Malpensa airports. It may be closed in advance if the available funds are exhausted.

Access to the program can be requested in two timeslots:

- 18/04/2024 - 10/05/2024
- 15/07/2024 - 26/07/2024

Half of the available funds (say €250,000) will be allocated at the end of the first timeslot.

The maximum amount that can be allocated to each airline will be 40% of the total funds available (say: 100,000 €).

Half of the available funds (say 250,000 €) plus any amounts not previously assigned before will be allocated at the end of the second timeslot.

Also in this phase the maximum amount that can be allocated to each company will be 40% % of the total funds available.

For each timeslot, in case of excessive requests, SEA will proceed to allocate the available funds in proportion to the amounts of "neat SAF" requested by each carrier.

Any funds remain unused as of 30/10/2024 (e.g. for companies withdrawing from the program or not signing the relevant contract by that date) will be made available to airlines already participating in the program, easing the constraints mentioned above (e.g. a cap of 20% for each airline).

In any case, all refuelling will have to be completed by the end of 2024.

The economic remunerations assigned to the carriers will be paid after suitable contractual documentation proving the purchase and supply of the quantities declared in the support request is transmitted to SEA.

The documentation, issued or signed by the fuel supplier company, must include at least the purchase order or invoice, with the evidence of the price of the fuel (both traditional JetA1 and “neat SAF”), the volumes of “neat SAF” purchased, the actual supply and the sustainability documentation of the purchased SAF (e.g.: POS – Proof of sustainability), which demonstrates the origin from sustainable sources and compliance with the following



criteria:

- produced in European factories, preferably from materials of European origin (countries of the European Economic Area);
- consistent with EU certification standards (RED II Directive Annex IX, Part A or B).

This communication must be sent within 2 months from the end of each supply.

SEA will then make payments within 30 days of the confirmation communication accompanied by the required documentation.

SEA will not pay the remuneration in cases of failure to send the confirmation communication and in cases of absence or inadequacy of the required documentation.

4. SAF REMUNERATION SCHEME: APPLICATION PROCEDURE

Airlines interested in participating in the SAF support program must apply for access using the form attached to this document (“Expression of Interest Form for the SAF Support Program 2024”).

The request for access to the program must be sent via email to the address specified in the form.

For the first timeslot, the expression of interest must be submitted from 08:00:00 CET on 18/04/2024 until, and no later than, 24:00:00 CET on 10/05/2024.

For the first timeslot will be allocated half of the available funds (say €250,000) and that the maximum amount that can be allocated to each airline will be 40% of the total funds available (say: 100,000 €).

Exceeding requests will be considered for the second timeslot.

For the second timeslot, the expression of interest must be submitted from 08:00 CET on 15/07/2024 and until, and no later than, 24:00:00 CET on 26/07/2024.

For the second timeslot will be allocated half of the available funds (say €250,000) plus unused funds from the first timeslot, and that the maximum amount that can be allocated to each airline will be 40% of the total funds available.

Expressions of interest submitted before or after the above deadlines will not be accepted.

SEA will inform airlines via the usual information channels operating in each airport.

Following the submission of the expressions of interest and the verification of the available funds, SEA will communicate to airlines the confirmation of



the eligible remuneration within 14 calendar days from the deadline for each application, proposing the signing of a specific contract.

In the confirmation communication, SEA will declare the effective availability of the remuneration defined after any necessary reallocation for each participating carrier, as indicated in the previous chapter.

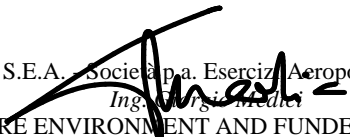
Following SEA communication, each airline must confirm the obligation to purchase the quantities of SAF, in whole or in part, with respect to the initial quantity declared in the expression of interest, within 14 calendar days by signing the annexed contract proposal.

SEA will exclude carriers that won't comply with the regulations and/or that won't meet the program's requirements from the program and all the funds preassigned will be made available for other airlines.

Annexes:

- Draft Contract-type - “Contratto per il riconoscimento al Vettore del corrispettivo spettante per l’adempimento delle obbligazioni derivanti dalla Manifestazione d’Interesse per l’adesione al SAF Support Program presso gli Aeroporti di Milano Linate e Milano Malpensa – promosso da SEA per l’anno 2024”
- Expression of interest form for the SAF support program 2024

Milano, 15/04/2024


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