RIX
RIGA AIRPORT

NON-FINANCIAL STATEMENT 2022

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INFORMATION REGARDING THE COMPANY AND STATEMENT

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State joint-stock company Riga International Airport.

The legal address of SJSC Riga International Airport is Iidosta "Rīga" 10/1, Iidosta "Rīga", Mārupes novads, LV-1053, Latvia.

SJSC Riga International Airport provides its economic activity in the Republic of Latvia.

Reporting period	01.01.2022–31.12.2022
Financial year reporting period	01.01.2022–31.12.2022
Publication date	According to the GRI standard, the frequency of reporting is once a year.
Publication date	
Publication date of the previous report	7 July 2022.
Period for comparative data	2022 (where binding, an additional period is presented, up to the last five years)
Global Reporting Initiative	The 2022 Non-Financial Statement was prepared in accordance with the requirements of the GRI standard.
Scope of the report	The statement contains information about SJSC Riga International Airport.
Content of the report	The statement discloses information about SJSC Riga International Airport and the topics and indicators relevant to its sustainability. The non-financial statement includes material, moderately material and less material topics. Having regard to the GRI standard, 49 indicators for all 20 topics, seven supplementary indicators of the airport operator sector and five other significant topics are determined accordingly. The table of contents for GRI indicators is on page 172. Each section of the report indicates which indicators the information provided corresponds to. The process of preparing the statement is described in the section "Key topics of sustainability and responsibility". Compared to the previous year, the data disclosure methods have not been significantly changed.
Corrections to information provided in previous reports	-
Restricted assurance review report	The restricted assurance engagement statement for 2022 sustainability report has been provided by KPMG Baltics Ltd. and is available on the page 171. The restricted assurance review was performed in accordance with International Standard on Assurance Engagements No. 3000 "Assurance engagements other than audits or reviews of historical financial information".
Selection of a restricted assurance reviewer	The provider of the restricted assurance review was selected as a result of public procurement, applying the price survey method. The procurement results are approved by the responsible structural unit, the Legal Department and the responsible member of the board.
The relationship of the limited assurance examiner to the company	KPMG Baltics Ltd. has provided SJSC Riga International Airport with various consulting services.
Report format	The statement is available electronically: • on the website of Riga Airport www.riga-airprot.com (in Latvian and English); • GRI's international sustainability reporting database http://database.globalreporting.org/ (in English).
Contact information	Email address for suggestions and questions about the Non-Financial Statement: quality@riga-airport.com.
Responsibility for preparing and approving the report	The board of SJSC Riga International Airport is responsible for the preparation of the statement, which certifies that the information contained in the report is true and provides a reliable and clear picture of the company's activities in 2022. The statement shall be approved by the board, supervisory board and shareholders of SJSC Riga International Airport before its publication. The report was approved by the board on 17 April 2023.

ABBREVIATIONS

Abbreviation	Explanation
ACA	Airport Carbon Accreditation programme
ACI Europe	Airports Council International Europe
ACI ASQ	Airports Council International Airport Service Quality survey
APBAD	Aviation Services and Business Development Department
UN	United Nations
airBaltic	Air Baltic Corporation JSC
CFLA	Central Finance and Contracting Agency
CO_2	Carbon dioxide
CSB	Central Statistical Bureau
SMS	Safety management system
EEA	European Economic Area
EC	European Commission
EU	European Union
GRI	Global Reporting Initiative standard
IATA	International Air Transport Association
Sustainability strategy	Sustainability Strategy of SJSC Riga International Airport 2022-2030
INDIGO	Project "Integration and Digital Demonstration of Low-emission Aircraft Technologies and Airport Operations"
QSD	Quality and Sustainability Department
CF	Cohesion Fund
Communication strategy	Communication Strategy of SJSC Riga International Airport 2022-2027
PI	Performance indicators
CRSD	Customer relations and service departments
CSR	Corporate social responsibility
LAA	Latvian Aviation Association
ATL	SJSC Air Transport of Latvia
LIDA	Latvian Investment and Development Agency
Riga Airport	SJSC Riga International Airport
Law	Law on Governance of Capital Shares of a Public Person and Capital Companies
LR	Republic of Latvia
TC	Training Centre
CM	Cabinet of Ministers
Net Zero	Commitment to reduce CO_2 emissions to zero by 2050
HRD	Human Resources Department
PRM	Passengers with reduced mobility
RIX GH	Riga Airport Ground Handling Department
Strategy	SJSC Riga International Airport's Mid-term Operational Strategy 2021-2027
TEN-T	European Transport Network
GDP	General data protection
SRS	State Revenue Service
SES	State Environmental Service
GPP	Green public procurement

Laila Odina
Chairperson of the Board
of SJSC Riga International Airport

PREFACE

2.22.

The year 2022 Riga Airport started with a significant qualitative step in the field of sustainability – the company's Sustainability Strategy for 2022 – 2030 was approved, setting specific sustainability objectives and deadlines for the achievement thereof by years. The goals and objectives set in the strategy are linked to other planning documents of the company, thus not only integrating the trend towards sustainable management in all aspects and levels of the company's operation, but also providing, in cooperation with tourism organizations and local governments, to promote the development and intermodality of Latvia as a sustainable travel destination and a relatively low use of types of transport of CO_2 not only at the airport itself, but also in a wider area.

The strategic planning instrument of the same significance in the field of sustainability is the road map developed by the airport for achieving the "Net Zero 2050" objective, which the company approved at the end of 2022. The road map marks the most important stops in time and specific activities that the airport plans to implement in order to fulfill the commitment to become a climate-neutral airport by 2050. For a detailed overview of our plans for climate neutrality, read the section "Engagement in Climate Change Mitigation".

However, as proven by data, the airport itself produces only a tiny fraction of the total CO_2 emissions generated by airport operations, so we want to contribute more to climate neutrality than just reducing our own emissions. By participating in international research projects, we will contribute our knowledge and experience to the promotion of future solutions and innovations that will make the entire aviation industry greener and more sustainable. The first such project is the INDIGO international study funded by the EU Horizon Europe program on the use of low-emission aircraft technologies and the possibilities of reducing air pollution and noise emissions near airports with the help of innovative technologies will be implemented by ten cooperating organizations in five countries, including the Carlos III University of Madrid in Spain, the Universities of Strathclyde and Bristol in Great Britain, the Technical University of Bochum in Germany, the German Aerospace Research Center, the Italian Aerospace Research Center and Riga Airport. You will learn more about our intentions in innovation and research in the sections of the report "Investment in innovation and research" and "Cooperation in the development of hydrogen technology".

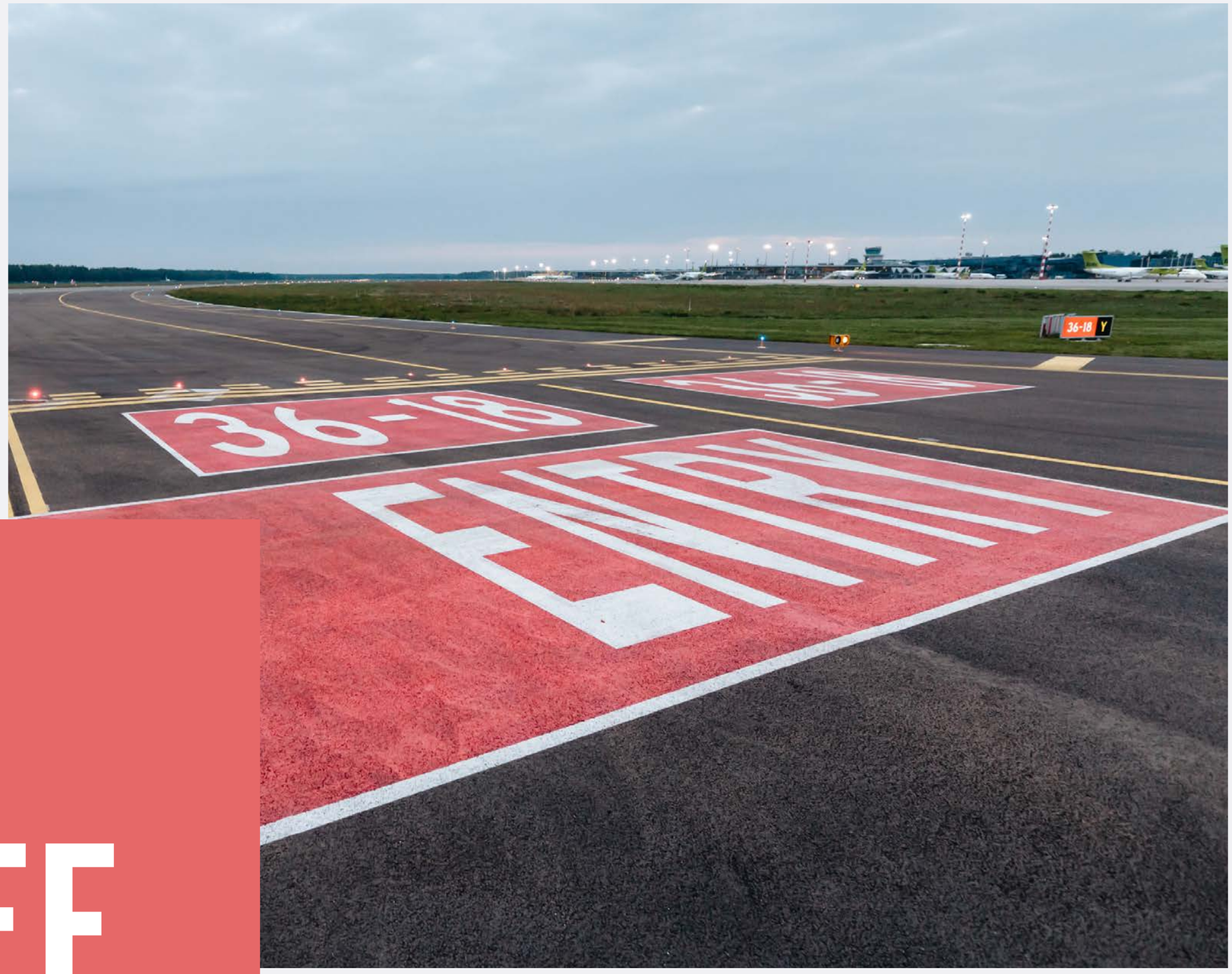
The objectives defined by the company in the area of sustainability are ambitious, but based on forecasts for the further development of the Riga Airport and the aviation industry. Despite the geopolitical upheaval caused and continued by Russia's war in Ukraine, 2022 has been as a year of stabilization after the Covid-19 crisis. This confirmed that people's desire to travel has not diminished, allowing Riga Airport to reach a stable 80% of the volume of passengers of 2019 by the end of the year. At the same time, the geopolitical situation has changed the market – as the number of transit passengers decreased, the airport served more direct passengers last year, whose number at the end of the year was only slightly behind the pre-crisis volume. The geopolitical situation brought significant changes to the air cargo and business aviation segment, as a result of which the share of these business directions in the overall operation of the airport has decreased. For a more detailed analysis of the economic situation, read the section "External factors and trends affecting the company".

In 2022, by announcing an international tender to attract investors, we have launched the future development project of the airport "RIX Airport City", which will make the role of the airport in the growth of the national economy even more significant. By being aware that Riga Airport is the first in the Baltics to create a completely new type of business and urban environment, already at the beginning of the project we have set a vision that RIX Airport City will be a multifunctional, self-regulating, sustainable and people-friendly urban environment that will provide new opportunities and connectivity for business, airport staff and local community residents.

In the context of the future of airports and airport cities, the new mobility opportunities provided by the airport and multimodal traffic center of the high-speed railway "Rail Baltica" are essential. By connecting the capitals of the Baltic states with railway networks in Finland, Poland and Germany, the airport and the future airport city around it will become the Northern European air transport and railway center of the newest generation and an important part of the business ecosystem of Riga. Therefore, in the message to future generations that we laid in the foundation stone of the "Rail Baltica" station, we placed two values – growth and development. They and joint cooperation are driving and will drive humanity towards new achievements. We believe that the airport city, which we will create by connecting and opening the gates to new destinations for people and business, will become a place where ideas and solutions for the future of Latvia are born.

01

2022 IN BRIEF



THE MOST IMPORTANT EVENTS AND ACHIEVEMENTS OF 2022

The "Mobility City Challenge 2022" hackathon solves the tasks of RIX Airport City.

By an international tender for investors, Riga Airport is aunching the most significant development project of the decade – RIX Airport City.

The implementation of the project "Purchase and installation of the third standard explosive detection system (EDS) equipment" has started.

The new centreline lighting system of taxiways begins to work.

With the support of the Cohesion Fund, the technical services building of the Riga Airport is being reconstructed.

The participation of Riga Airport in the European Union "Horizon" research project "Clean and competitive solutions for all transport modes" has been approved.

A new mid-term operational strategy "Runway 2027" has been approved for Riga Airport.

Riga Airport opens a donation point for deposit packagings: passengers have the opportunity to donate to the preservation of natural meadows of Latvia.

The Sustainability Strategy 2022-2030 has been approved for Riga Airport.

Riga Airport joins the IATA gender equality initiative.

THE MOST IMPORTANT EVENTS AND ACHIEVEMENTS OF 2022

As a result of an international tender, a new advertising operator – Media Port, a subsidiary of the Turkish company Square Group – is starting work at Riga Airport in April.

By signing the charter, Riga Airport joins the Mission Zero initiative.

Riga Airport joins to the Toulouse Declaration on Aviation Decarbonization and ACI Europe's #FlyNetZero initiative.

Riga Airport signs a memorandum of cooperation with Mārupe Municipality Council.

A new airline – the Dutch Transavia – is starting work at Riga Airport.

AWARDS AND RECOGNITION

Platinum category in the Sustainability Index rating [1]

Family-friendly workplace (Society Integration Fund) [2]

An attractive employer among workers and students (Kantar TNS)

6th place in the list of Baltic brands in the category "The most humane brand in Latvia" (Baltic Brand) [3]

[1] Source: Sustainability Index 2022 – InCSR – InCSR

[2] Source: https://vietagimenei.lv/gimenei-draudziga-darbavieta/programmas-dalibnieki/

[3] Source: Rankings category (balticbrands.eu)

02 ABOUT RIGA AIRPORT

ABOUT RIGA AIRPORT

Riga Airport has a strategic importance in the development of the economy of Latvia, as it is not only the largest international airport in Latvia and the largest air traffic infrastructure company in the Baltics, which provides regular international air transportation of passengers, cargo and mail, but also provides essential support for military and state flights in the territory of Latvia. In 2022, on the scale of the Baltic states, Riga Airport served 40% of passengers (38% in 2021), 38% of flights (39% in 2021) and 39% of the total amount of cargo (47% in 2021).

Riga Airport is included in the TEN-T network, which ensures accessibility and mobility within the EU. In 2022, connections to 33 countries were available from Riga Airport. Riga Airport divides its customers into two groups – corporate customers, which include airlines, cooperation partners and service providers, and end customers, which are passengers.

The essence of the economic activity of Riga Airport is to provide the necessary infrastructure for servicing passengers, cargo and aircraft and its maintenance, supplementing it with related services. In order to carry out the main activity of Riga Airport, i.e. passenger transportation, using air traffic, the company must ensure the conformity of many services and process with the general requirements of aviation and their supervisory services, while identifying and possibly satisfying the needs of customers. The range of available services and the level of service at airports is one of the most important factors of competitiveness. As a result of the infrastructure and services provided by Riga Airport, customers and cooperation partners are offered passenger and cargo transportation, space and territory rental, and also other services, such as parking lots, VIP rooms, etc.

The owner of all the company's shares is the state of Latvia, thus according to the Law on Governance of Capital Shares of a Public Person and Capital Companies, Riga Airport is a capital company of a public person and the holder of its capital shares is the Ministry of Transport.

On 31 December 2022, 1,388 employees worked at Riga Airport (1,165 employees in 2021). By taking into account the data of the LAA[4] on the aviation industry in Latvia, the number of employed persons decreased by 15% in 2020. The data collected by the CSB in the air transport and air transport auxiliary sectors show 3,657 employed persons in 2020, while the data of the annual reports of the extended group of companies in the aviation sector – 6,073 employees.

[4] Source: LAA study "Economic impact of the Latvian aviation industry on the national economy 2018-2021".

AIRPORT IN FACTS AND FIGURES (2022)

AREA MANAGED

621 ha

COMMERCIAL AREAS

4,670 m²

BUSINESS AVIATION TERMINALS

2

CARGO TERMINALS

5

The total area of the terminals – 7,591 m²

Each of them 600 to 2 500 m²

RUNWAY

length x width

3,200 m 45 m

CAT II

(the airport infrastructure that allows aircraft to take off and land in adverse weather for airplanes and emergency situations),

runway capaci – 29 per hour on average

THE AREA OF THE PASSENGER TERMINAL IS

49,793 m²

capacity – around 8 million passengers per year [5]

NUMBER OF PLATFORMS

5

RESCUE AND FIREFIGHTING CATEGORY

CAT 8

CAT 9 on request

AIRCRAFT PARKING SPACES (BY AIRCRAFT CODE)

80

B | 8
C | 63
D | 4
E | 4
F | 1

AIRCRAFT MAINTENANCE HANGARS

7

Total area 33,944 m²

Each of them 2,000 to 9,323 m²

[5] Depending on the number of passengers during peak hours, at reduced service level – longer waiting time in line.

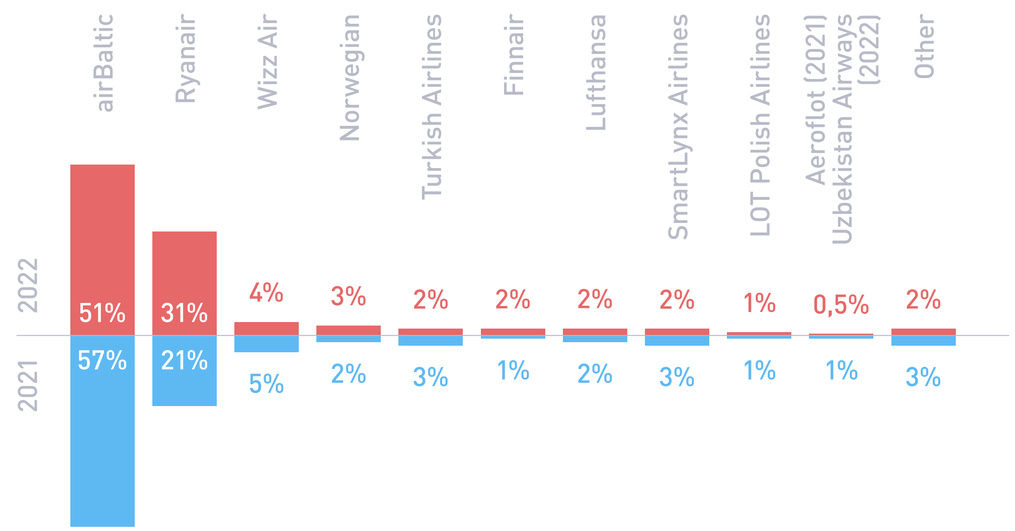
MINIMUM CONNECTING TIME BETWEEN FLIGHTS

30 minutes
Schengen–Schengen

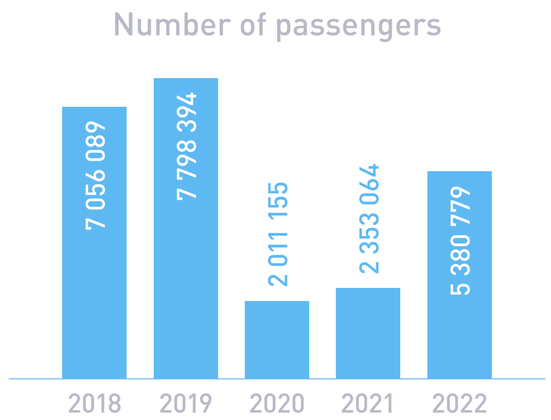
40 minutes
Non-Schengen–Non-Schengen

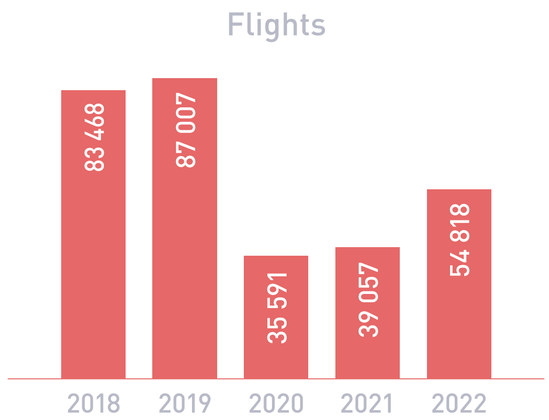
45 minutes
Schengen–non-Schengen–Schengen

THE MOST IMPORTANT CARRIERS BY THE NUMBER OF TRANSPORTED PASSENGERS IN 2022:



NUMBER OF PASSENGERS AND FLIGHTS SERVED:





NUMBER OF DESTINATIONS

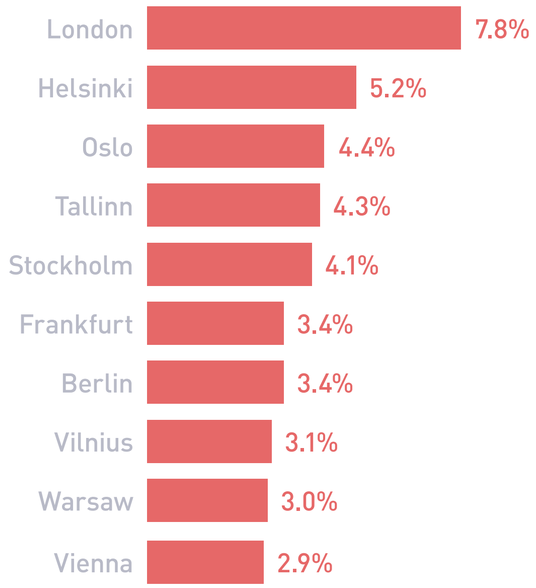
98

98 destinations of regular passenger flights in the summer season and 87 destinations in the winter season

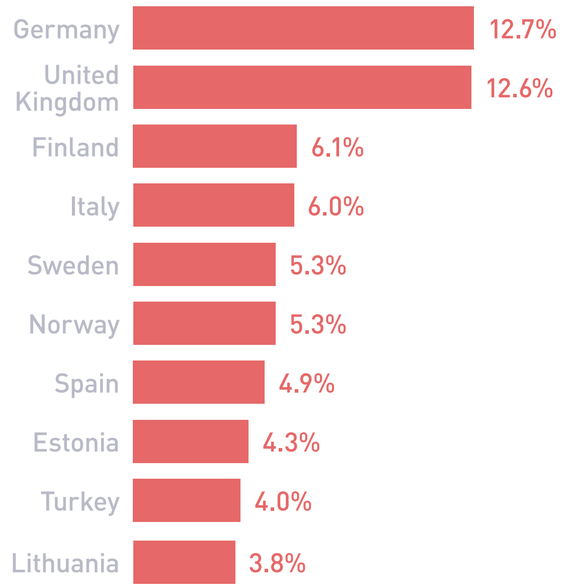
NUMBER OF REGULAR AIRLINES

11

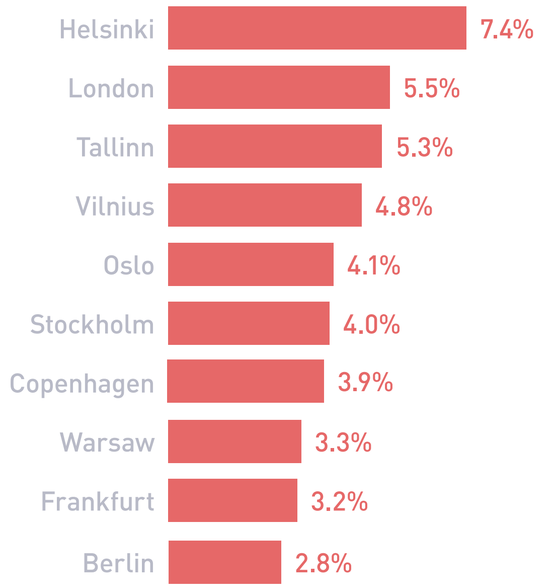
TOP 10 DESTINATIONS BY NUMBER OF TRANSPORTED PASSENGERS:



TOP 10 COUNTRIES BY NUMBER OF TRANSPORTED PASSENGERS:



TOP 10 DESTINATIONS BY NUMBER OF FLIGHTS:



KEY FINANCIAL INDICATORS

	2018	2019	2020	2021	2022
Net turnover	60 787 226	64 986 666	29 797 924	31 768 910	57 924 484
EBITDA	16 722 217	16 988 208	-3 634 159	-3 126 152	11 364 971
Profit or loss	10 022 216	22 140 607	-15 846 347	-9 423 404	286 498

You can find out more about the financial results in the 2022 financial report of Riga Airport, which is available on the company's website.

BUSINESS VOLUME

2.6., A01, A02, A03

MISSION, VISION AND VALUES

MISSION

Riga Airport is an international traffic center that contributes to the growth of the economy of Latvia by providing convenient and safe connectivity for passengers and business, creating jobs and opportunities for business development.

VISION

The future traffic center of Northern Europe, which promotes the competitiveness of Latvia in the region.

VALUES

The operation of Riga Airport is based on five values.

1. GROWTH

We develop by contributing to personal, team and company growth. In our dynamic industry, the key to success is the ability to develop knowledge and skills, innovate and make processes more efficient.

2. RESPONSIBILITY

Our sustainable operation is based on a responsible approach, analyzing and evaluating the impact of our business decisions on the environment, society, local community and economy.

3. SAFETY AND SECURITY

The safety and security of employees, passengers, airport guests and business partners is the cornerstone of our decisions, processes and actions.

4. OPENNESS

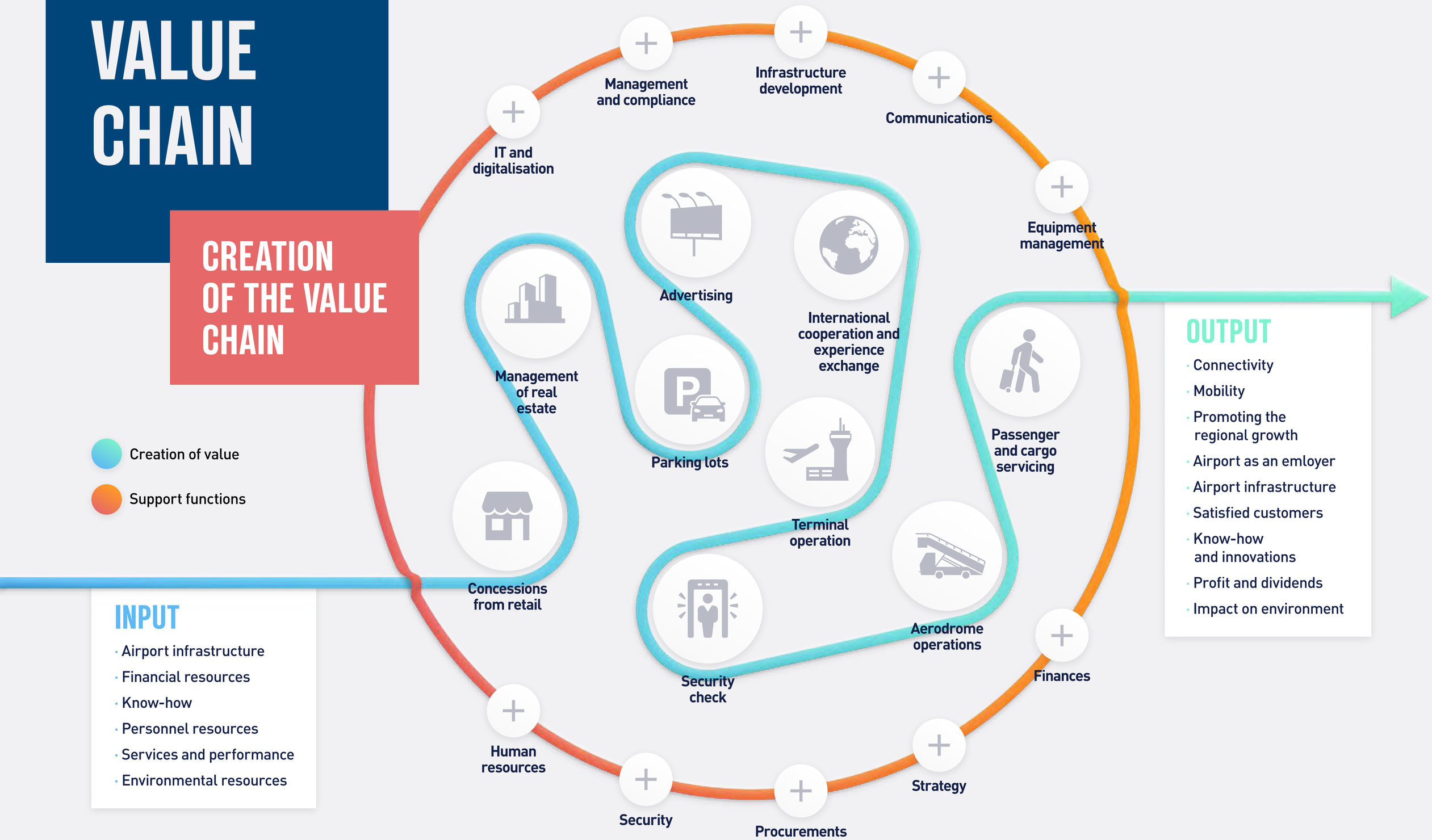
We enable connectivity and open the door to new destinations for people and business. Different beliefs, nationalities and religions meet here, and we are open to respectful and professional cooperation.

5. EFFICIENCY

Our operation is based on clear, simple, accessible and efficiently organized processes aimed at creating a positive customer experience.

VALUE CHAIN

CREATION OF THE VALUE CHAIN



Other collaborations whose processes affect Riga Airport, but which are not included in the direct value chain, include cooperation with public transport service providers, which is essential for Riga Airport from the point of view of connectivity and customer convenience. Accessibility is described more in the section "Access by public transport".

Cooperation with SIA "Eiropas Dzelzceļa līnijas", which implements the "Rail Baltica" project in Latvia, is also essential. The implementation of this project has both the national strategic importance and is an important project for the development of Riga Airport, as it foresees the creation of the first high-speed railway and air connection center in the Baltics. As a result of the project, by connecting the railway and airport infrastructure, the Riga Airport will become a modern and multifunctional passenger service complex, offering new mobility options and amenities for passengers.

In order to develop an infrastructure that meets future requirements and climate goals, since 2022, Riga Airport has essential cooperation with the Latvian Hydrogen Alliance and the companies represented in it, as well as cooperation with other airports in the region with the aim of creating synergy and acquiring funds available in the structural funds for alternative fuel infrastructure research and development.

Changes in the value chain in 2022 are associated with the start of operations of a new advertising operator at the Riga Airport and the arrival of a new airline at the airport. Read more in the section "2022 in brief".

One of the most important long-term projects started in 2022 is the development of the airport city "RIX Airport City". In 2022, a tender procedure for attracting investors was announced. The vision of the project envisages that by 2027 "RIX Airport City" will become an important Northern European business center, offering various services and infrastructure for the needs of aviation-related and other industries, becoming not only a home for companies that want to enter or expand their presence in the Baltics and in the Northern Europe, but will also offer ample opportunities for passengers and local residents, becoming an attractive destination on its own.

PERFORMANCE RESULTS

In 2022, Riga Airport served 5.38 million passengers, the majority of which 99.97% were passengers of international flights, and 0.03% – domestic passengers. Since 2017, Riga Airport has offered one domestic flight Riga – Liepāja, which is provided by the national airline "airBaltic", however, in 2022, such regular flights have not been performed.

81% or 4.36 million passengers of the total number of passengers were direct passengers, while the number of served transfer passengers in 2022 reached one million or 19% of the total number of served passengers.

In 2022, Riga Airport served 2.69 million departing and 2.69 million arriving passengers.

In 2022, 21,115 tons of cargo were handled at Riga Airport. 9,871 tons of these were incoming cargo, while 11,244 tons were outgoing cargo. In total, 11,374 tons or 54% of cargo were transported on specialized cargo flights, while the remaining 9,742 tons or 46% were transported on passenger flights.

IN 2022, RIGA AIRPORT SERVED 54,818 FLIGHTS:

International flights	Number	Domestic flights	Number
Commercial passenger flights	48 451	Commercial passenger flights	12
Commercial cargo flights	1 936	Commercial cargo flights	–
General aviation flights	282 (with mass < 5.7 tons)	General aviation flights	32 (with mass < 5.7 tons)
National aviation flights	68	National aviation flights	1

EXTERNAL FACTORS AND TRENDS AFFECTING THE COMPANY

While continuing to recover from the impact of the Covid-19 pandemic, the significant deterioration of the geopolitical situation in the region caused by the Russian invasion of Ukraine in 2022 created additional challenges for the aviation industry as a whole, directly related to the security concerns of the unavailability of the market and airspace of Ukraine, Russia and Belarus or the established international due to sanctions, and indirectly – a rapid increase in the prices of energy resources, which, in turn, had a significant impact on overall price inflation, reducing the purchasing power of citizens and creating threats of economic recession, reorientation of supply chains and other security challenges, including an increased number and scale of cyber attacks.

In general, the impact of the geopolitical situation in the Latvian aviation industry is unknown, but as a guide, the decrease in the number of passengers could be within 8% of the total volume in 2022. Overflights over Latvian airspace have decreased by 42%, the business aviation segment has decreased by 40%, the volume of cargo handling has been affected, and many organizations and individuals have been denied aircraft maintenance and access to the EU market as a result of sanctions. [6]

	Ukrainian market	Russian market
Number of destinations	4	2
Airlines	3	2
Estimated number of passengers	239 000	174 000
Number of flights	2 246	4 896
Passenger flights	2 246	4 056
Cargo flights	–	840

[6] Source: M. Gorodcovs, Impact of the geopolitical situation on civil aviation security and safety, Riga Aviation Forum 07.07.2022.

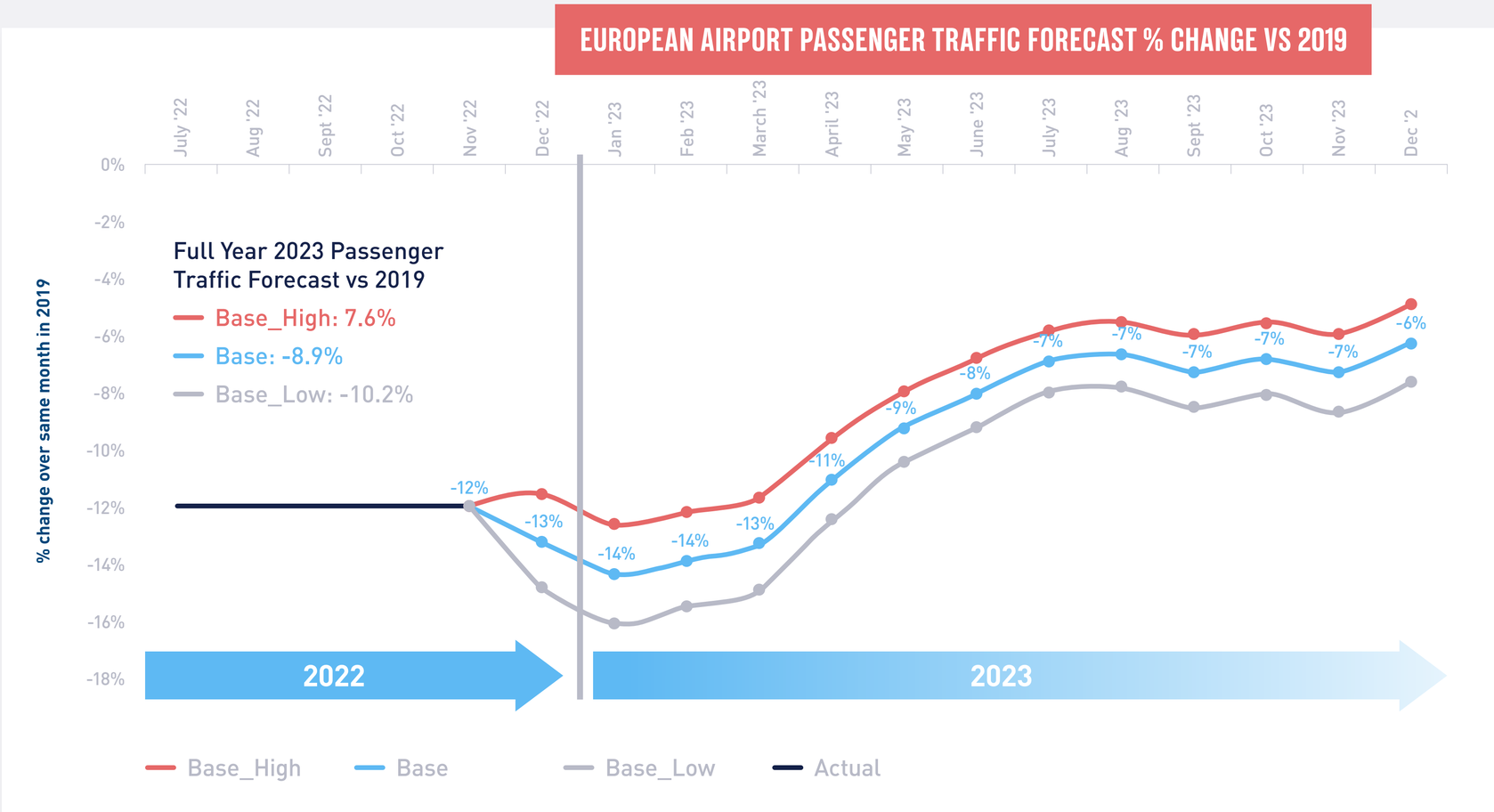
[7] Source: A. Kokars, Strategic challenges for the Latvian aviation industry to develop sustainable aviation and Green Course in response to European Commission package of legislative proposals "Fit for 55", Riga Aviation Forum 07.07.2022

As a result of the sanctions introduced by the EU, the airspace of Russia and Belarus has been closed, which forces airlines to change their flight paths and prevents them from serving destinations in Russia and Belarus. Also, for safety reasons, it is not possible to use Ukrainian airspace and airports. In 2022, restrictions on the use of airspace and additional costs associated with flying over airspace made it difficult for carriers to provide transportation to other prospective markets in Central Asia and the Caucasus. Although the airlines reoriented their operations by offering direct flights to other destinations, however, compared to 2019 [7], under the influence of the geopolitical situation, the number of transfer passengers at Riga Airport, which was used by passengers from Russia, Ukraine and Belarus as a transfer point for further flights in Europe, decreased by 67%.

The impact of the war can also be felt in the cargo transportation segment – the volume of cargo handled at Riga Airport has decreased by 24%, compared to the slight growth of the cargo segment in neighboring countries. The decline in the volume of cargo handled is directly related to the impact of international sanctions, which have resulted in the loss of charter cargo flight programs to and from China, which were primarily carried out using Russian airspace and aircraft of airlines registered in the Russian Federation. There were no such cargo programs in the neighboring countries, so an increase can be observed, just like the cargo flow carried by regular passenger flights at Riga Airport, which has increased by 22% in 2022 compared to 2021.

As a result of the geopolitical situation, the EU, including Latvia, is experiencing a rapid rise in the prices of energy resources, which also refers to overall inflation, and in Latvia and other Baltic countries, inflation reaches the highest rate in the EU countries. The increase in the prices of energy resources and inflation forces the implementation of savings measures both in companies and also in households by reducing the purchasing power and savings of the population. This, in turn, may affect travel patterns and reduce demand for leisure travel, which did not occur in 2022. In addition, the increase in the prices of energy resources also refers to the prices of aviation fuel, which forces carriers to increase the prices of flight tickets.

Currently, ACI forecasts show that the number of passengers in 2023 in Europe will recover within 90%-92% of the 2019 volumes.



After the pandemic caused by Covid-19 and the reduction of the number of employees in the aviation sector, with the rapid recovery of the demand for flights, there is a shortage of employees in the EU airports which affected the operation of the airports, especially in the summer season. Although there was no acute labour shortage at Riga Airport, the lack of capacity in other European airports significantly limited the amount of available services – the frequency of flights and the number of available seats – on several flight routes. Also, due to problems in global supply chains, new aircraft deliveries and maintenance of existing aircraft were delayed as a result of which the ability of several carriers to maintain their previously planned summer season flight schedule was affected.

Likewise, the development trends affecting the aviation industry are related to the EU Green Course which requires the industry to reorient itself towards climate neutrality in order to reach Net Zero in 2050. Reorientation requires investments in technologies and innovations related to the provision of alternative fuel infrastructure, the availability and use of sustainable aviation fuel and specialized equipment powered by alternative energy resources. In 2023, Riga Airport has submitted the application to qualify for participation in a project co-financed by the EU Structural Fund to assess the possibility of hydrogen as a fuel and the necessary infrastructure, and participation has been approved in the EU Horizon Europe project to study noise and pollutant emissions created by aircraft with distributed hybrid propulsion and innovative aerodynamic solutions. However, there are currently no estimates of how innovation could reduce the impact on price.

The Green Deal and the requirements of the Fit for 55 package of legislation are expected to affect connectivity by increasing the cost of air carriages. The price increase for a 3,000 km long flight per passenger within the EEA could reach EUR 45.00 in 2030, and EUR 65.00 in 2035. In long-haul flights, the increase is expected to be higher – EUR 50.00 in 2030 and EUR 105.00 in 2035[8].

As there are no clear forecasts for sustainable aviation fuel prices yet, price forecasts are conservative and cannot be fully assessed at this time. Uncertain conditions for the introduction of sustainable aviation fuel in third country markets may lead to unfair competition and carbon leakage.

[8] Source: A. Kokars, Strategic challenges for the Latvian aviation industry to develop sustainable aviation and Green Course in response to European Commission package of legislative proposals "Fit for 55", Riga Aviation Forum 07.07.2022.

COMPETITION

Riga Airport has positioned itself as a regional air traffic center and a leader in the Baltic States, thanks to the successful development of infrastructure, the growth of "airBaltic", as well as using the advantages of its geographical location. Traffic hubs are characterized by large and stable coverage areas, a high proportion of transfer passengers, a high level of connectivity and quality services. Although Riga Airport has a relatively small coverage area, it has achieved a high share of transfer passengers and connectivity index, largely thanks to the "airBaltic" business model, therefore, as a regional traffic hub in the Baltics, Riga Airport has no directly comparable competitors. The airports that fulfill the functions of a traffic hub in the target markets of Riga Airport are the airports of Copenhagen, Helsinki, Stockholm and Oslo, and to a lesser extent the airport of Warsaw.

Evaluating the geographical position of Riga Airport and its operation as a regional traffic hub in cooperation with airBaltic, the following groups of competitors can be distinguished:

- The largest airports in the Baltic States – Tallinn, Vilnius and Kaunas airports, analyzing the competition from the point of view of serving direct destinations, and
- Helsinki, Stockholm, Copenhagen and Oslo airports, which can be considered as the closest traffic hub to Riga Airport, analyzing the competition in the context of the traffic hubs, as far as it corresponds to the connectivity destinations of Riga Airport.

In the future, it is expected that airBaltic will continue to use Riga Airport as the main transit airport. However, at the same time, it should be concluded that Vilnius Airport has also experienced rapid development in recent years, as a result of which the competition between the largest airports of the Baltic countries has intensified. Air carriers also feel the struggle for passengers. At Riga Airport, this is proven by the development of airBaltic, the establishment of the Ryanair base, and the increase in the offer of charter airlines, offering additional destinations in Turkey and Egypt.

COOPERATION WITH STAKEHOLDERS

2.29.

Riga Airport, as a sustainable and socially responsible company, wants to realize its true impact and manage its role in society. Since the airport makes a significant contribution to the national economy of Latvia and shaping the future development, its operation is related to a wide range of influential parties, and cooperation with them is a part of the responsible business of Riga Airport.

The Airport's stakeholders have been identified, evaluated and grouped, taking into account the GRI guidelines and the AA1000 Cooperation Standard with Stakeholders.

In 2022, Riga Airport identified groups of influence parties, involving the heads of structural units and leading specialists in the identification, who not only helped to define the groups of influence parties, but also to determine the most important organizations and individuals for each group. The analysis evaluated the extent to which the specific group of stakeholders can influence the performance of Riga Airport in economic, environmental and social aspects, and how much interest the respective interested parties have in the Airport's achievements in this area.

In April 2022, the company's influential parties were invited to participate in an online survey in order to provide their assessment of the important aspects of sustainability for Riga Airport. On the other hand, in May 2022, at the stakeholder workshop organized by Riga Airport, the representatives of the most important stakeholders expressed their opinion on the cooperation so far, proposals and expectations on topics important for the company's sustainability. **In total, the airport received 80 recommendations on the following six sustainability topics:**

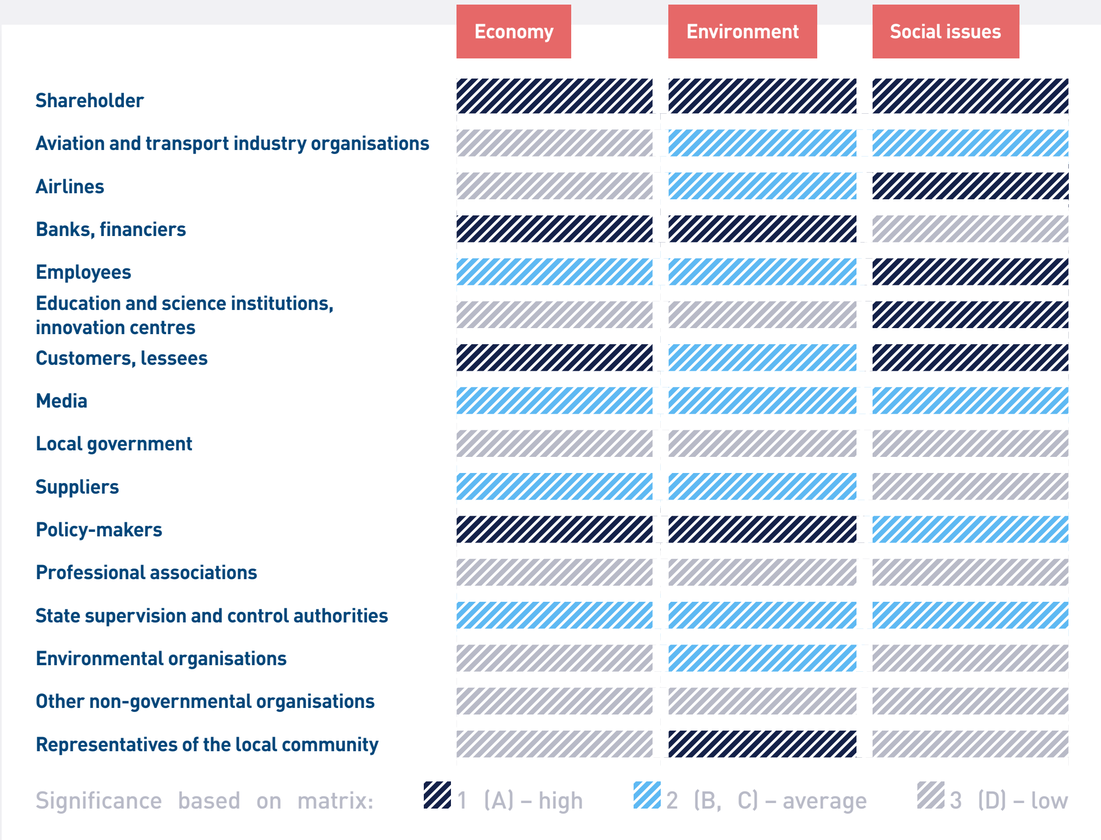
- innovations;
- procurement;
- cooperation;
- environmental education;
- environmental impact;
- safety;
- good management, openness;
- airline, airport image;
- services;
- employees.

Riga Airport evaluates the social, environmental and economic impact of its operations and involves the affected parties in solving important issues, which take place at different levels, for example:

- **surveys** – clarification of current issues and evaluation of services;
- **feedback** – feedback with customers;
- **conversations or dialogue** – individual or collective consultation;
- **consultation** – finding out or exchanging an opinion;
- **partnership** – joint decision-making and cooperation.

Communication with stakeholder groups occurs as needed, but no less than once a year.

Importance of the influencing parties of Riga Airport, based on the materiality matrix in economic, environmental and social aspects.



THE MAIN TOPICS OF SUSTAINABILITY AND RESPONSIBILITY

3.1., 3.2.

In 2022, Riga Airport carried out research and analysis to define the essential aspects of sustainability for the company and its stakeholders. The materiality analysis was carried out in three stages and took into account:

- opinion of stakeholders;
- the vision of the management, including the information contained in strategic planning documents and reports;
- trends identified in the benchmarking of industry companies by analysing publicly available strategies and reports;
- the requirements of industry standards and EU sustainability legislation, including the principles of taxonomy regulation and the Corporate Sustainability Reporting Directive.

As a result of the assessment, the range of essential aspects of sustainability for the Riga Airport was determined.

STAGE 1

Identifying stakeholders and determining the relevant aspects of sustainability

When determining the relevant aspects of sustainability, both what and how Riga Airport is affected, as well as what affects the operation of the Airport, were taken into account. The analysis was based on the study of the following documents:

- Riga Airport strategic planning documents and reports;
- information published by industry companies in strategic planning documents and reports;
- relevant legislation and industry standards

At this stage, 21 potentially important aspects of sustainability for Riga Airport have been identified.

In parallel, managers of various functions and structural units of Riga Airport were involved in the identification of the parties of influence, presenting their proposals regarding the most significant stakeholders. In total, more than 250 organizations and individuals whose opinion is important to the Airport were identified.

STAGE 2

Determining the essential aspects of sustainability

With the aim of determining the most important aspects of sustainability, a survey of stakeholders was held in April 2022, in which 57 representatives of stakeholders expressed their opinion. In the online survey, it was possible to rate the importance of each aspect of sustainability on a scale from 1 to 4.

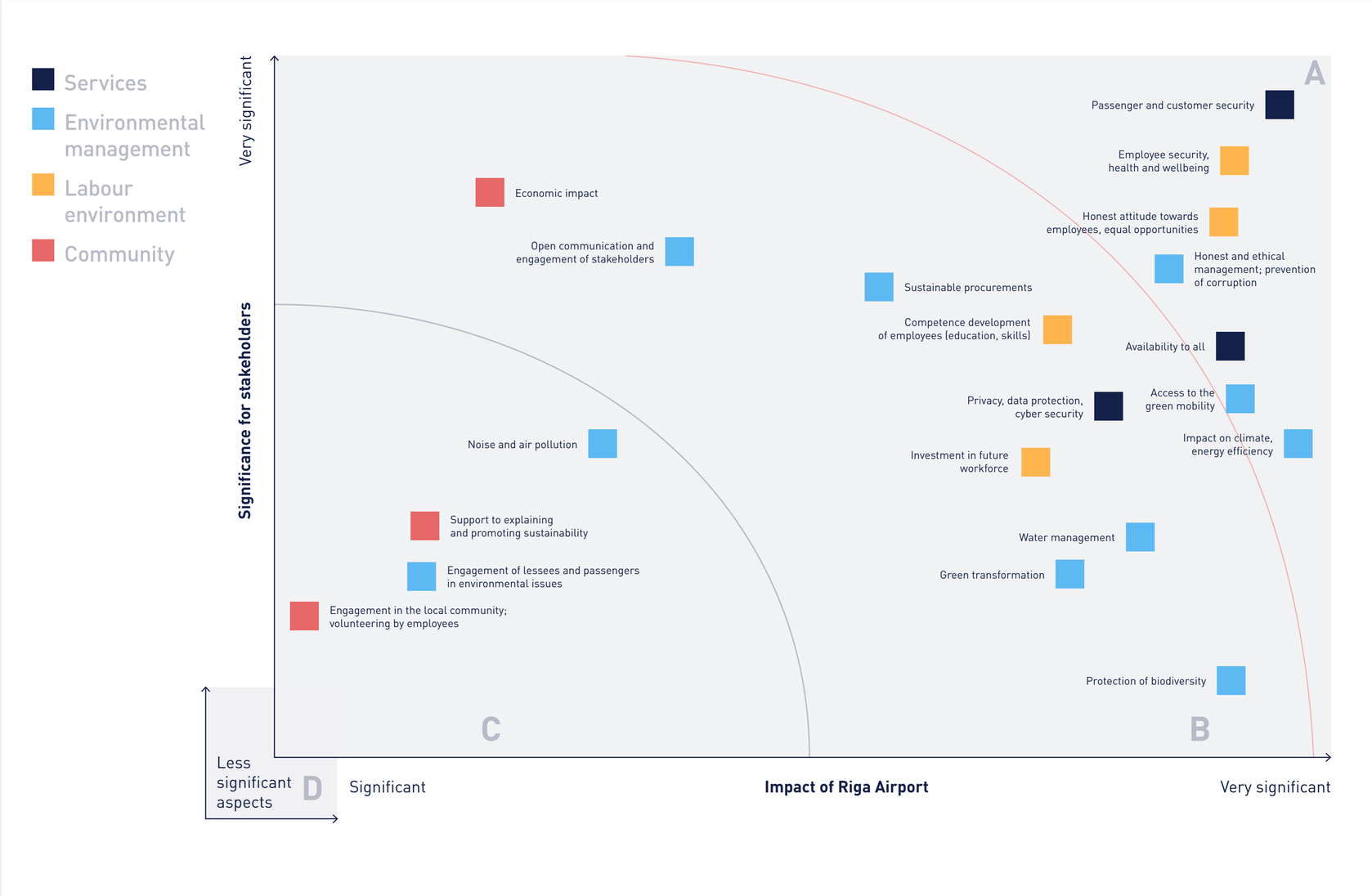
On the other hand, in May 2022, a face-to-face workshop was organized for the priority stakeholders in order to find out not only the opinion about the aspects important for the sustainability of Riga Airport, but also about the cooperation to date and the necessary improvements in its operation. The event was attended by approximately 40 stakeholders representing all priority stakeholders. In the first part of the event, the participants were addressed by the Minister of Transport, while the management of Riga Airport presented the sustainability strategy and the initially essential aspects of sustainability. The participants further were invited in working groups to express their assessment of the cooperation so far, as well as ideas and proposals both regarding the strategic directions for ensuring sustainability in the most important aspects, as well as specific initiatives.

STAGE 3

Development of a materiality matrix

By summarizing what was concluded in the materiality analysis, including the opinion surveys of the stakeholders and the results of the workshop, a materiality matrix of sustainability aspects was prepared which was approved by the board of Riga Airport.

The vertical axis of the materiality matrix represents the most important aspects of sustainability for the stakeholders, while the horizontal axis indicates the importance of the aspects to the Airport. The materiality matrix is divided into three parts: most



important, moderately important and least important. The matrix includes 20 aspects of sustainability applicable to Riga Airport.

A list of stakeholder groups that participated in the identification of the most important sustainability aspects of the Airport is available in the section "Cooperation with stakeholders".

Compared to the results of 2019:

- the significance of the Airport's economic impact and contribution to the national economy has increased in all external groups;
- the importance of sustainable procurement has increased in the aviation industry, suppliers, banks and employee groups;
- the importance of climate impact and energy efficiency has increased in the aviation industry and supplier groups.

Along with the development of the materiality matrix, the Airport has also identified its primary and secondary UN Sustainable Development Goals. Sub-goals and relation thereof with the most important aspects of sustainability and responsibility of Riga Airport identified in the materiality matrix are specified in the Sustainability Strategy.

PRIORITY OBJECTIVES OF RIGA AIRPORT

Medium priority

Low priority

03 STRATEGY AND INVESTMENTS

STRATEGY

Taking into account the national policy planning documents and the objectives set by the Ministry of Transport[9] and the expected results, the rapid growth of aviation transport in Latvia until March 2020 and the significant drop caused by the Covid-19 pandemic, the development of Riga Airport has changed significantly. In 2020 and 2021, the number of transported passengers had significantly decreased, and the financial situation, economic activity and project implementation of Riga Airport were also affected. Therefore, in the last quarter of 2020, Riga Airport developed a new Strategy for 2021-2027 which was approved on 20 October 2021 by the Supervisory Board of Riga Airport.

On 28 April 2021, in conformity with the Law, the CM approved the general strategic goal of Riga Airport: "To provide a regional traffic center with appropriate modern air transport infrastructure and services by offering convenient and safe connectivity for passengers and business, and also to promote sustainable development and competitiveness".

This goal has been determined taking into account the goals set in the state planning documents for the aviation industry and Riga Airport, which provides that within the framework of Sustainable Development Strategy of Latvia[10] until 2030, the development of the infrastructure of roads, railways, ports and airports of international importance plays a significant role in improving Latvia's external reach: air transport still plays a key role in ensuring quick external reach in passenger transport.

STRATEGIC GOALS AND OBJECTIVES

Taking into account the provisions of the Strategy, the company is working to develop Riga Airport as a profitable and competitive, dynamically growing air traffic center of the Baltic region and Northern Europe, expanding the flight network in the west and east direction, and also promoting the growth of transit passenger flow and the increase of cargo flow capacity.

[9] Source: Ministry of Transport. Available: https://www.sam.gov.lv/lv/aviacija.

[10] Source: Sustainable Development Strategy of Latvia until 2030.

STRATEGIC GOALS

1. While maintaining the leading position in the Baltics, develop connectivity and increase the number of served passengers and cargo turnover with the aim of becoming the traffic center of Northern Europe.

- 5.38 million passengers served in 2022 (+129% compared to 2021 and -31% compared to 2019) [11]), 54,818 flights (+40% compared to 2021 and -37% compared to 2019) and 21,115 t of air cargo (-24% compared to 2021).
- At the beginning of 2022, the hostilities started by Russia in Ukraine had a negative impact on the operation of Riga Airport, reducing passenger and cargo transportation due to the closed markets of Russia, Ukraine and Belarus. Transfer traffic flows were particularly negatively affected, where a significant share was made up of passengers from closed markets. Cargo transportation also decreased significantly, where large volumes were provided from Asia to Latvia before the start of hostilities, passing through Russian airspace. The drop in the number of direct passengers was offset by the opening of the Ryanair base in Riga at the end of 2021 and its successful operation, as well as the revocation of Covid-19 restrictions in most countries and an increase in the number of travelers, especially in the leisure destination segment. A part of the lost cargo volume was compensated by the transshipment of air cargo related to military activities, as well as the successful operation of regular cargo carriers. Read more in the section "External factors and trends affecting the company".
- In the summer months of 2022, the number of direct passengers, compared to 2019, approached the mark of 90% and exceeded it in October. In general, in 2022, 80% of the number of direct passengers in 2019 were served, while the number of transfer passengers reached only 43% of the volume of transfer passengers in 2019, with transfer passengers making up 19% of the total number of passengers.
- The number of flights compared to 2019 was still significantly affected by the closure of the airspace of Russia and Ukraine, thereby losing regular, business and cargo traffic between these countries, as well as the complete replacement of airBaltic's fleet which allows the airline to operate 27% fewer flights in order to carry an equivalent number of passengers. The number of flights was negatively affected by problems in global supply chains, which affected the ability of carriers to provide the originally planned summer flight program, as well as insufficient capacity in many European airports, which generally resulted in reduced flight frequency and available seat capacity.
- Riga Airport continues to actively participate in route development forums, organized meetings with air carriers and cargo/logistics companies to ensure new destinations, additional passengers and cargo. Read more in the section "Connectivity and promotion of Latvia as an attractive destination".
- In the first half of the year, a new carrier "Transavia" started transportation to Amsterdam, which in the second half of the year temporarily stopped flights at Amsterdam airport due to capacity problems, while in the charter flight segment, a new tour operator "JoinUp" started transportation to Turkey and Egypt. Several new destinations were also discovered, read more in the section "Connectivity and promotion of Latvia as an attractive destination".
- A total of 11 air carriers provided regular passenger transportation in 2022. Passenger flights were provided to a total of 87 destinations during the winter season and 98 destinations during the summer season. The largest markets in terms of passenger numbers were Germany (12.7%), the United Kingdom (12.6%) and Finland (6.1%). The most popular destinations are London (7.8% of the total number of passengers), Helsinki (5.2%) and Oslo (4.4%).
- With 51% of the passenger market share, the national carrier "airBaltic" maintains the leading position at Riga Airport, 31% of the market is occupied by the low-cost air carrier "Ryanair" and "Wizz Air" with a 4% market share.
- Riga Airport still maintains a leading position among the airports of the Baltic States in the segment of passengers, flights and cargo served, read more in the section "About Riga Airport".

[11] Last year of full operation before Covid-19.

- In order to create a clear vision for the long-term development of the airport territory, at the beginning of 2022, the airport board and supervisory board approved the start of the renewal of the development plan of Riga Airport by attracting a consultant. In 2023, it is planned to conclude a procurement tender and attract a consultant with whom the development of the development plan will be started together. The development plan is expected to be developed in 2024.
- In order to realize investments and cover the rapidly growing costs, in 2022 Riga Airport started work on the revision of airport fees. In 2022, the first consultations with air carriers on the new fees were held, they will continue in 2023, when it is expected to complete the process and approve the new tariffs.

2. To develop a safe, sustainable and future-proof airport infrastructure.

- In 2022, the implementation of the planned activities of the CF project "Development of safe and environmentally friendly infrastructure at Riga International Airport continued. Read more about the implemented activities in the section "Project "Development of safe and environmentally friendly infrastructure at Riga International Airport"".
- In the largest Strategy Project "Terminal expansion round 6", the construction design has been received, its expertise has been carried out and corrections have been made in the construction design in conformity with the deficiencies found in the expertise. Read more about the progress of the terminal expansion in the "Passenger Terminal Expansion" section.
- By the end of 2022, six of the seven rounds of the project "Improving Baggage Handling Infrastructure", which is one of the largest projects of 2022 and provides for the replacement of the checked baggage system and the integration of the new X-rays, have been implemented.
- The reconstruction and rebuilding of the important electrical supply substations TP-23 and TP-24 of the critical infrastructure of the Aerodrome has been carried out, and the operation of both substations has been started.
- As of 1 December 2022, an centreline lighting system of taxiways, which facilitates the movement of aircraft at the Aerodrome under the conditions of poor visibility, has been installed at the Aerodrome. Read more in the section "Safety and Security".
- On 20 October 2022, a contract was concluded for the replacement of five aircraft bridges. The activity will be implemented in 2023 and 2024.
- On 22 December 2022, the board of Riga Airport approved the plan for the management of CO_2 emissions, which foresees a gradual reduction of scope 1 and 2 carbon dioxide until 2025.
- The construction of the solar panel park is delayed, as a result of the tender, a proposal was received that exceeded the planned budget and a repeated tender was announced.
- In 2022, a contract was concluded on the installation of electric car charging points in the territory of the Airport and their designing has begun. The construction is planned in 2023. In addition, by attracting a partner from Lithuania, a project was submitted on 11 November 2022 and approved in March 2023 for the co-financing in the CEF programme "Alternative Fuels Infrastructure Facility – Works – Zero Emissions". Read more in the section "Reducing GHG Emissions".
- LED lighting devices have been installed in several buildings of Riga Airport.
- The Waste Management Plan for 2022-2027 was developed and reviewed by the board. Read more in the section "Waste Management and Circular Economy".

3. To improve passenger and partner experience by making processes more efficient through innovation and automation.

- In 2022, Riga Airport continued to implement the tasks defined in the Client Service Strategy, improving the passenger experience. In September 2022, the "Secret Visitor Program" was launched, within the framework of which controls are carried out at the places of provision of control services, evaluating their quality and identifying shortcomings so that they can be analyzed and rectified. Read more in the section "Passenger Experience and Satisfaction".
- In the 2nd quarter, the participation of Riga Airport in the ACI ASQ

survey was resumed where a good indicator of overall passenger satisfaction was achieved – 4.01 points on a five-point scale. More about the survey in the section "Passenger Survey".

- In order to improve the comfort of passengers, an additional drinking water point was installed, carts and baskets were purchased at the security control to improve the passenger screening process. Read more about the improvements made in the section "Customer Feedback".
- Although many European airports faced capacity problems in the summer of 2022 due to a rapidly increasing number of flights and passengers and an insufficient number of employees, the punctuality indicator of Riga Airport was high throughout the year and exceeded the set goal. In general, the punctuality of flights, which is influenced by the infrastructure of Riga Airport, was 99.21%. Read more in the section "Punctuality and Capacity".
- The Airport developed a new website which started its operation in January 2023.
- The digitization of the processes of Riga Airport is constantly ongoing. Read more in the section "Investments in Innovation and Research".

4. Create new opportunities for business partners and travelers by developing the airport city and a wide range of services.

- In September 2022, Riga Airport announced the first round of the tender to attract a developer, thus starting the most ambitious development project of the decade – the creation of the airport city RIX Airport City in the territory of the Airport's Business District. In order to create a clear message and framework for this project, the RIX Airport City brand, vision, mission and values were developed in 2022, as well as a special project homepage. In order to attract investors, an extensive communication and marketing campaign was implemented in the autumn of 2022, including the event "RIX Airport City Open Day", the closed group "RIX Airport City" on "Linkedin" was created, project presentations and other marketing materials for the needs of attracting investors/developers were provided. The submission of proposals ended in December 2022, the second round of the tender will continue in 2023.
- The Airport constantly participates in the implementation of the project "Rail Baltica "Riga International Airport" railway station, related infrastructure and flyover construction works", ensuring the continuity of operation of the infrastructure of Riga Airport.
- Since 11 April 2022, the advertising spaces of Riga Airport are managed by a new advertising operator "MediaPort Reklamcilik" which has already ensured the opening of several modern and up-to-date digital advertising spaces in the Airport terminal.
- In order to ensure the ever-increasing demand for parking spaces, Riga Airport started designing a multi-storey parking lot, which will continue in 2023. In 2022, the contract on designing of a parking lot was concluded.
- In 2022, the sale of parking services on the e-commerce platform began (the proportion of parking spaces sold on the e-commerce platform – 25%), as well as the sale of the fast tracksecurity service and the business lounge service is continued.
- The range of commercial services provided in the terminal is constantly being expanded. In 2022, new concept dining places "Caffeine" and "Fly Garden&Bubble Garden" were opened, jewelry store "Given" was opened. An agreement has been reached and design works are underway for the opening of other new concept places in the terminal – a capsule hotel, an electronics store and "Apotheka Beauty" which will be opened in 2023.

5. To promote the development of the aviation industry by retaining and attracting high-quality specialists, providing opportunities for growth and a work environment that promotes success.

- In the first half of 2022, an extensive internal and external information campaign about the Strategy was implemented, involving employees, stakeholders and decision makers.
- By continuing to improve the remuneration policy according to the situation in the labour market, the PI system was developed, which is based on the promotion of coordinated action in achieving the strategic goals of Riga Airport.

- On behalf of Riga Airport, Fontes management consulting Ltd. carried out the comparison of remuneration practices with the Latvian remuneration market. The results of the salary study (September 2022) confirmed the competitiveness of Airport salaries compared to the Latvian remuneration market.
- The Terms of Reference of Awards, which come into effect on 1 January 2023, were developed and approved.
- The Personnel Policy was reviewed and approved, which also includes the principles of the remuneration policy and motivation policy, including the employee Motivation Program for 2023. Read more in the section "Employees".
- An employee satisfaction and engagement survey was conducted, 68% of employees participated in it. Read more in the section "Employees".
- The running of the "Ideju banka" competition is ensured. Read more in the section "Internal Communication".

INVESTMENTS AND DEVELOPMENT PROJECTS

3.3., 203-1

Riga Airport is a company whose main activity is ensured by the availability of infrastructure and the adequacy of its capacity to the volume of passengers, flights and cargo. Therefore, the company's priority is to ensure the appropriate quality of the existing infrastructure in order to maintain the continuity of the company's operations, as well as to implement development projects to increase the capacity of Riga Airport, without which it would not be possible to serve the projected increase in turnover.

The investments are intended for improving the capacity of the passenger terminal, maintaining and developing the aerodrome infrastructure, IT and security infrastructure, as well as for ensuring environmental and energy efficiency improvements in the projects to be implemented.

Addressing the challenges caused by Covid-19 pandemic, Riga Airport made a strategic decision to continue investing in the most important development projects, so that the company could emerge from the crisis caused by Covid-19 pandemic even more competitively.

In the medium term, the following priority investment projects have been determined: the round 6 of the expansion of passenger terminal and several projects funded by the EU funds for 2014-2022 described below in this Chapter.

Evaluating the impact on the local population, the positive aspects include the development of a dynamic business environment and the increase in economic activity, the improvement of road infrastructure, connectivity and the promotion of employment, while the negative aspects include noise and its spread, and emissions of air pollutants and changes in air quality. [12]

[12] Source: State Office of Environmental Oversight. Available: https://www.vpvb.gov.lv/lv/ietekmes-uz-vidi-overtejumu-projekti/starptautiskas-lidostas-riga-infrastrukturas-attistibas-projekti-lidz-2020gadam

EXPANSION OF THE PASSENGER TERMINAL

Riga Airport has started an ambitious development project in which it is planned to build an extension of the passenger terminal with a capacity of up to 12 million passengers per year. The expanded Airport terminal will be connected to the railway station "Rail Baltica", forming a single passenger service complex.

The designer of the terminal expansion is the supplier association "ONE WORKS" S.P.A., "SINTAGMA" S.R.L., "Vektors T" Ltd. Its members are the Italian company "Sintagma" which specializes in the implementation of transport infrastructure projects, the Italian company "One Works" which has developed many airport development and expansion projects, including the reconstruction project of Venice Marco Polo International Airport and the concept of expanding the passenger terminal of Brussels Charleroi Airport, and also the Baltic artificial construction design office "Vektors T".

A conceptual agreement was reached with the designer on the inclusion of the commercial zone development project (round 7) in the scope of the project of the round 6 project, and on 19 October 2021, an additional agreement was concluded on the performance of additional works, extending the contract execution deadline until 30 April 2022. In 2022, the designer submitted the project which was examined by the expertise, providing comments. The final version of the project of the round 6 with incorporated expert comments must be prepared by January 2023.

The project "Round 6 of the Terminal Expansion" includes the construction of the following infrastructure and its equipping with the necessary equipment:

- construction of a new central building for the purposes of registration, security control and arriving baggage service;
- equipment and technologies for ensuring the operation of the round 6;
- construction of access road infrastructure, ramps and multi-storey parking lot;
- construction of a new set of baggage.

The project envisages the construction of new premises and the purchase of technological equipment to ensure that the capacity of the check-in sector, security control and arriving baggage reception rooms matches the number of passengers during peak hours, sufficient space for passenger flows and expanded commercial areas, as well as a new registered baggage service infrastructure will be built, the driveways will be modified, and car parking area will be relocated and expanded.

In 2022, preparations were made for the start of the procurement "Construction Works of the Round 6 of the Terminal Expansion". In January 2023, the board of Riga Airport approved the start of the procurement and it is planned to announce the procurement in the first half of 2023. Taking into account the significant increase in the cost of the project, which has arisen as a result of inflation caused by geopolitical processes, Riga Airport developed several financing options and is currently working on their implementation. In accordance with the preliminary schedule of the construction works of the round 6, the planned start time of the construction works is in the middle of 2024.

In order to serve the increasing flow of passengers and baggage and to improve the baggage handling infrastructure, until the construction of the new baggage collection within the framework of the implementation of the project "Round 6 of the Terminal Expansion", as well as to integrate the new X-rays into the baggage handling system, three related projects were launched in 2022 – "Adjustment of premises for the baggage handling function", "Improving baggage handling infrastructure" and the activity "Purchase and installation of the equipment of the explosive detection system (EDS) of the third standard" of the CF project "Development of safe and environmentally friendly infrastructure at Riga International Airport. The operation of the EDS equipment will take place together with the start of operation of the related project "Improving the Baggage Handling Infrastructure", tentatively – in February 2023. The infrastructure will have to provide the baggage handling function during the entire construction period of the round 6 of the terminal expansion with the ever-increasing tendency to increase the number of passengers and baggage units accordingly.

In order to ensure the necessary short-term parking capacity, the designing of a new multi-level parking lot began in 2022. The multi-level parking lot is planned to be built in the round 1 of the project "Round 6 of the Terminal Expansion".

THE PROJECT "DEVELOPMENT OF SAFE AND ENVIRONMENTALLY FRIENDLY INFRASTRUCTURE AT RIGA INTERNATIONAL AIRPORT"

In 2016, Riga Airport signed an agreement with CFLA on the implementation of the CF project "Development of Safe and Environmentally Friendly Infrastructure at Riga International Airport" in order to continue providing safe and environmentally friendly services by introducing modern technologies and reducing environmental damage. The project includes seven activities:

- construction of the second expressway;
- equipping platform taxiways with centreline lights;
- reconstruction of the building for technical services;
- reconstruction of the rainwater drainage system of the public area and reconstruction of Muzeja iela (street);
- reduction of carbon dioxide emissions in the lighting infrastructure of the Airport area;
- construction of a helipad;
- purchase of the EDS equipment of the third standard.

In total, five out of seven project activities have been completed within the framework of the CF project. The project to reduce carbon dioxide emissions in the lighting infrastructure of the Airport area was already implemented in 2019.

In 2022, the following activities were implemented:

- the certification process of the helipad and the certification of the platform axis line lights installation and start of operation continued;
- the tender for the construction of the technical services building was concluded and construction works started;
- all planned EDS equipment of the standard 3 for checked baggage has been installed, their certification has been started – the project is planned to be completed in 2023;
- received the support of the CFLA and the Ministry of Transport to direct the funds saved in the purchase of EDS equipment for checked baggage to an additional activity – the purchase of the EDS equipment of the standard 3 for cabin baggage. In 2022, the procurement documentation was developed and the round 1 of procurement took place.

All activities of the project "Development of safe and environmentally friendly infrastructure at the Riga International Airportare planned to be completed at the end of 2023. By implementing this project, the Airport contributes to the achievement of climate policy goals by reducing the negative impact of the economic activity of Riga Airport on the environment in accordance with increasing turnover volumes and increasing the energy efficiency of the infrastructure, as well as significantly improving the security infrastructure.

In 2022, the investments were made in the amount of 14 716 thousand EUR.

Investment projects	Realization during the reporting period (thousand EUR)
Passenger and aircraft service infrastructure	4 482
Airport territory infrastructure	1 884
Emergency, safety and IT infrastructure	3 849
Development of electricity supply infrastructure	2 262
Aerodrome infrastructure	802
Replacement of motor transport, machinery and platform equipment	1 394
Other projects	43
In total	14 716

INVESTMENTS IN INNOVATION AND RESEARCH

In 2022, Riga Airport has carried out the following important innovation and research projects related to IT infrastructure:

- In 2022, work continued on the implementation and digitization of new processes of the document management system. The procurement module of Riga Airport has been developed, the use of the pass application module has been started, the introduction of several electronic registers and other activities have been carried out with a total investment of EUR 149 580 in 2022.
- In 2022, an innovative air quality monitoring solution was put into operation, which measures the CO_2 level, temperature, relative humidity and atmospheric pressure in the airport premises, and warns the staff when the air quality has deteriorated and the air exchange in the premises needs to be improved. This solution reduces the risks of various diseases, including the risk of Covid-19.
- Two additional e-gates were installed in 2022. The previous two e-gates, which served the terminal for almost ten years, were replaced with new equipment, technically improving and speeding up passenger service and reducing the need for manual document checks. The cost of equipment purchase, installation, connection to the existing e-gate control system and warranty service makes EUR 32,562.
- In 2022, Riga Airport concluded a grant agreement in the international research project "Integration and Digital Demonstration of Low Emission Aircraft Technologies and Airport Operations" (INDIGO). The aim of the INDIGO project is to determine the potential benefits for improving air quality and reducing noise levels near airports from the use of a new type of mid-size aircraft powered by hybrid electric propulsion and able to fly ultra-quiet and with minimal emissions near airports, but using conventional or sustainable aviation fuel, – at higher altitudes. For the purposes of the project, Riga Airport will compile the data of aircraft noise measurements and atmospheric models, participate in the development of air quality and noise assessment indicators, definition of data sources in other airports and airport operations scenario development and impact assessment. The amount of the grant for the entire duration of the research project (2023-2026) is EUR 57,962.50. The INDIGO project will be implemented by ten cooperating organizations in five countries, including the Carlos III University of Madrid in Spain, the Universities of Strathclyde and Bristol in Great Britain, the Technical University of Bochum in Germany, the German Aerospace Research Center, the Italian Aerospace Research Center and Riga Airport. The project is financed by the EU programme "Horizon Europe".

04

CORPORATE GOVERNANCE

MANAGEMENT STRUCTURE

MANAGEMENT STRUCTURE

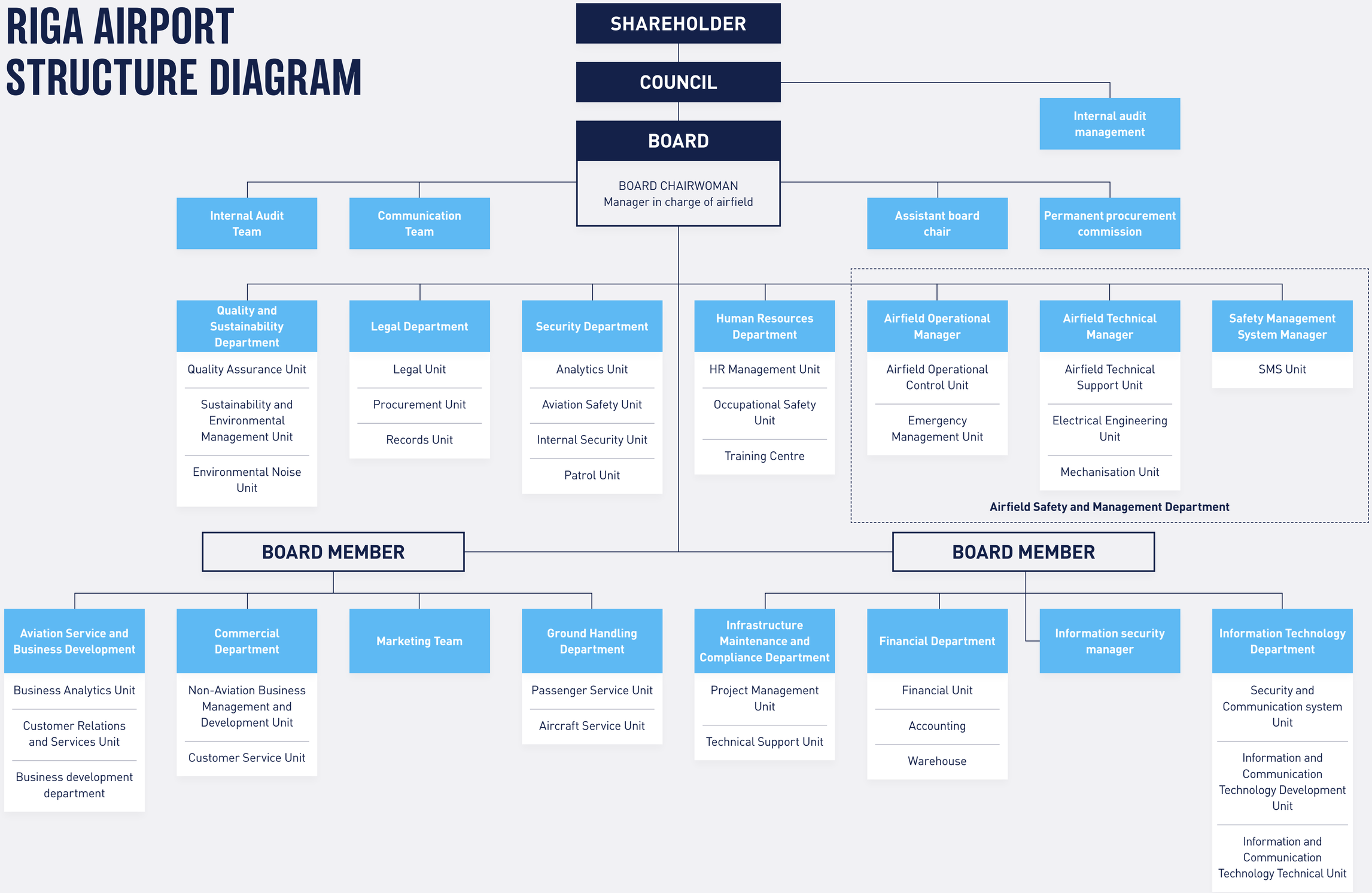
The management model of Riga Airport has been created by having regard to the good practice of corporate governance. Strategic and operational management are separated to ensure effective management, decision-making and achievement of objectives. Strategic management is carried out by the board, which is jointly and severally responsible according to the Commercial Law, while operational management is provided by department directors, who are individually responsible. The main task of the board is to ensure the operation of the company so that it achieves the goals laid down in the Strategy. The departments are formed in conformity with the company's defined core activity and the functions necessary to support it.

In accordance with the Law and the statutes of Riga Airport, which are valid from 14 June 2021, members of the board and supervisory board are elected for five years. All members of the board have the right to act on behalf of Riga Airport. According to the authority of the board, the chairperson of the board together with the responsible member of the board – during the absence of the chairperson of the board or the responsible member of the board together with another member of the board – are authorized to represent Riga Airport, determining the right to conclude any kind of transactions, and also to perform activities related to commercial activity, including signing of correspondence, claims and similar documents. In 2022, the board of Riga Airport was composed of three persons – the chairperson of the board and two members of the board. On 16 April 2020, Laila Odiņa was appointed in the position of the chairperson of the board. As of 10 November 2021, Normunds Feierbergs was re-elected in the position of the member of the board, and as of 12 September 2022, Artūrs Saveljevs was re-elected in the position of the member of the board.

- The Chairperson of the Board (also the Aerodrome Accountable Manager) is responsible for the operation of the Airport Safety and Management Department, the Security Department, the Legal Department, the Human Resources Department, the Communication Unit, the Quality and Sustainability Department, the Internal Audit Unit, the Standing Procurement Committee, the assistant to the chairperson of the board and the risk manager.
- Members of the Board are responsible for the operation of the Aviation Services and Business Development Department, the Marketing Unit, the Finance Department, the Ground Handling Department, the Information Technology Department, the Commercial Department, the Infrastructure Maintenance and Development Department, Cybersecurity Unit, Information Safety Manager and Data Protection Specialist.

Since 2022, the position of secretary of corporate governance has been introduced at Riga Airport with the aim of ensuring the development and updating of documents laid down in laws and regulations on corporate governance issues. It is the responsibility of the corporate governance secretary to provide consultations to the board and employees on administrative and corporate governance issues within the scope of his or her competence.

RIGA AIRPORT STRUCTURE DIAGRAM



SHAREHOLDER

Riga Airport is a state joint-stock company of the Republic of Latvia, and the holder of its state capital shares is the Ministry of Transport of the Republic of Latvia. At the shareholders' meeting, the interests of the shareholder are represented by the State Secretary of the Ministry of Transport or another official of the Ministry authorized by him or her. Shareholders' meetings shall be convened in compliance with the requirements of the Law and the laid down deadlines. **The main duties of the shareholders' meeting are:**

- to approve the annual report and decide on the use of company profits;
- to elect and recall members of the supervisory board and the auditor, and also decide on the amount of their compensation;
- to approve and amend the company's statutes, decide on the company's reorganization;
- to decide on the reduction or increase of the share capital;
- to make other decisions on other matters mentioned in the law.

In 2022, six shareholders' meetings were held, where the following key issues were considered:

- on the annual report of the Internal Audit of the SJSC Riga International Airport for 2021;
- on the performance of the Plan for the Internal Audits for 2018 and the Strategic Plan for 2019-2021 of the SJSC Riga International Airport;
- on the Strategic Plan for the Internal Audits of the SJSC Riga International Airport for 2022-2024 and the Plan for the Internal Audits for 2022;
- on the implementation of the decisions of the shareholders' meeting of the SJSC Riga International Airport for the 2nd half of 2021;
- on the implementation of the decisions of the shareholders' meeting of the SJSC Riga International Airport for the 1st half of 2022;
- on the coordination of the procedure for the establishment of legal relations of lease and granting of construction rights of the SJSC Riga International Airport;
- on the annual report of the SJSC Riga International Airport for 2021, approval of the statement on corporate governance and non-financial report, covering losses for 2021;
- on the implementation of the financial and performance indicators of the SJSC Riga International Airport for 2021 and the results of the capital company's operation;
- on the utilization of the profit left at the disposal of the SJSC Riga International Airport;
- on the utilization of State aid granted by the SJSC Riga International Airport (for covering losses caused by the crisis caused by Covid-19, overcoming the economic crisis and stabilizing the sector) until 30 December 2021;
- on the utilization of State aid granted by the SJSC Riga International Airport (for covering losses caused by the crisis caused by Covid-19, overcoming the economic crisis and stabilizing the sector) until 30 June 2022;
- on the election of the auditor of the financial report of the SJSC Riga International Airport for 2022 and determining the amount of remuneration;
- on the final evaluation of the operational results of the SJSC Riga International Airport for 2021;
- on the financial indicators and forecasted performance indicators of the SJSC Riga International Airport for 2023.

SUPERVISORY BOARD

2.9., 2.11.

Since 2016, a supervisory board has been established at the Riga Airport. The Supervisory Board is the company's Supervisory body which represents the interests of a state shareholder and supervises the work of the company's board between shareholders' meetings.

The term of office of the Supervisory Board is five years. The chairperson of the Supervisory Board and the members of the Supervisory Board at the Riga Airport shall perform supervisory functions and represent the interests of a state shareholder by monitoring the work of the board, without executive functions.

The board of Riga Airport has three members – Juris Kanels, the chairman of the Supervisory Board, Eduards Toms and Elīna Salava, the members of the Supervisory Board. Since November 2021, Eduards Toms, the member of the Supervisory Board, has been elected as the Deputy Chairman of the Supervisory Board.

The Supervisory Board consists of two independent members of the Supervisory Board – Eduards Toms and Elīna Salava. An independent member of the Supervisory Board shall be deemed to be a member of the Supervisory Board who meets the criteria laid down in Section 31, Paragraph six of the Law.

The main responsibilities of the Supervisory Board are:

- to elect and recall members of the Supervisory Board, supervise the operation of the Supervisory Board and determine the remuneration of the members of the Supervisory Board;
- to examine issues related to combining the positions of the members of the Supervisory Board and conflict of interest situations;
- to monitor that the company's work proceeds in conformity with laws, statutes and decisions of the shareholders, as well as the company's operational strategy;
- to approve the Strategy and monitor its implementation by approving annual action plans for the implementation of the Airport Strategy;
- to approve the company's planned financial indicators, as well as approve the annual budget and monitor its execution;
- to review the capital company's annual report, the report of the Supervisory Board and proposals of the Supervisory Board on the use of profits, prepare a report of the Supervisory Board on them and submit them to the shareholders' meeting;
- to approve the most important policies of the capital company, which define the operating principles regarding risk management, prevention of conflicts of interest, combating corruption, corporate governance and other issues;
- to monitor the operation of internal control and risk management systems, review their adequacy and effectiveness;
- to review the reports of the internal audit department on the results of the internal audit or inspection, as well as, if necessary, assign to perform other unplanned audits or inspections;
- to conduct an annual self-assessment of the work of the Supervisory Board.

In July 2020, the Supervisory Board supported the establishment of the terminal development monitoring committee, whose chairperson is the chairperson of the Supervisory Board, – the passenger terminal expansion monitoring committee of the SJSC Riga International Airport for the round 6.

In September 2021, in coformity with the task of the supervisory board, the board established the monitoring committee of the Business District development project of SJSC Riga International Airport, whose chairperson is the chairperson of the Supervisory Board.

The rules of procedure of the Supervisory Board of Riga Airport and the announcements of the Supervisory Board are available on the company's website.

In total, in 2022, 19 meetings of the Supervisory Board of Riga Airport were held, considering 113 agenda items and making decisions.

BOARD

2.9.

Based on the statutes of Riga Airport, the operation of the capital company is organized and ensured by the Board of the company, which had three members in its composition in 2022. One of the members of the Board is the chairperson of the Board. The work of the Board of Riga Airport is supervised by the Supervisory Board. The Board reports to the Supervisory Board and the shareholder – the Ministry of Transport of the Republic of Latvia on the results of the operation of Riga Airport.

The members of the Board are elected by the Supervisory Board for the term of office of five years, and it operates in accordance with the Board's regulations, which are available on the website of Riga Airport.

The chairperson of the Board is appointed by the Supervisory Board from among the members of the Board. The chairperson of the Board shall be responsible for the operational activities of the company.

The main responsibilities of the Board are:

- to make decisions on all issues of the company's operation, with the exception of issues in which decisions are taken by the shareholder or the meeting of shareholders and/or the supervisory board, respectively, in accordance with the regulatory enactments and the articles of association of the capital company;
- to organize and ensure the operation of the company in accordance with laws and regulations enactments and the company's strategy;
- to review and approve transactions, be responsible for the company's economic activity and accounting records in accordance with laws and regulations;
- to approve the annual budget and investment plan for each year;
- to approve the company's structure, staff and salary and material motivation rules, work order rules and other internal normative documents regulating the activity, which are not issued by the chairperson of the Board or a member of the Board alone, according to the regulations of the Board;
- to approve the prices (tariffs) of the services provided by the company, which according to external regulatory enactments are not determined under the competence of another state institution;
- to control the fulfillment of the obligations of the employer and employee representatives provided for in the Collective Labour Agreement and the compliance with the laws and regulation governing labour legal relations;
- to provide a written report on its activities to the Supervisory Board and the shareholders' meeting, reflecting the commercial activity results, economic condition, profitability and turnover of Riga Airport, circumstances that may affect the economic condition of Riga Airport, the company's planned commercial policy in the next reporting period, as well as other information which may affect the operation of Riga Airport and the interests of the state.

From 14 March 2022, unless otherwise specified, the Board meetings are held twice a week. In 2022, 83 meetings of the Board were held.

CURRICULUM VITAE OF THE MEMBERS OF THE SUPERVISORY BOARD AND BOARD

Juris Kanels,
the Chairperson of the Supervisory Board of the SJSC Riga International Airport from 17 May 2021. Term of office – 5 years.

PROFESSIONAL WORK EXPERIENCE:

05.2021 –	until now Rector, Institute of Transport and Communications
03.2012 – 05.2021	Acting for Rector, Administrative Vice Rector and Head of the International Communications Department, Institute of Transport and Communications
08.2015 – 05.2019	Director, Institute of Transport and Communications Academic and Professional Aviation Center (ITC/APAC)
10.2009 – 09.2010	Chairperson of the Board, Selkoms Ltd.
06.2009 – 12.2011	Chairperson of the Board, ANS Ltd. (previous name of Aeronavigation Service. Training Centre Ltd.)
12.2008 – 06.2009	Member of the Board, SJSC "Latvijas gaisa satiksme"
02.2007 – 12.2008	Member of the Board, SJSC Riga International Airport
11.2004 – 11.2006	Chairperson of the Board, SJSC "Valsts informācijas tīkla aģentūra"
03.2004 – 11.2006	Member of the Supervisory Board, SJSC Riga International Airport
07.2003 – 12.2003	Member of the Board, Ventspils Freeport
04.2003 – 10.2004	Chairperson of the Board, NPO SJSC Development Agency of Latvia; after its reorganization – Director SA Latvian Investment and Development aģentūra" Ltd.
11.2002 – 05.2003	Deputy Chairman of the Council, JSC "Rīgas jūras līnija"
01.2002 – 04.2003	Member of the Board, NPO "Rīgas reģiona attīstības aģentūra" Ltd.
07.1998 – 12.2002	Deputy Chairperson of the Board, "Eurokonsultants" Ltd.
01.1998 – 05.1998	Ambassador for Special Tasks, Ministry of Foreign Affairs of the Republic of Latvia
09.1993 – 01.1998	Ambassador Extraordinary and Plenipotentiary, Embassy of the Republic of Latvia in Belgium, the Netherlands, Luxembourg and NATO, representation in the European Union
01.1992 – 09.1993	Director of the Department of Economics and State Deputy Secretary, Ministry of Foreign Affairs of the Republic of Latvia
01.1991 – 01.1992	Deputy Director General, Republic of Latvia Department of External Economic Relations of the Cabinet

OTHER PROFESSIONAL EXPERIENCE AND PUBLIC RESPONSIBILITIES

02.2016 – 12.2020	Member of the Supervisory Board, the association Latvian Aviation Association
09.2012 – 09.2016	Member of the Qualification Commission Ministry of Foreign Affairs of the Republic of Latvia
09.2007 – 12.2008	Member of the Technical and Operational Safety Committee, ACI European Regional Organisation
1998 – 2003	Member of the Board, NGO European Movement in Latvia (in 1998 – 2000 also the Vice President)

EDUCATION:

in 2020 – Doctor of Science degree in the field of political science

Higher Education – in 1978, he graduated from the Faculty of Economics of the University of Latvia in the specialty of Industrial Planning.

In July 2015, the "CAM&CONS" training course was completed on the topic "EASA Part – 66/147".

In September 2008, the ICAO aviation training course was completed on the topic "Safety Management Systems".

In September 2007, the training courses in IATA Training and Development Institute was completed on the topics "Airport Planning" and "Airport Operations".

In September 2004, the training course "Introduction to knowledge on strategic communication" was completed.

In 2003, the Joint Vienna Institute training course was completed on the topic "Foreign Direct investment policy".

In 1992, the training courses were completed: Dalhousie University in Halifax (Canada) – issues of the basics of market economics, the British Council in Oxford/London European Union – operational, structural and procedural issues.

POSITIONS IN OTHER CAPITAL COMPANIES:

NONE

CURRICULUM VITAE OF THE MEMBERS OF THE SUPERVISORY BOARD AND BOARD

Eduards Toms, the Member of the Supervisory Board of SJSC Riga International Airport from 24 May 2019. Term of office – 5 years.

WORK EXPERIENCE:

Eduard Toms is a member of the Supervisory Board of SJSC Riga International Airport and was also the financial director (CFO) of Primera Air (Primera Air Scandinavia A/S, Primera Air Nordic Ltd., Primera Air ehf), financial and administrative director and member of the board with the right to sign of Consolis Latvija Ltd., financial director of Betonika UAB (Consolis group company), financial process improvement manager in the regional office of Consolis, as well as the financial director (CFO), financial and senior vice president of the control department of airBaltic.

EDUCATION:

Bachelor of Economic Sciences and Master of Economic Sciences, University of Latvia;

EMBA degree, Riga University of Economics.

POSITIONS IN OTHER CAPITAL COMPANIES PROJECT:

Member of the Board of GC Ltd.

Position of Financial and Administrative Manager of Citrus Solutions Ltd.

Elīna Salava, the member of the Supervisory Board of SJSC Riga International Airport from 7 July 2021. Term of office – 5 years.

WORK EXPERIENCE:

Elīna Salava has a significant experience in company management, finance and management processes in both the public and private sectors. Since 2017, E. Salava has been an adviser to the Board on financial issues at the Development Finance Institution "ALTUM", as well as the founder and chairperson of the board of the bio-technological startup "RECOLO", previously she was an adviser to the Board on financial matters at the Development Finance Institution "ALTUM", deputy chairwoman of the board of JSC Sakret Holdings in the Baltics, member of the board of JSC Sportland International Group in the Baltics and Ukraine, as well as held leading positions in "Rīgas ūdes" Ltd., in the companies of the shopping center segment of Linstow group in the Baltics and PricewaterhouseCoopers Ltd.

EDUCATION:

Elīna Salava has a bachelor's degree in business administration from the University of Latvia and an ACCA (Association of Chartered Certified Accountants) qualification.

POSITIONS IN OTHER CAPITAL COMPANIES:

Advisor to the Board on financial issues at the Development Finance Institution "ALTUM"
Chairperson of the Board at RECOLO

CURRICULUM VITAE OF THE MEMBERS OF THE SUPERVISORY BOARD AND BOARD

Laila Odiņa,
Chairperson of the Board of SJSC Riga International Airport from 16 April 2020. Term of office – 5 years.

WORK EXPERIENCE:

Laila Odiņa has been a member of the Superviosry Board of SJSC Riga International Airport, a member of the Board of the Institute of Transport and Communications, the Director of Operational Management of JSC UTAir Airlines, the Executive Director of JSC Azerbaijan Airlines, as well as the Director of Operational Management of JSC Air Baltic Corporation.

EDUCATION:

City University London, Pg Air Transport Management; University of Business, Arts and Technology "RISEBA", Business Administration.

POSITIONS IN OTHER CAPITAL COMPANIES:

NONE

Normunds Feierbergs,
Member of the Board of SJSC Riga International Airport from 10 November 2021. Term of office – 5 years.

WORK EXPERIENCE:

Normund Feierberg is a member of the Board of SJSC Riga International Airport, he has been the Head of the Information Technology Department, the Vice President for JSC "Latvijas Krājbanka" and Head of JSC UniCredit Bank, the Board of General Banking Services, the First Vice President, as well as held other leading positions in various in capital companies.

EDUCATION:

University of Latvia, Faculty of Economics and Management, Master's degree in Business Management; University of Latvia, Faculty of Physics and Mathematics, Bachelor's degree in Computer Science.

POSITIONS IN OTHER CAPITAL COMPANIES:

Council member of JSC Latvian State Radio and Television Center

CURRICULUM VITAE OF THE MEMBERS OF THE SUPERVISORY BOARD AND BOARD

Artūrs Saveļjevs, member of the Board of SJSC Riga International Airport from 12 September 2022. Term of office – 5 years.

PROFESSIONAL WORK EXPERIENCE:

Artūrs Saveļjevs is a member of the Board of SJSC Riga International Airport, JSC Transport and Communications Institute and guest lecturer at Cranfield University, as well as the Chairman of the Commercial Forum of the International Airport Council in Europe. Previously, he was also the Director of the Commercial and Marketing Departments of SJSC Riga International Airport and the Head of Non-Aviation Marketing, and also the Director of the Professional Master's Programme "Aviation Management" of JSC Transport and Communications Institute.

EDUCATION:

Cranfield University, MSc in Airport Planning and Management. University of Latvia, Master's Degree in Economics (International Economics). Riga International University of Economics and Business Administration, Professional bachelor's degree in business management.

POSITIONS IN OTHER CAPITAL COMPANIES:

NONE

NOMINATION AND SELECTION OF THE HIGHEST GOVERNING BODY

2.10.

In the nomination and selection of the highest governing body, the Law provides for the conditions in respect of:

- creation of the Supervisory Board and the number of members of the Supervisory Board, as well as the tasks of the Supervisory Board, requirements for candidates to a member of the Supervisory Board, election and recall of members of the Supervisory Board;
- representation rights of the Board, the number of members and restrictions on members of the Board, as well as the election, recall, remuneration of members of the Board and decision-making by members of the Board;
- evaluation and nomination of candidates by the Nomination Commission for election to the position of a member of the Board or Supervisory Board from those candidates who have applied in the public candidate application procedure.

In order to ensure professional and objective work of the Supervisory Board of the capital company, which contributes to the long-term growth of the value of the capital company and operational efficiency, the holder of capital shares ensures that at least half of the members of the Supervisory Board are independent and meet the criteria established by the Law.

Cabinet Regulation No. 20 of 7 January 2020, Procedures for Nominating Members of the Board and Supervisory Board in the Capital Companies in which Capital Shares Belong to the State or a Derived Public Entity, determines the procedures by which candidates are nominated for the position of a member of the Board and Supervisory Board at Riga Airport, including the procedures for establishing the Nomination Commission, its composition and requirements to be set forth for the members of the Nomination Commission, the procedures for the cooperation of the coordination institution with the holder of state capital shares, as well as the minimum requirements for the education, language skills and work experience of the members of the Supervisory Board, the necessary competences and the procedures for their assessment. This Regulation also determines the procedures for documenting and publicising information on the progress and results of the nomination process, as well as the duties of the personnel selection consultant and the procedures for covering the expenses related to their performance in order to ensure the conformity of the nomination process of the member of the Board and Supervisory Board with the principles of good corporate governance practices and open, fair and professional selection of the members of the Supervisory Board.

The selection of the members of the Board and Supervisory Board of Riga Airport is carried out by organizing a public application procedure for candidates, and engaging a recruitment consultant in the nomination process additionally. An exception is permitted only in cases provided for in the Law, if a member of the Board or Supervisory Board is re-elected for a new term of office or it is not possible to nominate a person within the term that would ensure the capacity to act by the Supervisory Board. Two of the members of the Supervisory Board shall be independent, both genders shall be represented in the Board and the Supervisory Board, and a power of attorney contract has been concluded with each member of the Board and the Supervisory Boar for the performance of duties as a member of the Board and the Supervisory Board. In conformity with the Law, the members of the Board and Supervisory Board shall elected for five years.

REMUNERATION POLICY FOR THE SUPERVISORY BOARD AND BOARD

2.19., 2.20., 2.21.

The remuneration of the members of the Board and Supervisory Board shall be determined in conformity with the Law and the Cabinet Regulation No. 63 of 4 February 2020, Regulations Regarding the Number of Members of the Board and Supervisory Board of Capital Companies of Public Entity and Public-private Capital Companies in Conformity with Indicators Characterizing the Size of the Capital Company, the Maximum Amount of Monthly Remuneration of the Members of the Board and Supervisory Board.

The remuneration of the chairperson of the Board and the member of the Board shall consists of the monthly remuneration or the fixed part of the remuneration, and a bonus or the variable part of the remuneration may also be paid. The monthly remuneration of a member of the Board shall be determined for the entire term of office of the member of the Board with the right to review it once a year. Cabinet Regulation No. 63 of 4 February 2020 determines the maximum amount of the monthly remuneration of a member the Board, taking into account the average remuneration for management in capital companies of a similar size (net turnover, balance sheet total, number of employees) in the private sector or, in certain cases, in the sector in which the respective capital company operates. The maximum amount of the monthly remuneration of a member of the Board may in no case exceed the amount of the previous year's average monthly salary of the employees in the country published in the official statistical statement of the CSB, rounded to full EUR and to which a factor of ten has been applied. A bonus can be paid to a member of the Board once a year after the approval of the annual report. The bonus may not exceed the two-month remuneration of a member of the Board of the capital company, and its amount is determined taking into account the company's operational results achieved in the reporting year, the implementation of the Strategy, the company's operational results and the operational results of a member of the Board. According to the Law, insurance and withdrawal allowance can be included in the power of attorney contract of the member of the Board. The withdrawal allowance can be provided only if the member of the Board is removed from office before the end of the term of office, and if the recall is not related to violation of authority, non-fulfillment of duties or improper performance, as well as harm to public interests. If insurance and withdrawal allowance are not agreed in the power of attorney agreement of the member of the Board, they are not granted.

The monthly remuneration of the Chairperson of the Supervisory Board and the member of the Supervisory Board shall consist only of the fixed part of the remuneration, as bonuses are not paid to members of the Supervisory Board. The monthly compensation for members of the Supervisory Board shall be determined in accordance with the maximum amount of the monthly remuneration provided for in Cabinet Regulation No. 63 of 4 February 2020, taking into account the average remuneration for the management in companies of a similar size (net turnover, balance sheet total, number of employees) in the private sector or, in certain cases, in the sector in which the respective company operates. The maximum amount of the monthly remuneration of a member of the Supervisory Board may in no case exceed the amount of the previous year's average monthly salary of the employees in the country published in the official statistical statement of the CSB, rounded to full EUR, and to which the factor of three has been applied. A member of the Supervisory Board shall not receive a withdrawal allowance or any other form of compensation if he or she is withdrawn from the office before the end of his or her term of office.

The remuneration of the members of the Board and Supervisory Board shall be set at up to 90% of the monthly remuneration of the chairperson of the Board and Supervisory Board respectively. If a member of the Board also fulfills the duties of another position in the capital company, the total amount of remuneration does not change, maintaining 90%, the remuneration for the performance of the duties of the member of the Board and the remuneration for the performance of the duties of another position being divided proportionally.

An authorization agreement shall be concluded with the members of the Board and the Supervisory Board, and the Terms and Conditions of the Collective Labour Agreement shall

not be applicable to them. In 2022, the remuneration of the members of the Board and Supervisory Board (in total) was EUR 538,993.32 (including mandatory state social insurance contributions – EUR 100,446.12). Information on the remuneration of the Board and the Supervisory Board of the Riga Airport shall be publicly available in the declarations of public officials of the board and board members, published on the SRS website.

Riga Airport will not disclose the ratio of the annual total compensation of the company's highest paid person to the average annual total compensation of all employees (except the highest paid person) and the percentage increase of the annual total compensation of the organization's highest paid person to the average percentage increase of the annual total compensation of all employees (except the highest paid person) in the non-financial report – in accordance with the List of Commercial Secrets, the information on the amounts of salaries shall not be made public. The remuneration of Riga Airport is competitive and fairly awarded which is confirmed by the evaluations made by external experts. More about the remuneration policy for employees see in the section "Employees".

ECONOMIC, ENVIRONMENTAL AND SOCIAL AFFAIRS COMMITTEES

2.9.

There are two commissions and two working groups operating at Riga Airport under the supervision of which are issues related to decision-making on economic, environmental and social topics.

Energy Management System Working Group

The purpose of the Energy Management System Working Group is to implement processes at Riga Airport that are necessary for the maintenance and improvement of the energy management system, planning, promotion and control of energy efficiency improvement measures and carbon dioxide emission reduction measures. The composition of the working group shall be determined by an order. The working group shall be headed by a member of the Board and the head of the environmental management system, and its composition includes representatives from the structural units responsible for the use of energy resources and environmental protection of the Airport. The Energy Management Working Group shall consist of a member of the Board, the Director of the Quality and Sustainability Department, the Head of the Sustainability and Environmental Management Department, the Head of the Environmental Management System, the Head of the Technical Maintenance Department, the Deputy Director of the Infrastructure Maintenance and Development Department, the Head of the Mechanization Department and the Head of the Electric Maintenance Department. If necessary, the working group may invite other employees of Riga Airport to participate in the execution, organization and supervision of the work.

In 2022, three women and five men worked in the core composition of the Energy Management System Working Group. The members of the working group have no term of office.

In 2022, 13 working group meetings were organized and minutes were taken on them, and 36 decisions were taken. The most important decisions of the working group and work done in the energy management working group in 2022:

- evaluation of quarterly and annual consumption, analysis of causes and determination of future actions to improve energy efficiency;
- electricity and thermal energy consumption targets for 2022 were determined;
- development and approval of the energy report;
- control of the progress of energy efficiency and CO_2 emission reduction projects is ensured;
- the vehicle procurement plan was reviewed and CO_2 emission reduction calculations were made;
- review of the NetZero road map and CO_2 emissions management plan for 2023-2025 has been ensured.

Environmental Noise Management Working Group

The Environmental Noise Management Working Group of Riga Airport has been established, taking into account Clause 6.3.2.17.c of the environmental impact assessment No. 9 of the draft opinion of the State Office for Environmental Supervision of 30 October 2015 on the development project of the Airport infrastructure until 2020, and the obligation laid own in Clause 20.2 of the decision No. 3403 of the Riga City Council of 26 January 2016 to establish a permanent working group for the development, planning and implementation of airport noise reduction measures and development planning and construction conditions of the airport's surroundings.

The functions and tasks of the working group shall be as follows:

- to develop and evaluate proposals for reducing the impact of aircraft noise at the Riga Airport;
- to develop and evaluate proposals for improving aircraft noise management, including developing proposals for improving laws and regulations;
- to review and coordinate the Action Plan for the noise reduction, to monitor its implementation;
- to perform other tasks in order to develop and coordinate proposals for reducing the impact of noise from aircraft using Riga Airport on the population which are set for the Working Group in the Action Plan for the noise reduction.

The working group is chaired by the representative of Riga Airport, but the Airport's stakeholders are represented in it: ATL, airBaltic, CAA, Ministry of Transport, Riga Regional Environmental Administration of SES, Health Inspectorate, Riga City Council, Mārupe Municipality Council and Jūrmala City Council. The Ministry of Transport has nominated three representatives who together have one voting right. The working group consists of seven men and five women. The members of the working group have no term of office.

A sub-group of the Aviation industry has been established within the composition of the working group, which assesses specific issues related to aircraft flight trajectories and procedures.

The working group meets at least twice a year, and the sub-group of the Aviation industry meets at least once a quarter. In 2022, two meetings of the working group were held, and four for the sub-group of the Aviation industry.

The working group noted the information prepared by Riga Airport on current issues in aircraft management, controlled the progress of the implementation of the Action Plan for the noise reduction, and also tasked Riga Airport to evaluate the execution of the type J flight procedures after making changes to the flight procedures.

The most significant decisions of the sub-group of the Aviation industry were on making changes to the publication of aeronautical information, on the use of taxiways and standard take-off procedures at night, as well as on the coordinates of the turning point of the type J procedure.

The Permanent Commission for Investigation of Possible Violations

By order No. 22/39B of the chairperson of the Board of Riga Airport of 25 April 2022, Regarding the Procedures for Reporting and Examining Employee Complaints, Possible Violations", the Permanent

Commission for Investigation of Possible Violations has been established, where the chairman of the committee is the head of the Internal Audit Unit, as well as four other members – the Director of the Legal Department, the Director of the Human Resources Department, the lawyer of the Human Resources Department in the field of labour law and Director of the Quality and Sustainability Department. In 2022, three women and two men work in the core composition of the Permanent Commission for Investigation of Possible Violations. Commission members do not have a fixed term of office.

It is the duty of the members of the commission to review the received information on possible violations and to prepare opinions for further action. Opinions shall be submitted to the Chairperson of the Board of Riga Airport for decision making.

Every employee of Riga Airport has the right to report possible violations:

- possible violations of the basic principles of professional ethics, including corrupt and fraudulent activities, defined in the Code of Ethics;
- for potential violations laid down in the whistle-blowing procedure;
- for possible violations of the protection of the employee's rights and interests laid down in the rules of procedure and other regulatory documents.

Riga Airport shall ensure the protection of the reporter's identity.

In 2022, the Permanent Commission for Investigation of Possible Violations examined and prepared one opinion on a possible violation of the Code of Ethics. There is not a single case of reporting on the possible violations laid down in the Whistleblower Procedure, as well as on the possible violations of the protection of the employee's rights and interests laid down in the Rules of Procedure and other regulatory documents.

Sustainability Committee

The purpose of the activities of the Sustainability Committee is to implement the sustainability measures of Riga Airport in conformity with the Sustainability Strategy, Corporate Social Responsibility Guidelines and Sustainable Development Policy, as well as to coordinate issues related to sustainable development at the Airport to ensure the sustainability of the company, taking into account the environmental, social and economic impact. The composition of the committee shall be determined in the Terms of Reference of the Sustainability Committee, taking into account the areas of responsibility defined in the company's sustainability development policy. The committee is chaired by the chairperson of the Board and is represented by heads of structural units or senior employees under the supervision of which is one of the aspects of sustainability. The Committee shall be represented by the Director of the Quality and Sustainability Department, Head of the Sustainability and Environmental Management Department, Head of the Environmental Management System, Environmental Noise Specialist, Director of the Finance Department, Head of the Procurement Department, Head of the Communication Unit, Director of the Human Resources Department, Head of the Labour Protection Department, Chairman of the Airport Employees' Union of the Republic of Latvia, Director of the Commercial Department, Director of the Aviation Services and Business Development Department, Director of the Infrastructure Maintenance and Development Department. If necessary, other employees may be invited to the committee.

The Airports Employees' Union of the Republic of Latvia shall participate in the committee as a party of influence in the person of the chairperson of the Board, who represents the interests of the employees.

In 2022, the core members of the Sustainability Committee were nine women and five men. Committee members do not have a fixed term of office.

The committee meets once a quarter (meetings can be held more often or less often if necessary) to deal with issues related to sustainability, including controlling the activity plan of the Sustainability Strategy.

Subgroups of the Sustainability Committee have been established for each of the sections of the Sustainability Strategy, expanding the number of specialists involved in the management of a specific aspect.

In 2022, the Sustainability Committee met five times and the most important decisions were made on:

- the activities implemented in 2022 in the sustainability strategy;
- the approval of the results of the party of influence survey and the progress of the development of the materiality matrix;
- the approval of the materiality matrix and priority objectives of the Airport for the UN sustainable development;
- joining the Sustainability Code;
- examining the half-year results of the activities of the sustainability strategy for 2022;
- Sustainability index performance analysis and expert comments.

THE ROLE OF MANAGEMENT IN MONITORING THE IMPACT OF GOVERNANCE

2.12.

The Strategy has been developed for Riga Airport, in accordance with which the main performance indicators, as well as other financial and non-financial performance indicators of Riga Airport are determined in conformity with the objectives defined in the Strategy.

The strategy defines the company's mission, vision and strategic goals, based on the general strategic goal approved by the Cabinet of the Republic of Latvia, as well as the development and sustainability goals of Riga Airport.

Based on the Strategy, APBAD shall prepare and submit to the Supervisory Board for approval an action plan for the implementation of the strategy for the achievement of which the structural units shall develop activity plans of the structural units every year. In order to move towards the achievement of the PI defined in the Strategy, the Board of Riga Airport shall annually approve the PI to be achieved in a given year. In order for the company's management to monitor the processes in which sustainability areas are monitored and to make the necessary decisions, the responsible structural units shall report the following indicators to the Board:

- once a month, QSD shall present the board and department directors with performance indicators. In-depth performance of performance indicators shall be analyzed quarterly;
- once a quarter, all structural units shall prepare and submit to the responsible member of the Board for approval the reports of activity plans of the structural unit;
- twice a year, APBAD shall report to the Board and the Supervisory Board on the action plan for the implementation of the medium-term operation strategy of Riga Airport and the performance indicators defined in the strategy;
- once a year, QSD shall report on the implementation of the Airport's Sustainability Strategy to the company's Board. Annual indicators of the Sustainability Strategy shall be defined for each of the 10 departments and are aligned with the GRI indicators for disclosure and communication of its performance to the airport's stakeholders;
- once a year, the company's Board, Supervisory Board and shareholder shall approve the company's non-financial statement, which has been prepared in conformity with the GRI

standard and has undergone a restricted review;

- once a year QSD shall report to the Board and the Board shall approve the environmental report of Riga Airport;
- once a quarter, the QSD shall report to the company's Board on the fulfillment of the objectives of the Environmental and Energy Management Program in the given year;
- once a year, QSD shall report to the Board on the evaluation of the integrated management system (management review), prepared in conformity with the requirements of ISO 9001:2015, ISO 14001:2015 and ISO 50001:2018 standards;
- once a year, QSD shall report to the Board on the progress of the plan of noise reduction measures;
- at least once every six months to the Board and at least once a year to the Supervisory Board, the Risk Manager shall report on the progress of the implementation of the Airport's priority risk control measures and changes in the level of risks.

The involvement of senior management in cooperation with stakeholders on sustainability issues is described in the sections "Economic, Environmental and Social Affairs Committees" and "Cooperation with Stakeholders". Also, the management of Riga Airport shall coordinate/implement cooperation with stakeholders on sustainability issues through: the Airport Users' Committee, annual surveys of service providers and air carriers, media, external and internal newsletters, online conference of the Board for employees. Comments and suggestions received at user committee meetings and surveys shall be evaluated, possible and reasonable ones shall be implemented, and feedback shall bes provided to cooperation partners.

In 2023, Riga Airport will start work on the evaluation of the supply chain in conformity with the requirements of the Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standard (after the adoption of these standards). The Airport has outlined the following main tasks to be carried out in 2023:

- the mapping of suppliers in conformity with their importance for the operation of the Airport, the influence of suppliers on the essential areas of sustainability of the Airport and the risks associated with them, and the geographical location of suppliers;
- creation of a methodology for determining the level of supplier sustainability risk;
- grouping of selected suppliers into potential risk groups.

It is planned that the management of Riga Airport will be informed about the results of the due diligence once a year by reporting on the evaluation of the annual integrated management system which provides the summarized information on the assessment of suppliers.

In respect of the selection of suppliers, Riga Airport shall control contractual partners, more information is available in the section "Procurements and Supply Chain Management".

DELEGATION OF RESPONSIBILITY FOR IMPACT MANAGEMENT

2.13., 2.14.

Sustainability issues of Riga Airport shall be coordinated by the head of the Sustainability and Environmental Management Department which is located in QSD. Each structural unit shall be in charge of some activities related to sustainability aspects, the coordination of which shall be provided by QSD. Also, QSD shall be responsible for the development, implementation and monitoring of the sustainability strategy. Environmental and noise issues shall be under the direct supervision of the department.

The company has had a Sustainability Committee since 2019, whose activities and senior management involvement are described in the section "Sustainability Committee".

In order to ensure the maintenance of the energy management system in conformity with the requirements of the ISO 5001 standard, the Energy Management Working Group shall operate at Riga Airport. More about its operation and senior management's involvement see in the section "Energy Management Working Group".

The reporting process for the heads of structural units and other responsible employees of the airport to senior management on sustainability issues is described in the section "Management's role in monitoring the impact of management".

Riga Airport has been disclosing sustainability information since 2019 in a non-financial statement prepared according to the GRI standard. In accordance with the section "Information on the Company and the Report", the Board of Riga Airport is responsible for the preparation of the report, which certifies that the information contained in the report is true and provides a reliable and clear picture of the company's activities, the report is approved by the Supervisory Board and shareholder of Riga Airport before its publication.

EVALUATION OF THE MANAGEMENT PERFORMANCE

2.18.

Taking into account the Law, the regulations of the Supervisory Board and the Guidelines for the Annual Self-evaluation of the Work of the Supervisory Board of the Interdepartmental Coordination Center, the Supervisory Board shall conduct the annual self-evaluation of the work of the Supervisory Board.

In accordance with the guidelines of the Inter-sectoral Coordination Center No. 1.2-23/3/2 of 17 August 2020, Guidelines for the Evaluation of Performance Results of Members of the Board and Supervisory Board, evaluation of performance results of the members of the Board, as well as self-evaluation of the Supervisory Board must be carried out at least once a year. Following the recommendations of the Board, the Supervisory Board shall determine the objectives to be achieved by each member of the Board for a specific period. At the end of the evaluation period, the member of the Board performs a self-evaluation in conformity with the operational goals set for him and submits it to the Supervisory Board. The Supervisory Board shall evaluate the performance of the member of the Board.

The assessment of the performance of the members of the Board is based on various business indicators which include the fulfillment of the strategic financial and non-financial goals of Riga Airport. The goals to be achieved for the Board in 2022 related to sustainability aspects are related to ensuring the openness of non-financial information, increasing energy efficiency, reducing the negative impact on the environment and climate in economic activity processes, improving the employee remuneration policy, etc.

Performance evaluation may be taken into account to decide on bonuses for the members of the Board.

THE MOST IMPORTANT POLICIES AND SETTINGS, THEIR IMPLEMENTATION IN PRACTICE

2.23., 2.24.

Riga Airport has developed the following key policies:

- Sustainable development policy, the purpose of which is to promote and ensure that the Airport's long-term business success, strategic goals and objectives are achieved with responsible and balanced actions in all aspects of sustainability, following the Corporate Social Responsibility Guidelines of the Airport. The policy includes basic principles regarding the impact on the environment, employees, customers, society and local communities and cooperation partners. The basic conditions of the policy are integrated into the Sustainability Strategy and the activity plan that is part of it. The employees of the airport are informed about the issues contained in the Sustainability Policy through the closed Facebook site, the newsletter and the online conference of the Board with the employees of Riga Airport.
- Environmental and energy management policy, which is aimed at sustainable development and a gentle attitude towards the environment and care for the society as a whole – to prevent or reduce the adverse effects caused by the operation of the Airport on air quality, soil, surface and underground waters, and to control noise pollution, take care of preservation of biological diversity and rational use of natural resources. The basic conditions of the policy have been implemented in all processes of Riga Airport through the integrated management system. New employees are informed about the environmental and energy

management policy in introductory briefings when they take up their positions, every employee must undergo repeated training once every two years.

- Corporate social responsibility and community investment policy, which defines the areas of the company's corporate social responsibility and community investment policy. Aware of the dimensions and effects of its responsibility, the Airport has defined the following areas of corporate social responsibility and public investment policy: local community welfare, environmental protection, development of human resources, development of business and tourism in Latvia. The policy determines the procedure for the application and implementation of public investment projects and the basic principles for donation (gifting). Policy settings and basic principles shall be introduced within the framework of the Activity Plan of the Sustainability Strategy, the Activity Plan of the Memorandum of Cooperation with Mārupe Municipality, as well as the Action Plan of the Communication Unit. Information on the policy and its principles is publicly available to the society on the website of the Airport under the section Policies https://www.riga-airport.com/en/policies and Investment in the society https://www.riga-airport.com/en/social-investments. Employees are informed about this policy through internal information channels – the newsletter, the closed Facebook group, as well as in the online conferences of the Board with employees.
- Personnel policy which is designed to promote a common understanding of all personnel management processes and to regulate general policies regarding personnel. The purpose of the personnel policy is to promote the achievement of strategic goals and the fulfillment of tasks by providing the airport with professional, motivated, result-oriented and loyal employees. Salary guidelines are defined in Annex 1 to the Personnel Policy "Principles of Salary Policy". The goal of the remuneration policy of the Airport, as a responsible employer, is to create a remuneration system for employees to ensure high-quality, safe and affordable services to customers, maintaining and developing infrastructure that meets the requirements of international aviation. The remuneration policy shall be aimed at stable, always paid on time and competitive remuneration of employees with social guarantees and benefits. The airport has a diverse and extensive motivation and bonus system, and these are defined in the Motivation Programme for Employees (in Annex 2 to the Personnel Policy). The purpose of the employee motivation policy is to provide employees of the Airport with a diverse and attractive range of benefits in addition to those laid down in the Labour Law. The motivation program covers the following aspects – salary, vacations, employee health, qualification improvement, work clothes and shoes, transport, meals, events for employees and other bonuses. Read more about the Personnel policy, remuneration system and motivation measures in the section "Employees", and read more about the human rights aspect in the section "Human Rights".
- The security policy, the purpose of which is to minimize the risks and threats to flight safety related to the operation of the Airport, which includes the commitment of the top management to fulfill the requirements set for the operation of the Airport and to continuously improve the nuances related to the safety and security of the Airport. The Aerodrome Accountable Manager and the Board of Riga Airport shall, based on the scope of safety management determined for the operation of the Airport in Regulation No. 139/2014, determine the safety policy.

The implementation of the safety policy is closely related to labour protection in several basic principles, as it provides for:

- ensuring a safe working environment for all employees working at the aerodrome;
- ensuring that the work is performed only by appropriately trained employees;
- guaranteeing the opportunity for all employees to participate in creating and maintaining safety;
- providing an opportunity to report safety incidents or breaches.

The safety policy also includes the following principles:

- the commitment of the senior management to fulfill the requirements set for the

operation of Riga Airport and to continuously improve the operational efficiency of the Safety Management System;
- to guarantee the support of the senior management of the Riga Airport in the implementation and maintenance of the safety culture;
- to comply with the requirements and recommendations of international regulatory documents and CAA, as well as cooperate with CAA in maintaining safety standards;
- to ensure compliance with all applicable legal requirements, meet all applicable standards and use best practices in making improvements to ensure compliance with the highest security standards;
- to observe the principles of the culture of justice, strictly addressing all willfully committed violations or gross negligence, not applying punishment for unknowingly committed but honestly reported and acknowledged mistakes.

This policy shall be approved by the Aerodrome Accountable Manager and the Board of Riga Airport. The security policy shall be documented and the current text of the security policy is contained in the SMS manual, which is part of the operation of the Aerodrome. The security policy shall be posted in the work rooms of the airport structural units. The security policy shall be available electronically on the intranet of Riga Airport. Information on the approved company policy shall be sent electronically to all managers of structural units of Riga Airport, who are responsible for informing their employees and explaining the security policy of the Airport. The security policy of the Airport shall be distributed to all companies and state authorities operating at the Airport. The electronic security policy shall be available for other companies on the website of the Airport in the section "Only Registered Users" with authorized access. The security policy of the Airport shall be reviewed at least once a year, during the report meeting of the SMS management, or as needed.

In order for all employees of the Airport and employees of other companies working at the Airport to be aware of SMS requirements, including those laid down in the security policy, and to be able to comply with them in their work, Riga Airport shall provide the necessary training. Training programmes shall be differentiated by content and scope in conformity with the responsibility and participation of specific employees in the operation of SMS.

- The risk management policy which defines the main goals, stages of the risk management process, the main basic elements of the risk management system, principles, types of risks, as well as the duties and responsibilities of the participants involved in the risk management process. In 2021, training was held for heads of structural units on risk management at Riga Airport, including the requirements provided for in this policy.
- A corporate governance policy that aims to establish the principles in accordance with which good corporate governance is implemented. In accordance with Cabinet Regulation No. 175 of 15 March 2022, Regulations Regarding the Corporate Governance Recommendations Applicable to a Capital Company of a Public Entity and Public Private Capital Company, the Latvian Corporate Governance Code "Recommendations of Good Corporate Governance for Companies in Latvia" shall be applied to the capital company. **The corporate governance policy has been developed based on the principles contained in the Latvian Corporate Governance Code "Good Corporate Governance Recommendations for Companies in Latvia", which shall apply to:**
  - the Strategy of the company;
  - internal culture and ethical behavior;
  - internal control systems, risk management and internal audit;
  - external auditors;
  - election of the members of the Supervisory Board;
  - the principles of determining the remuneration of the Supervisory Board and Board;
  - organisation of the work and decision-making of the Supervisory Board;
  - prevention of conflict of interest;
  - shareholders' meeting;
  - transparency of the company's activities.

  This policy has been approved by the Supervisory Board of Riga Airport, which is responsible for approving the most important policies, including the policy defining the company's operating

principles in the field of corporate governance. This obligation is provided by The law.

- Quality policy, which is aimed at the implementation of the Airport's mission, sustainable development and achievement of strategic objectives, in order to ensure the safe and comfortable service of aircraft and passengers thereof in the planned time and to achieve the highest possible satisfaction of all interested parties with the services provided by the Airport. In order for the quality management system to achieve the intended results, the understanding of employees at all levels is promoted, and also the involvement in the maintenance of the company's quality management system by organizing effective processes and providing the necessary resources.
- Corruption and conflict of interest prevention policy the purpose of which is to determine common guidelines and principles for the prevention of corruption and the timely and transparent identification, prevention and management of real, apparent and potential conflicts of interest, in order to prevent the exercise of the duties and powers of employees in a situation of conflict of interest at Riga Airport, and also duties and responsibilities of participants involved in the prevention of corruption and conflict of interest.
- In 2022, Riga Airport developed and the Board of the company approved the Code of Business Ethics which is binding on all contractual partners of the company from 1 September 2022. Read more in the section "Code of Business Ethics".

All company policies are approved by the Board of the company. In addition, the Law determines that the task of the Supervisory Board is to approve the most important policies which define the operating principles of the capital company in respect of risk management, prevention of conflicts of interest, combating corruption, corporate governance and other issues. The Supervisory Board of Riga Airport approved the Corruption and Conflict of Interest Prevention Policy, the Corporate Governance Policy and the Risk Management Policy.

They are available to employees on the intranet of Riga Airport, and upon their entry into force, employees certify that they are familiar with them. The policies and Marketing Principles are publicly available in the section "Policy" of the website of the Airport.

HUMAN RIGHTS

412-1

The objective of Riga Airport is to ensure compliance with all laws and regulations binding on the company, which affect the observance of human rights at the workplace, in the provision of services and in the evaluation of partners.

Riga Airport recognizes compliance with all the conventions and protocols of the International Labour Organization ratified by Latvia, the main purpose of which is to promote social justice and the recognition of international labour rights. The Personnel Policy of Riga Airport defines that the company must respect the prohibition of different treatment and discrimination in relation to employees depending on the employee's gender, age, race, origin, financial status and other circumstances.

In order to ensure respect for human rights among employees, aspects such as respectful, tolerant and equal treatment in mutual contact and communication are defined in the Code of Ethics of Riga Airport. The code of ethics is mandatory for all employees. In 2022, 1,232 employees completed the training of the Code of Ethics.

TC of Riga Airport organises trainings to ensure the understanding and knowledge of the Airport employees when serving customers of different cultures, ethnic origins and religions. This topic is part of the course "Customer Service" which the employees involved in customer service shall take every two years. In 2022, 403 employees took this course. The issue of non-discriminatory service is included in the training of airline passenger service rules. To deepen knowledge and understanding of cultural differences for employees, the Aviation Security training programmes of the Security Department include topics on different religions and cultures. **TC of Riga Airport organizes and Airport employees also participate in external training courses which include various aspects of human rights. For example (courses):**

- Tolerance, tolerance and diversity management skills – two employees completed the course in 2022;
- Generations X, Y, Z and A: Challenges for Employers, Parents and Educators; generational management – 31 employees completed the course in 2022;
- Servicing the persons with disabilities and reduced mobility for airport personnel performing security checks (the course includes information on recognising the signs of human trafficking) – in 2022, 198 employees completed the course.

The single market of air transport services must be equally accessible to all citizens, therefore Riga Airport pays special attention to the service of persons with limited mobility due to disability. Persons with reduced mobility have the same rights to free movement, free choice and non-discrimination as all other citizens.

In respect of the selection of suppliers, Riga Airport shall control contractual partners, more information is available in the section "Procurements and Supply Chain Management".

In October 20, 2022, a seminar on cooperation in the aviation industry to prevent human trafficking was held at Riga Airport. The seminar was organised within the framework of the cooperation memorandum between Riga Airport, the national airline airBaltic, the Ministry of Foreign Affairs of the Republic of Latvia, the Ministry of the Interior of the Republic of Latvia, the association "Patvērums "Drošā māja"" and the association "Centrs MARTA" on the prevention of human trafficking in the aviation sector. Representatives of the Ministry of the Interior, the Ministry of Foreign Affairs, the association "Centrs MARTA" and the shelter "Drošā māja" took part in the seminar with lectures.

PRECAUTIONARY PRINCIPLE

One of the basic principles of environmental protection on which the environmental management system of the Airport is also based is the precautionary principle. In order to prevent consequences before they occur, the Airport has implemented an environmental risk assessment procedure. Environmental risk assessment takes place in accordance with the Environmental Risk Management Procedure – EM 1418 P. In the field of environmental management, 38 environmental risk assessment meetings have been held in 2022 (18 meetings in 2021) in order to assess possible risks during procurement and project implementation. As a result of the evaluations, seven new environmental risks have been identified and assessed in processes and technical facilities – fauna control and reduction of the hazards caused by it, liquidation of leaks, operation of refrigeration equipment and operation of solar panels.

MANAGEMENT TRAINING TO PROMOTE SUSTAINABILITY SKILLS AND AWARENESS

2.17.

On 17 May 2022, the workshop "Sustainability, projects, budget" was held for the Board and heads of departments of Riga Airport, during which the current and near-future development projects of Riga Airport were discussed in the format of discussions and brainstorms, as well as the implementation of the measures planned in the Sustainability Strategy, as well as the importance of sustainability in attracting investments, the use of "green" financing. Within the framework of the workshop, the expected challenges in 2023 related to the adjustment of investment projects with the EU Green Course, or the establishment of the institutional framework at Riga Airport were discussed.

On 25 May 2022, Riga Airport organised internal training "European Union Taxonomy, its implementation in company operations and investment planning", in which department directors and the Board participated. The training covered the following key issues:

- the origin and nature of the EU Taxonomy,
- the structure and approach of the EU Taxonomy,
- the requirements applicable to airports,
- reporting requirements under the EU Taxonomy.

On September 28, 2022, representatives of the Board and Supervisory Board of Riga Airport participated in the workshop and discussion about the latest trends in the field of ESG, changes in regulation and what these changes mean for companies and organisations.

In 2022, the Board of Riga Airport participated in the training "Current issues of conflict of interest, prevention of corruption and ethics". Read more in the section "Ethics, anti-corruption policy and prevention of conflict of interest".

05

RESPONSIBLE BUSINESS MANAGEMENT

RISK ASSESSMENT AND RISK MANAGEMENT

In order to promote the creation of sustainable values for the affected parties and to create an appropriate and effective risk management system and in compliance with Section 107, Paragraph two, Clause 12 of the Law, the Risk Management Policy of Riga Airport has been approved since 2020, setting common objectives of the risk management process, areas of risk management, the main basic elements, stages of the process, basic principles and guidelines, as well as the duties and responsibilities of the participants involved in the risk management process. A risk management committee has been established at the Airport, which monitors the risk management process of the company, including evaluating information on the Airport's risks, including strategic, operational and financial risks, and makes appropriate decisions within its competence. The security risk management process of Riga Airport is ensured within the framework of the safety management system, taking into account EC Regulation No 139/2014 of 12 February 2014 which determines the requirements and administrative procedures related to aerodromes in accordance with Regulation No 216/2008 of the European Parliament and Council.

The risk management policy determines the management of various types of risks, for example, strategic risk, operational risk (legal, conformity, personnel, fraud, corruption and conflict of interest risks, business continuity risks, etc.), financial risks, risks of the fields of operation (aviation security, information system, environment, energy management system and work environment risks).

Strategic risks – risks related to inappropriate planning and implementation of the Strategy of Riga Airport, as well as the adoption of strategic or development decisions affecting the operation of the airport, including reputational risks.

Security risks – risks related to the safe operation of the aerodrome and managed within the framework of the Safety Management System of the Airport.

Aviation security risks – risks managed within the framework of the aviation security system of the Airport.

Environmental risks – risks managed within the environmental management system of the Airport.

Energy management risks – risks managed within the energy management system of the Airport.

Risks of information systems – risks related to the security of the Airport information systems, including personal data protection risks.

Work environment risks – risks related to the work environment of the Airport.

Operational risks – risks related to the process, personnel actions or external events of the processes/projects of the Airport which are inappropriate, incomplete or non-compliant with requirements, such as legal, compliance, personnel, fraud, corruption and conflict of interest risks, personal data protection risks and ICT risks.

Financial risks – risks related to possible losses due to unforeseen changes in the financial field, as well as insufficient flow of financial resources of the Airport, including budget planning, performance monitoring, raising funds to cover financial obligations, such as liquidity risks, market risks and credit risks.

When implementing the Risk Management Policy, the following principles of risk management shall be observed – integration in management, dynamism, practicality and efficiency, traceability and validity of information, continuous improvement, involvement and cooperation, the concept of "three lines of protection". Detailed information on risk management principles is published in the section of the website of Riga Airport.

In order to promote the achievement of the objectives laid down in the Strategy, the risks affecting the Strategy (strategic, reputational, operational and financial risks) have been identified and assessed, as well as their mitigating measures have been determined, including them in the section "Risk Analysis" of the Strategy

In order to ensure the sustainable operation of Riga Airport, in 2022, the following risks were identified and evaluated:

- the risks related to the field of corporate social responsibility, such as environmental risks, energy management risks, work environment risks, as well as other risks;
- the risks caused by geopolitical influences, such as those affecting the Strategy (strategic and financial risks), as well as business continuity and sanction risks.

The above-mentioned risks are managed, including by determining risk-mitigating measures, in compliance with the internal normative documents of Riga Airport regulating the relevant type of risk, including, for example, "Instructions for managing strategic, operational and financial risks", which provides for establishing the strategic, operational and financial risk management procedures for Riga Airport, that ensures timely identification of risks, appropriate analysis and evaluation, response to them, as well as the implementation of monitoring, revaluation, documentation and reporting, communication and consultations.

In order to strengthen the management of sustainability risks, an outsourcing service was engaged for the assessment of the suitability of the sustainability risk assessment methodology of Riga Airport and the provision of the sustainability risk assessment service, as part of which the identification and assessment of sustainability risks was started, where necessary, by determining their mitigating measures. More about the identified types of risks related to climate change can be found in the section "Financial risks and impacts related to climate change".

The implementation of the risk management policy, as well as the progress of the implementation of risk mitigation measures, are monitored by the permanent Risk Management Committee, the Board and the Supervisory Board in conformity with their competence.

Within the framework of the risk management monitoring of Riga Airport, the following was prepared:

- the annual report on the risk management of Riga Airport, including the implementation of the Airport's risk management policy reviewed by the Risk Management Committee, Board and Supervisory Council of Riga Airport;
- a semi-annual report is prepared on the progress of implementation of the priority risk control measures of the Airport which was reviewed by the Risk Management Committee of Riga Airport and submitted to the Board.

In order to promote the achievement of the objectives defined in the Strategy and the Sustainability Strategy, it is necessary to ensure further maintenance of the risk management process of Riga Airport and its continuous improvement, taking into account the requirements of international and national regulatory enactments and good practices, including in the field of sustainability.

INTERNAL AUDIT FUNCTION

At Riga Airport, internal audits are constantly conducted by the head of the Internal Audit Unit. From 1 January 2022, the Internal Audit Unit is functionally subordinate to the Supervisory Board, and administratively subordinate to the Board. In conformity with the Strategic Plan for Internal Audits 2022-2024 and Plan for Internal Audits 2022, in 2022 four audits of priority systems were performed – Main Budget Procurement Management, KF Internal Control Monitoring No. 5, Non-Aviation Revenue Management and Aviation Revenue Management. The head of the Internal Audit Unit provides regular reporting to the Board of the company, Supervisory Board and shareholders on the results of audits and the implementation of audit recommendations, and upon the request of the management, conducts unscheduled inspections on current issues, as well as provides individual consultations upon the request of structural units.

PROCESS QUALITY AND SAFETY AUDITS

In order to achieve the strategic goals set by the Airport, process and risk management has been established and is being implemented in the integrated management system. During the process quality and safety audits, the efficiency of the created system, process execution and conformity of services with the established requirements are evaluated. In 2022, 25 process audits took place in the structural units of Riga Airport and in the companies of service providers of the Aerodrome. In addition to the internally conducted audits, 12 external audits and inspections were also conducted in 2022 in the structural units of Riga Airport by CAA, certification organisations BM Certification Ltd. and Bureau Veritas Latvia Ltd., express postal service providers DHL, FEDEX and UPS, as well as the airlines "airBaltic" and "Finnair", which provide flights to/from Riga Airport.

Every year, a schedule of environmental inspections is developed at the Airport. In accordance with the schedule of environmental inspections in 2022, 19 environmental inspections were carried out in the territories of lessees and service providers of Riga Airport. During the inspections, no significant violations that cause pollution or threat thereof were found. The largest number of violations/inconsistencies in 2022 was related to the absence of permits issued to lessees and service providers of Riga Airport or non-compliance with their requirements, non-arrangement of territories and inadequate management of hazardous waste. Certain recommendations were related to making safety data sheets available to employees and improvements in hazardous waste inventory and inventory of chemicals and mixtures.

Once a year, during the annual management review, the Board of the company evaluates the integrated management system and determines possible improvements to ensure the continuous suitability, efficiency and compliance of the systems with the certified standards.

ETHICS, ANTI-CORRUPTION POLICY AND PREVENTION OF CONFLICT OF INTEREST

3.3, 2.15., 2.26., 205-2, 205-3

Riga Airport promotes commercial activity corresponding to honest principles, conformity with ethical norms, as well as takes actions to prevent the risks of corrupt and fraudulent activities and to reduce and prevent possible violations.

Cabinet Regulation No. 630 of 17 October 2017, Regulations Regarding the Basic Requirements for an Internal Control System for the Prevention of Corruption and Conflict of Interest in an Institution of a Public Person, defines the basic requirements of the internal control system for the prevention of the risk of corruption and conflict of interest at Riga Airport. In accordance with Sub-paragraph 8.2 of the abovementioned Cabinet Regulation, Riga Airport shall, at least once every three years:

- review the functions or areas of operation or processes in the institution that are exposed to the risk of corruption, the identified risks of corruption, evaluating the likelihood of their occurrence (probability) and the impact in the event of the occurrence of the risk (caused consequences), taking into account the existing control mechanisms;
- evaluate the implementation of the measures implemented to prevent the risk of corruption, their effectiveness and usefulness;
- ensure the improvement of the knowledge of employees whose positions are exposed to corruption risks on conflict of interest and corruption prevention issues.

At Riga Airport, the Code of Ethics has been developed and approved by the Board of the company which also includes the prohibition of fraudulent and corrupt practices and is binding on every employee of the company.

The Corruption and Conflict of Interest Prevention Policy has been approved at

Riga Airport the purpose of which is to establish common guidelines and principles for the prevention of corruption and the timely and transparent identification, prevention and management of real, apparent and potential conflict of interest in order to prevent the exercise of duties and powers of employees in a conflict of interest situation at the Airport, as well as the duties and responsibilities of the participants involved in the prevention of corruption and conflict of interest. In 2022, there was no case of corruption.

Every employee of Riga Airport has the right to report possible violations of the employee's rights and interests defined in the Code of Ethics, Whistleblower Procedures and other regulatory documents. In accordance with the Code of Ethics of Riga Airport, if an employee has a reasonable suspicion of non-compliance, he or she turns to his or her direct or superior manager, who makes a decision on further action. Moreover, every employee has also the right to report to higher management regarding possible violations, fraudulent and corrupt actions, including cases of attempted bribery. In the case of necessity, if the situation cannot be resolved with the direct manager due objective reasons, the employee shall report to the permanent commission for investigation of possible violations. On the eRIX internal website of the Airport, there is a section "Action in Case of Bribery", in which the employees of Riga Airport are being informed about the correct action in case of being offered a bribe.

It is the duty of the permanent commission for investigation of possible violations to examine the received information on possible violations and to prepare opinions for further action. See more in the section "Permanent Commission for Investigation of Possible Violations".

The employees of Riga Airport shall report a possible violation, including one that falls within the scope of the Whistleblowing Law, using the order of the chairperson of the Board No. 22/39B of 25 April 2022, Regarding the Procedures for Reporting and Examining Employee Complaints, Possible Violations, the internal procedure and reporting system.

Cooperation partners and persons who are not employees of Riga Airport can report a possible violation by e-mail Office@riga-airport.com, indicating the information available to the person related to the possible violation, including a description of the violation, mentioning specific facts. If a person wants to submit a whistleblower's report in conformity with the Whistleblowing Law, the person shall fill out the form developed by the State Chancellery which is available on the website www.trauksmescelejs.lv. After filling out the form, it shall be signed with a secure electronic signature and send it to Office@riga-airport.com. If the form is signed in writing, it shall be sent to Riga Airport by post.

In addition, Riga Airport has developed the training programme for the Code of Ethics and determined that training of all employees shall take place once in every three years. The curriculum is based on the requirements for action in relation to issues of possible violations, fraudulent or corrupt activities. The knowledge test of employees on the basic principles of the Code of Ethics shall be binding on all employees of Riga Airport (except for the public officials who are bound by the law On the Prevention of Conflict of Interest in the Activities of Public Officials).

Primarily, the online training "Conflict of Interest, Prevention of Corruption and Current Issues of Ethics" was organised for the employees of the Airport, whose positions are most exposed to the risks of corruption and conflict of interest. In general, including positions exposed to the most risks of corruption and conflict of interest, more than 900 employees of Riga Airport were trained, or 65% of the total number of employees, including members of the Board. The training record is available to all employees of Riga Airport in the internal training system.

In order to promote the integrity of the company's business partners, since April 2019, an additional point has been included in the Terms of Reference of procurement tenders of Riga Airport. It provides that the client and every employee of the client do not allow fraudulent and corrupt actions in their activities, which includes the prohibition of bribery of both domestic and foreign officials. The client has approved the Code of Ethics, as well as conducts an assessment of corruption risks and implements measures to reduce and prevent corruption risks. Separate training is not organised for business partners. The basic principles for the cooperation with contractual partners and the Code of Business Ethics can be found on the website of the Airport in the section "Ethical Principles for Partners". More about the Code of Business Ethics in the section "Code of Business Ethics".

COMMUNICATION ON CRITICAL ISSUES

2.16., 2.26.

In accordance with the order No. 22/39B of the chairperson of the Board of Riga Airport of 25 April 2022, Regarding the Procedures for Reporting and Examining Employee Complaints, Possible Violations", the opinions prepared by the Permanent Commission for Investigation of Possible Violations are submitted to the chairperson of the Board of Riga Airport for decision-making. In 2022, the chairman of the Board received one opinion on a possible violation of the Code of Ethics. Read more in the section "Permanent Commission for Investigation of Possible Violations".

COMPLIANCE WITH LAWS AND REGULATIONS

2.27.

In 2022, integrated inspections by the controlling authorities have not been carried out. Violations of environmental regulatory encatments and category B polluting activity permits for 2022 were not found, accordingly fines from the institutions controlling environmental protection requirements were not applied.

On 20 September 2022, the State Construction Control Bureau conducted an inspection to ensure compliance with the requirements of the Energy Efficiency Law at the Airport. During the inspection, no inconsistencies were found, no fines have been applied by the institutions controlling energy management requirements.

An administrative fine of EUR 100 was imposed on Riga Airport for failure to fulfill the obligation of proper maintenance of the ditch (proper

maintenance of the drainage system (common water drains), which includes cutting of trees, mowing of grass, removing of water flow barriers, as well as recuperation and reconstruction of water drains). The case described above was determined by the amelioration engineer of the construction board of the local government, recording the non-conformity in the act. The administrative fine was paid to the municipality on 10 February 2023.

In 2022, no penalties or sanctions have been applied for the non-conformity of the operation of Riga Airport with regulatory enactments in the social or economic field. Also, no penalties have been applied to Riga Airport in the social, environmental and economic fields in previous periods, which was also reflected in the non-financial reports of previous periods.

Although Riga Airport is not subject to the Law on the Prevention of Money Laundering and Financing of Terrorism and Proliferation, it does not allow money laundering in its operations. Riga Airport has an internal regulatory document "Procedure for Sanctions Risk Management and Internal Control System" the purpose of which is to determine the procedure by which Riga Airport conducts inspections of its business partners, customers and suppliers based on the international laws and national laws on sanctions of the Republic of Latvia in order to prevent or reduce the risk of sanctions related to violation or circumvention of possible sanctions (sanctions imposed by the EU or a member state of the North Atlantic Treaty Organization), and the regulatory framework of national sanctions.

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

3.3 , 2.23., 2.24., 204-1, 308-2

Since Riga Airport provides both aviation and non-aviation services, it mainly purchases various types of services, supplies and construction works to ensure its core business, taking into account the requirements of the Law on the Procurements of Public Service Providers and other laws in force in Latvia, as well as makes procurements in investment projects.

The most important internal regulatory enactments that regulate the field of procurements at Riga Airport are as follows:

- Procurement procedure based on the principles and requirements of external regulatory enactments. This Procedure applies to all procurements made by Riga Airport and is binding on all structural units of the Airport. The procedure shall be applied in all cases when the estimated contract price of the supply, service or construction works contract, excluding VAT, is up to the thresholds of contract prices specified in Cabinet Regulation No. 105 of 28 February 2017, Regulations Regarding Thresholds of Contract Prices of Public Procurements. The procedure regulates procurement procedures at Riga Airport, including by determining deadlines, methods, procedures for developing technical specifications/ qualification requirements, regulating other issues related to procurements;
- The Code of Business Ethics, which can be read in more detail in the section "The Code of Business Ethics";
- The guidelines for sustainable public procurement about which you can read more in the section "Application of Social and Environmental Criteria".

No specific goals were set for procurement in 2022, but considering that sustainable procurement is one of the moderately important and sustainable aspects of Riga Airport since 2022, the following goals have been set for 2023:

- ensure that one of the sustainable procurement criteria – "green criteria", socially responsible criteria or innovative solutions is used at least for 10% of the procurements intended in the procurement plan for 2023;
- to ensure that at least 80% of suppliers certify that they comply with the principles contained in the Code of Business Ethics of Riga Airport, by randomly checking 50 procurement contracts and conducting inspections.

GThe main stakeholders in the field of procurement are the Procurement Monitoring Bureau, the CFLA, the Competition Council and the Corruption Prevention and Combating Bureau.

During the reporting period, there were no significant changes in the company's supply chain structure and cooperation with suppliers, service providers or customers.

Every year the company intends approximately 25-30 million EUR for the purchases (services, deliveries and construction works). In 2022, approximately 37 million EUR were planned.

248 transactions (agreements) were concluded in 2022, including 8 construction contracts, 84 supply contracts and 156 service contracts. Compared to 2021, due to the Covid-19 pandemic and other circumstances, the total number of transactions (contracts) decreased by 33 (construction works increased by 1, supplies decreased by 55, services increased by 21).

THE MOST IMPORTANT PURCHASES OF RIGA AIRPORT

- **Deliveries.** Purchase of electricity, improvement of baggage handling infrastructure, supply of anti-icing reagent, replacement of AGL system regulators and purchase of spare regulators, purchase of heavy-duty universal machinery, purchase of five aircraft bridges, etc.
- **Services.** Cleaning of managed buildings and terminals, provision of design and author supervision services, installation of ventilation, cooling, building management system (BMS) equipment, service and maintenance of electricity supply of public areas and buildings, provision of medical and outpatient services of SJSC International Airport Riga etc.
- **Construction works.** Reconstruction of the technical services building, reconstruction of feeder points FP-3 and FP-4, adaptation of premises to improve baggage service infrastructure, development of changes to the construction project, author supervision and construction, etc.

REGULATORY BASE

When organising procurement, Riga Airport complies with Directive 2014/24/EU of the European Parliament and of the Council on procurement by entities operating in the water, energy, transport and postal services sectors, including based on the Law on the Procurements of Public Service Providers, the Cabinet Regulations issued on the basis thereof, as well as other regulatory enactments that regulate the specific procurement.

If the estimated contract price does not reach the threshold value laid down by the Cabinet for the application of the Law on the Procurements of Public Service Providers, the company shall follow the procurement guidelines for public service providers developed by the Procurement Monitoring Bureau and the procurement procedures of Riga Airport developed based on the principles and requirements of the above-mentioned external regulatory enactments.

Riga Airport also takes into account the EU judicial practice, the decisions and explanations of the Procurement Monitoring Bureau, the provisions and principles of the Treaty on the Functioning of the EU, for example, on the free movement of goods, the right to do business, the freedom to provide services, the principle of prohibition of discrimination, the principle of equal treatment, openness principle and the principle of mutual recognition.

CODE OF BUSINESS ETHICS

In 2022, Riga Airport developed and the Board of the company approved the Code of Business Ethics which is binding on all contractual partners of the company from 1 September 2022.

The Code of Business Ethics stipulates the following for cooperation partners:

- social standards (working conditions, human rights, prohibition of discrimination, fair pay and working hours, labour protection and training);
- environmental standards (control and reduction of emissions, energy efficiency, implementation of basic principles of circular economy, rational consumption of water resources, mitigation of environmental risks);
- business and ethical integrity (necessary documentation, quality, confidentiality, transparent transactions, prevention of conflict of interest, compliance with sanctions, integrity);
- prevention of conflicts of interest, fraud and corruption.

In its procurements, Riga Airport requires suppliers to certify that the suppliers comply with the basic principles of business ethics in their operations (including the operations of the supplier's employees and subcontractors) and will comply with the performance of the procurement contract, as defined in the Code of Business Ethics of Riga Airport. The Code of Business Ethics is published on the website in the section "Ethical Principles for Partners".

SUSTAINABILITY CRITERIA IN THE SELECTION OF CONTRACTUAL PARTNERS

When organizing procurements, Riga Airport, as a public service provider, is bound by regulatory enactments that regulate the procurement process, i.e. the Law on the Procurements of Public Service Providers. The provisions contained in this law are almost entirely taken over from Directive 2014/25/EU of the European Parliament and the Council of Europe of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC.

Depending on the expected contract price, it is checked whether the cooperation partner, its members of the board, supervisory board, persons entitled to representation have not had a previous criminal record for any kind of participation, organisation, etc. in criminal organizations, bribery or taking bribes, fraud, embezzlement or money laundering, any kind of participation in terrorism, human trafficking, tax evasion or payment of similar payments. It is verified whether the cooperation partner (in some cases also subcontractors of the cooperation partner) pays taxes on time, including mandatory state social insurance contributions, or whether the cooperation partner, its subcontractor has not been punished for violating of the competition law, has not employed employees without a contract or without a residence permit. Cooperation partners are also verified for applicability of sanctions. The contracts include the right of Riga Airport to unilaterally immediately terminate the contract with the other party if it is established that it is subject to sanctions or that the other party has been punished for a violation of competition law.

When organising procurements, Riga Airport assures cooperation partners in the procurement documentation from the outset that Riga Airport and each of its employees does not allow fraudulent and corrupt behavior in its operations, which includes the prohibition of bribery of both domestic and foreign officials.

In its procurement, Riga Airport requires suppliers to certify that if the supplier employs citizens of the EU and/or third countries, it complies with the laws and regulations governing the industry and the principles and obligations contained therein with a high level of responsibility. Thus, Riga Airport reduces the possibility that suppliers could employ persons without valid employment contracts, and promotes compliance with their rights provided for in regulatory enactments.

SUPPLIERS

In the majority of purchases, or approximately 89%, Riga Airport purchases goods and services from Latvian suppliers, service providers and construction contractors. Since many of the goods needed to ensure the operation of the airport are produced abroad, Riga Airport also cooperates with suppliers from other European countries and North America. Riga Airport has a total of more than 200 suppliers with whom transactions have been concluded.

APPLICATION OF SOCIAL AND ENVIRONMENTAL CRITERIA

Riga Airport regularly revises and improves its internal regulations during the reporting year, modernizing and improving the efficiency of the Procurement Department of the Airport, taking into account the Law on the Procurements of Public Service Providers and jurisdiction.

In order to strengthen the theme of social responsibility in the procurement system, the procurement procedure of Riga Airport includes a rule that in certain cases, when choosing a supplier of services/goods, Riga Airport has the option of awarding the contract to a company that has obtained the status of a social enterprise. This means that when choosing a supplier of goods/services, the client can set criteria that, for example, give preference to an entrepreneur who employs people with disabilities.

Following this procedure, social and/or environmental criteria were foreseen in several procurements, for example:

- copier rental service (GPP requirements in the technical specification);
- computer equipment rental service (GPP requirements in the technical specification);
- cleaning of managed buildings and terminal (social criterion at the most economically advantageous offer for the minimum wage of employees);
- construction of pedestrian sidewalks and lighting in the section from Ziemelu Street to cargo warehouses, Riga Airport, Mārupe district, construction project development, author supervision and construction (lighting must be designed in accordance with GPP requirements);
- full service rental of three light vehicles for three years (one of the three rental cars has an electric engine);
- purchase of cars (one out of three cars has an electric engine);
- reconstruction of the technical services building (GPP requirements regarding indoor lighting), etc

In accordance with the requirements of the regulatory enactments, Riga Airport applies ZPI in individual purchases, trying to purchase goods and services with the least possible impact on the environment, taking into account the life cycle costs of products or services with the same primary function and those that contribute to social improvements.

In addition to external legislation, Riga Airport has not yet developed other criteria that evaluate the sustainability impacts of suppliers: social impact (positive and negative impact) and environmental impact, but plans to start this process in 2023 and complete it in 2024. Read more about the planned activities in the section "Role of Management in Monitoring the Impact of Management".

During 2022, Riga Airport developed and approved Sustainable Public Procurement Guidelines in 2023, which summarise the best experience and opportunities for applying sustainability criteria and basic principles of socially responsible procurement. This will allow the employees of Riga Airport to find information in one document in order to prepare the highest quality procurement documents related to sustainability in order to receive the best possible result for every EUR of company funds spent and thus help make the procurements of the Airport innovative, sustainable, inclusive and competitive.

ETHICAL AND COMPETITIVE TARIFF STRUCTURE

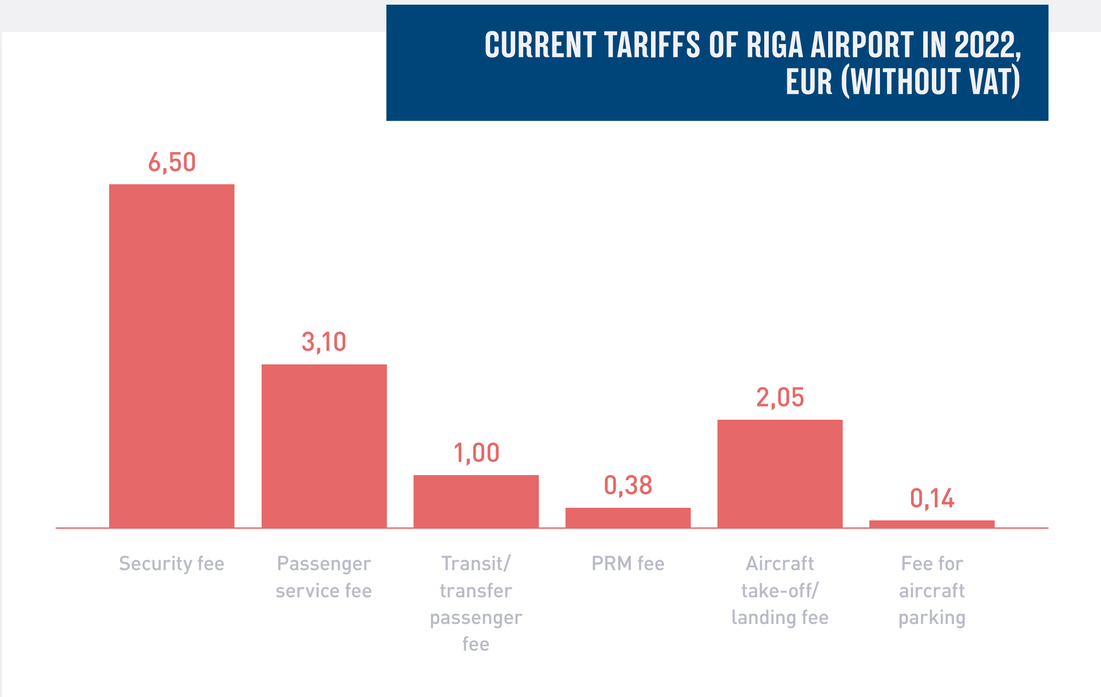
The tariffs of Riga Airport are determined using the so-called "one cashier" principle. This principle provides that costs are covered by both revenue from aviation services and non-aviation services which affects the amount of fees applied to airlines and passengers. In general, the tariffs should cover the operating costs and the financing costs of the capital investments, while also providing for a commensurate profit.

European legal acts prohibit discrimination of airline customers and illegal state aid, therefore the tariff/fee structure of Riga Airport can be changed only in compliance with Cabinet Regulation No. 540 issued in Riga on 5 July 2011, Procedures for Determining and Changing Fees for Services Provided at the Aerodrome, which include the legal norms arising from Directive 2009/12/EC of the European Parliament and of the Council of 11 March 2009 on airport charges. The main principles in setting tariffs are tariff transparency, legality and equality. Prior to changes in fees, consultations are held with air carriers about the costs included therein and amount thereof.

TARIFF STRUCTURE

At Riga Airport, most fees are charged in the following tariff categories:

- security fee;
- passenger service fee;
- aircraft takeoff/landing fees.



The security fee includes the following services of Riga Airport:

- passenger safety check;
- examination of checked-in and cabin baggage of passengers;
- provision of airport security and crisis management (including rescue).

It also includes CAA aircraft flight safety and civil aviation security monitoring measures.

Security fee, passenger service fee, transfer passenger service fee and PRM passenger service fee are applied for each departing passenger.

The fee for the take-off and landing of an aircraft which includes the use of the runway and taxiways, runway and lighting of taxiways, the services of the aerodrome management service and other aerodrome infrastructure, if the infrastructure is necessary to ensure the take-off and landing of the aircraft, is EUR 2.05 for every 1,000 the maximum permissible take-off mass of the aircraft in kilograms (rounded up to 10 kg) for each take-off and landing. The fee for aircraft parking is determined for every 1,000 kilograms of the maximum allowable take-off mass of the aircraft per hour.

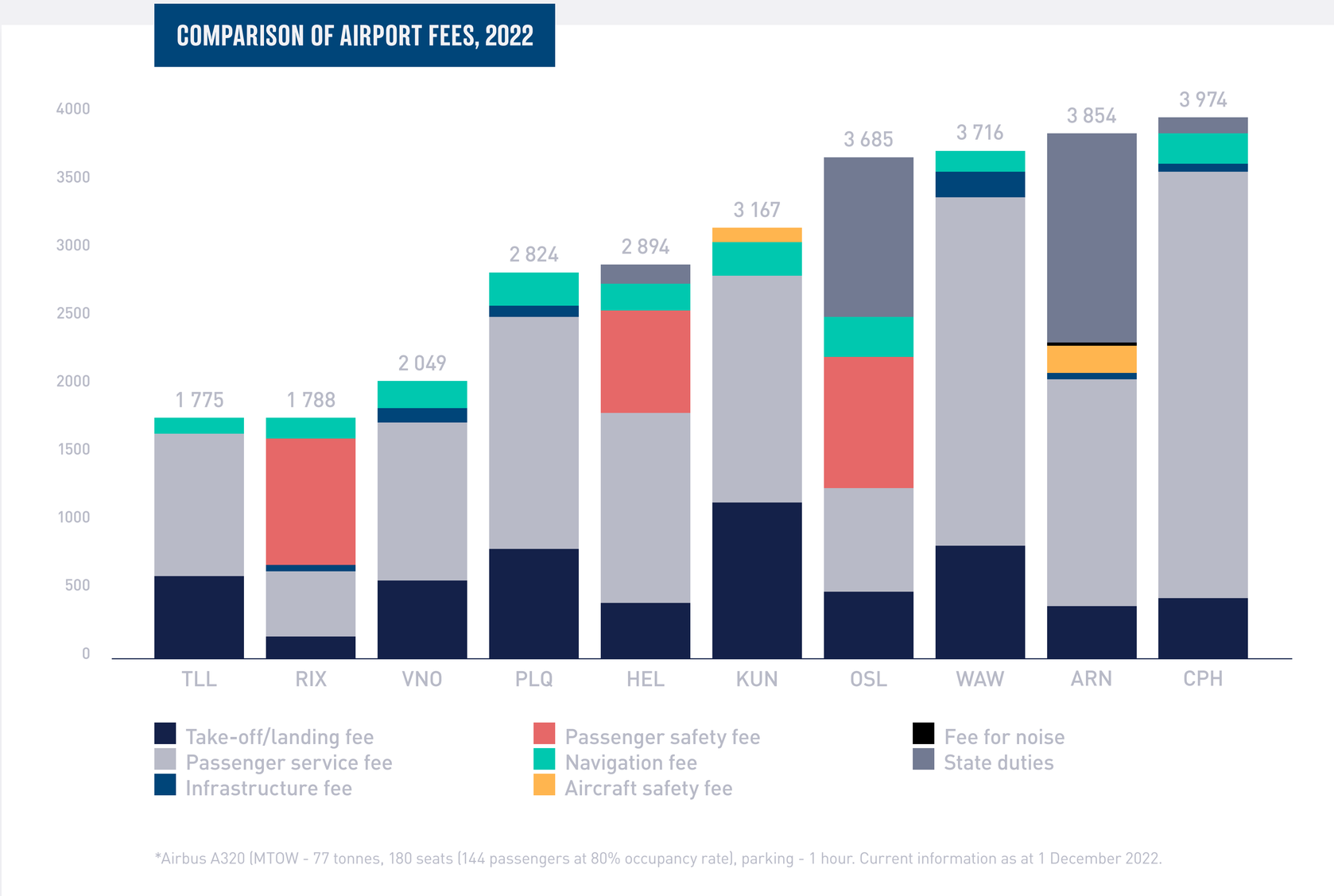
TARIFF COMPETITIVENESS

Despite the difficult financial situation, Riga Airport has been able to keep the highest aviation tariffs unchanged since 2009 (aircraft takeoff/landing, parking and passenger fees) and security fees since 2012, as well as giving air carriers the opportunity to extend payment terms during a difficult period for the entire industry.

In 2022, the PRM fee was revised, determining its increase from 0.28 to 0.38 EUR per passenger from 1 July 2022. In the autumn of 2022, Riga Airport started consultations with air carriers regarding changes in take-off/landing, passenger departure and security fees.

According to the updated calculations and development priorities of Riga Airport, at the end of 2022, work has been started on the financial model of the Strategy, including the renewal of the tariff policy which is planned to be approved in 2023. In accordance with the updated financial model and tariff policy, consultations on changes in major airport fees are planned for 2023, and they are planned to be increased from 2024.

Riga Airport offers airlines one of the lowest airport tariffs in Europe. Depending on the type of aircraft served, in 2022 the tariffs of Riga Airport were the lowest or the second lowest in the region. Riga Airport grants fare discounts for new routes that exceed 4,200 km in distance to support the expansion of the destination network and the opening of long-distance destinations. On the other hand, support in the form of marketing activities is offered to nearby newly discovered destinations and new air carriers.



When comparing Riga Airport with the largest airports in Northern Europe and airports in the region, with which Riga Airport competes in terms of strategy, external factor analysis methods, it is important to compare Airport fees with the total amount for an aircraft that must be paid to the air carrier, because airports have different approaches to the determination of fees and their structure differs. Airports can operate on the principle that all aviation costs are covered by aviation income, or similar to Riga Airport, they can choose to compensate a part of aviation costs with non-aviation income, which allows the fees to be set lower. Some airport infrastructure and security fees are distributed separately, other costs are included in the passenger service fee.

Taking into account the growth of the number of passengers at Riga Airport in recent years, such a tariff strategy has contributed to the development of the company. Therefore, it is planned to maintain it in the medium term, but in the future period to assess whether the company will be able to provide investment capital for the implementation of development projects with such a tariff structure. Riga Airport plans to review its tariffs every three years.

DIVIDEND POLICY

In 2019, Riga Airport agreed with the EC on a different dividend policy for the period of 2017-2022, which is applied to 2017 and 2018.

With the beginning of the Covid-19 pandemic and the drop in air transportation, the Ministry of Transport, as the Airport's shareholder, appealed to the Cabinet of the Republic of Latvia, asking to increase the company's share capital by EUR 49.9 million and leaving dividend payments in the amount of

EUR 4.5 million for 2019 at the company's disposal to implement the investment projects started and reduce the losses caused by the Covid-19 crisis. On 23 April 2020, the Cabinet supported the increase of the Airport's share capital in the amount of EUR 35.2 million and leaving dividends at the disposal of the company.

On 8 March 2021, the EC supported the increase of the share capital of Riga Airport by EUR 35.2 million and leaving dividends of the profit of 2019 in the amount of EUR 4.5 million at the disposal of the company (decision in the case SA/57756 (2021/N) – Latvia COVID-19: Recapitalisation of Riga International Airport (hereinafter – the EC decision)).

On 2 June 2021, the Cabinet, taking into account the decision of the EC, with Order No. 366 (minutes No. 45 § 76) clarified Order No. 219 adopted on 23 April 2020, Regarding Increasing the Share Capital of the State Joint-stock Company Riga International Airport (hereinafter – the Order), determining that the share capital of Riga Airport should be increased by EUR 35.2 million. and dividends for the profit of 2019 in the amount of 4.5 million are left thousand EUR.

Also, along with Paragraph 10 of Order No. 366, on 1 July 2021, the Ministry of Transport concluded state aid agreement No. K-21-2 with Riga Airport, ensuring the requirements of the EC "Temporary Regulation for State Support Measures that Support the Economy in the Current Situation of the Covid-19 Outbreak (hereinafter – the Temporary Regulation)".

In addition, the task was laid down for the Ministry of Transport to submit, no later than by 20 June 2022, the strategy to the Cabinet for terminating the participation of the state investment in the Airport in conformity with Paragraph 9 of Order No. 366. Article 77 of the EC Provisional Regulation stipulates that until the participation of the state investment is terminated, the recipient of state aid may not pay dividends.

THE PROCESS OF RECTIFYING NEGATIVE IMPACTS

2.25.

At Riga Airport, the procedures for submitting, examining and preparing responses to reviews, including complaints, are determined by the Customer Review Management Instruction. Depending on the content, the review is forwarded to the responsible structural unit for the preparation of a response. In case of a complaint, the responsible structural unit evaluates its validity.

If the complaint is recognized as justified, the head of CRSD evaluates whether the conditions mentioned in the complaint indicate the need to take corrective and/or preventive actions to improve client service. If such actions need to be taken, the head of CRSD shall, in cooperation with the head of the responsible structural unit, determine the necessary corrective and/or preventive actions to improve client service. The head of the structural unit responsible for taking corrective and/or preventive actions shall inform the head of CRSD, who makes an appropriate entry in the Customer Review Register.

If the feedback received is related to ground handling, fire safety/crisis management, aerodrome operation processes or infrastructure problems in the terminal, the Customer Relations Specialist forwards this feedback to the specialists of the SMS Assurance Team.

If the review contains features of a property claim, its further consideration is based on the Instructions for Claims of a Property Nature.

The customer relations specialist shall prepare a monthly report on the reviews received in the previous month. A summary of the feedback is communicated to all employees of the Airport through an internal mailing list. The head of CRSD shall conduct a statistical analysis of reviews once a quarter and indicate what has been done in cooperation with the structural units of Riga Airport at the Operational Managers' Meeting.

A detailed overview of customer reviews received in 2022 is available in the section "Passenger Experience and Satisfaction".

In order to manage issues affecting the impact of Riga Airport on the environment and the local community, Riga Airport carries out various monitoring measures, for example, in 2020 Riga Airport completed bird monitoring, until 2023 Riga Airport carries out forest monitoring, in 2022 there was a survey of the inhabitants of Mārupe about the impact of Riga Airport on the local community – positive and negative aspects, including noise. Together with the affected parties, Riga Airport operates in the Environmental Noise Management Working Group. Read more about the cooperation and the decisions made addressing the environmental noise issue in the section "Environmental Noise Management Working Group".

MEMBERSHIP IN ORGANISATIONS

2.28.

Riga Airport is a member of national and international aviation, business and employer organisations, where it supports and participates in the representation of the company's interests as far as the promotion and development of the sustainable operation of the aviation industry is concerned.

Riga Airport is a member of the following organisations for the development of industry and national economy and the representation of business interests:

- **ACI EUROPE** – Airports Council International EUROPE;
- **IATA GHC (IGHC)** – International Air Transport Association, Ground Handling Council;
- **LAA** – Latvian Aviation Association;
- **LDDK** – Confederation of Employers of Latvia;
- **LTRK** – Latvian Chamber of Commerce and Industry;
- **DAIF Latvija** – Latvian Federation of Security and Defense Industries;
- **LPVA** – Latvian Personnel Management Association;
- **"Mārupes uzņēmēji"** – Association "Mārupes uzņēmēji".

Representatives of Riga Airport work in the following committees and working groups of ACI Europe:

- in the Customer Service Committee,
- in the Economic Committee,
- in the Aviation Security Committee,
- in the Environment Committee,
- In the Technical and Operational Safety Committee,

- in the Commercial Committee,
- in the Management and HR Resources Forum,
- in the Audit Expert Group,
- In the Digital Communication Forum,
- in the Airport Communication Group.

The representatives of Riga Airport work as part of organisations representing business interests, thereby contributing not only to the development of Riga Airport, but also to the aviation industry as a whole.

By participating in the ACI Europe Commercial Forum, Riga Airport contributes to the promotion of non-aviation income of airports in Europe, while by participating in the subcommittee of the Economic Committee of ACI World, Riga Airport contributes to the promotion of non-aviation income of airports at the world level.

At the national level, the airport is involved in commenting on and preparing drafts of regulatory enactments, for example, on the draft documents of the "Fit for 55" package of EC legal acts.

Representatives of Riga Airport work in the industry organisation LAA, the supervisory board of which is chaired by the chairman of the Board of the Airport. As a member of LAA, the Airport was involved in the organising the international conference "Riga Aviation Forum 2022". Focusing on the challenges posed by the current geopolitical situation in the region, Latvian and European aviation industry leaders discussed at the conference possible scenarios for the future development of the aviation industry and solutions for overcoming the challenges. In 2022, Riga Airport, together with LAA, participated in the development of sustainable aviation fuel and in the development of the aviation strategy of Latvia, providing comments to the draft strategy prepared by the Ministry of Transport, and Riga Airport also contributed to the research on the impact of aviation on the national economy.

In order to represent the interests of Riga Airport that affect logistics, the representative of Riga Airport works in the Logistics Industry Council of the Republic of Latvia.

Riga Airport participates in the subgroup on Marketing and Product Development issues of the Latvian Tourism Consultative Council organised by the LIAA, providing an opinion on the necessary marketing measures and activities for the promotion of aviation transportation. As a result of the participation, in 2022, LIDA for the first time carried out a campaign of Latvia as a destination, using the marketing channels of air carriers, which promotes the recognition of Latvia and the development of air traffic.

In order to promote the development of charter transportation and to diversify the offer, as well as to inform Latvian and Baltic tour operators about the results and needs of aviation transportation, Riga Airport participates in the meetings of the members of the Association of Latvian Travel Agents. In September 2022, a meeting of the Baltic tour operators was held with the participation of Riga Airport.

In cooperation with the State Border Guard and the Ministry of Transport, Riga Airport is preparing for the introduction of the entry/exit system, which is scheduled for May 2023. The Airport receives information about the progress of the introduction of the system from the ACI Europe Customer Service Committee. Several meetings were held with the State Border Guard regarding the necessary equipment and process at the Airport, the Ministry of Transport was informed about the impact of the system at the Airport.

At the local level, the interests of Riga Airport are represented in the Business Consultative Council of the Mārupe Municipality. Also, the Airport continues to actively participate in the business organisation "Mārupes uzņēmēji" of the local government, thus contributing not only to aviation, but also to improving the business environment of the municipality and improving relations with the local government. The representative of the Airport are engaged in the supervisory board of the association and the Airport, as a member of the association "Mārupes uzņēmēji" in 2022, actively participated in the activities of the association, including the organisation of the First Festival of Entrepreneurs of Mārupe, which took place on 10 September 2022, as well as in the educational project "The School Enters the Life, the Life Enters in a School" organised by the association and in support projects of student educational enterprises.

06

SERVICE QUALITY AND PASSENGER EXPERIENCE

PUNCTUALITY AND CAPACITY

3.3., RIX1

Punctuality of flights is the second most important indicator of service quality after flight safety. This demonstrates the ability of the airline to effectively consolidate multiple service providers. They include both the own resources of the airline and other service providers. For example – a list of flights coordinated with the capacity of other airports that meets the flying needs of the consumer, the capacity of aircraft and crew corresponding to the flight list, timely and high-quality provision of technical and ground services, timely and high-quality provision of fuel, food and anti-icing service. In order to ensure the highest possible rate of punctuality, airlines carry out continuous monitoring of the quality of all services. According to the monitored results, the airlines provide a set of active communication and necessary corrective actions to achieve the required quality of service from their providers.

In general, the service for the consumer is determined by Annex 9, Simplification of Air Transport Formalities, to the Chicago Convention on International Civil Aviation. The flight punctuality indicator for each service provider is regulated by the mutually concluded agreements, the annexes of which determine the appropriate level of service quality or SLA (service level agreement).

Two providers of ground handling service operate at Riga Airport – Havas Latvia Ltd. and RIX GH.

The lowest rate that is set in the contract between RIX GH and the airline is a punctuality rate of 97%. Riga Airport perfectly fulfills the contractual obligations, because in 2022, in the field of ground handling service, RIX GH reached the punctuality indicator of 99.25%. Compared to 2021 (98.71%), by improving internal communication and work organisation, RIX GH has increased its performance. The goal set for 2022 to reach >98% was also achieved.

The following partners are involved in the total service chain: aircraft and crew capacity, technical and ground handling services, fuel, food and de-icing service companies, as well as other service providers working on the basis of necessity.

In 2022, the overall (departure and arrival) the punctuality indicator of Riga Airport was 63.62%. This indicator includes all aircraft delay conditions, including those that cannot be influenced by airport structures, such as a late arrival of an aircraft in Riga with a correspondingly late departure.

On the other hand, the actual result of the punctuality indicator, which results from the processes influenced by the airport structures, was 99.21% in 2022. For 2022, the target was set to reach >98%, which was achieved. This indicator consists of reasons influenced by the airport, related to the provision of security, border control and customs services, the provision of infrastructure and their supporting functions, without taking into account the delays caused by the airlines and ground handling service providers themselves and the impact of the weather.

The security service of Riga Airport is able to serve 1,097 passengers per hour on average. The capacity of runway S is 29 take-offs/landings per hour.

PASSENGER EXPERIENCE AND SATISFACTION

3.3., RIX4

According to the Strategy of Riga Airport, client service is included in one of the five strategic goals – to improve the experience of passengers and partners, making processes more efficient, introducing innovations and automation.

In order to implement the laid down objective, the Client Service Strategy 2021-2025 was approved in March 2021, within the framework of which tasks are defined for the achievement of the objective of the client service of the Airport – to create, maintain and improve a positive customer experience by providing professional client service and efficient, high-quality services. In order to implement the laid down objective, several tasks are defined in the Client Service Strategy, for example:

- to develop and implement a unified Client Service strategy throughout the Airport community;
- by evaluating the wishes and needs of passengers and customers, to develop services and solutions suitable for specific target audiences.

The following documents have been developed at Riga Airport, which regulate the management of the field related to client service:

- Action Plan for the Implementation of the Client Service Strategy for 2021-2025 – defines tasks, deadlines, responsible and involved structural units;
- Instructions for Customer Review Management – determines the procedure for receiving, registering and analysing customer reviews, as well as the procedure for responding to customer reviews;
- The Order Regarding the Establishment of the Client Service Working Group – determines the composition of the working group and the tasks to be performed;
- Client Service Standard – determines the level of client service and client service for clients of Riga Airport in order to ensure consistently the same quality of service, through a common understanding of client service guidelines for all employees involved in client service (both of the Airport and cooperation partners who provide services to clients at the Airport). The Standard also defines the procedure for monitoring the quality of client service.

In order to achieve the goal of client service, several tasks are defined:

- to introduce the Client Service Standard,
- to improve the clarification of customer opinion, for example, in addition to the ACI ASQ departing passenger survey, implement segmented customer surveys,
- to improve communication about client service,
- to improve client service training processes,

- to improve the planning and implementation process of client service improvements,
- to be accredited in the ACI Airport Customer Experience Program.

In order to achieve objective of the client service and implement the tasks, Riga Airport cooperates both with ground handling service providers and with state authorities at Riga Airport, as well as with client service providers – merchants, in order to jointly improve the customer experience at the Airport. In addition, the exchange of experience is ensured by participating in the ACI Europe Customer Service Committee.

Riga Airport highly values the wishes and opinions of customers, which are used as a basis for building sustainable relations and cooperation with customers. According to the results of the ACI ASQ survey, the most important services for passengers at Riga Airport are:

- getting from/to the airport;
- performing a security check;
- ease of orientation;
- comfort of departure sectors;
- waiting time at the security check.

On the other hand, aerodrome service providers represent different types of business, therefore the most important thing for each is what directly affects the business of the specific aerodrome service provider. Airlines also have different needs, which is influenced by whether it is a low-cost airline or a classic airline, as well as whether the airline has a base in Riga or not.

At Riga Airport, client service is based on the experience provided to the customer throughout the service provision chain of the Airport, starting from the parking lot to boarding the aircraft, regardless of which company provides the specific service.

PASSENGER SURVEY

Since 2015, the company has been participating in the ACI ASQ global benchmarking programme to evaluate the services and service quality provided by the airport and receive data analysis, which ascertains the opinion of passengers about the services available at the Airport, starting from the moment of arrival at the Airport. Since 2016, Riga Airport has been included in the group of EU airports serving 5-15 million passengers per year.

The passenger survey is carried out by APBAD employees, offering passengers to fill out a questionnaire on a tablet. Survey participants are selected taking into account the methodology established by ACI ASQ – a specific number of surveys on a specific flight day and time of the week.

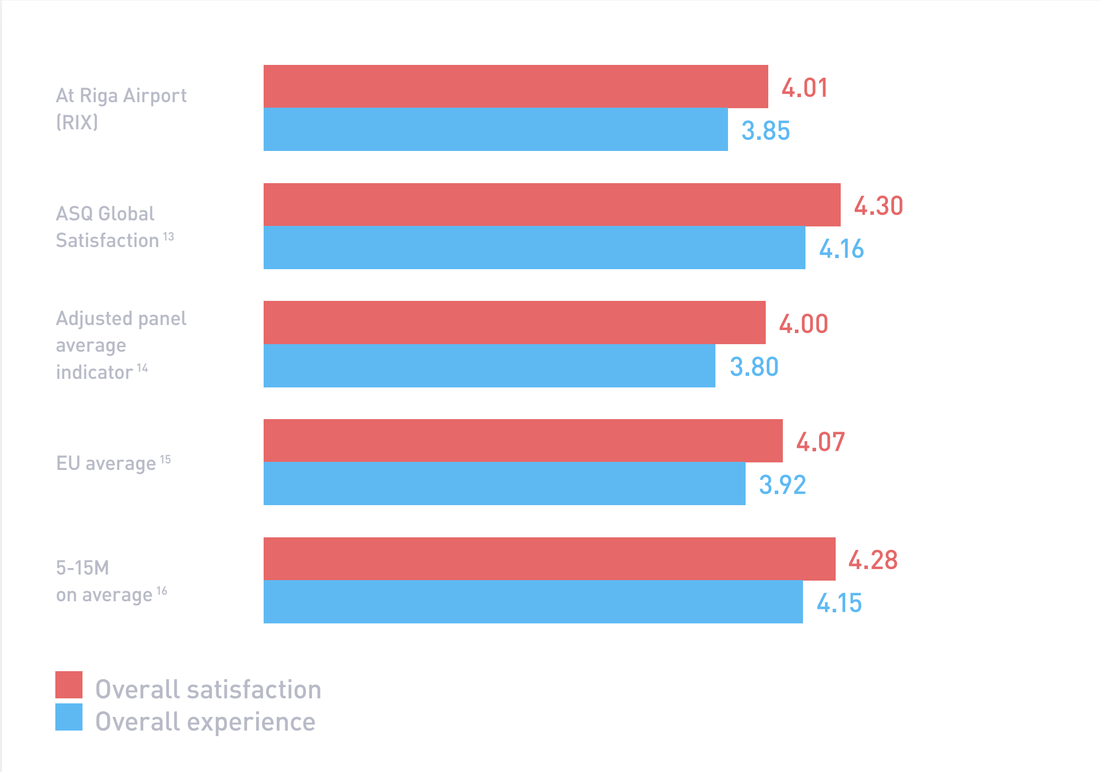
Considering the beginning of the Covid-19 pandemic in Latvia in March 2020, as a result of which regular passenger transportation was completely stopped, as of April 1, 2020, Riga Airport stopped participating in the ACI ASQ survey. As the volume of flights and passengers recovered, in February 2022, Riga Airport renewed its participation in the ACI ASQ survey, starting from the 2nd quarter of 2022. As from 2022, ACI has made changes to the questions of the departing passenger survey, clarifying them so that the obtained data reflect the rating, satisfaction and emotional experience of the passenger, not all indicators in 2022 are comparable to the results of the 1st quarter of 2020.

In 2022, 1,050 passengers (350 passengers per quarter) who departed from Riga Airport took part in the ACI ASQ survey.

In 2022, the average annual assessment of Riga Airport in the "General satisfaction" section was 4.01 points (on a scale of 1 to 5 points), which is the highest annual indicator so far in the last five years.

	2017	2018	2019	2020 (Q1)	2022
General satisfaction at Riga Airport	4.0	3.97	3.99	4.02	4.01

Average overall satisfaction and overall experience indicators for different airport groups in 2022:



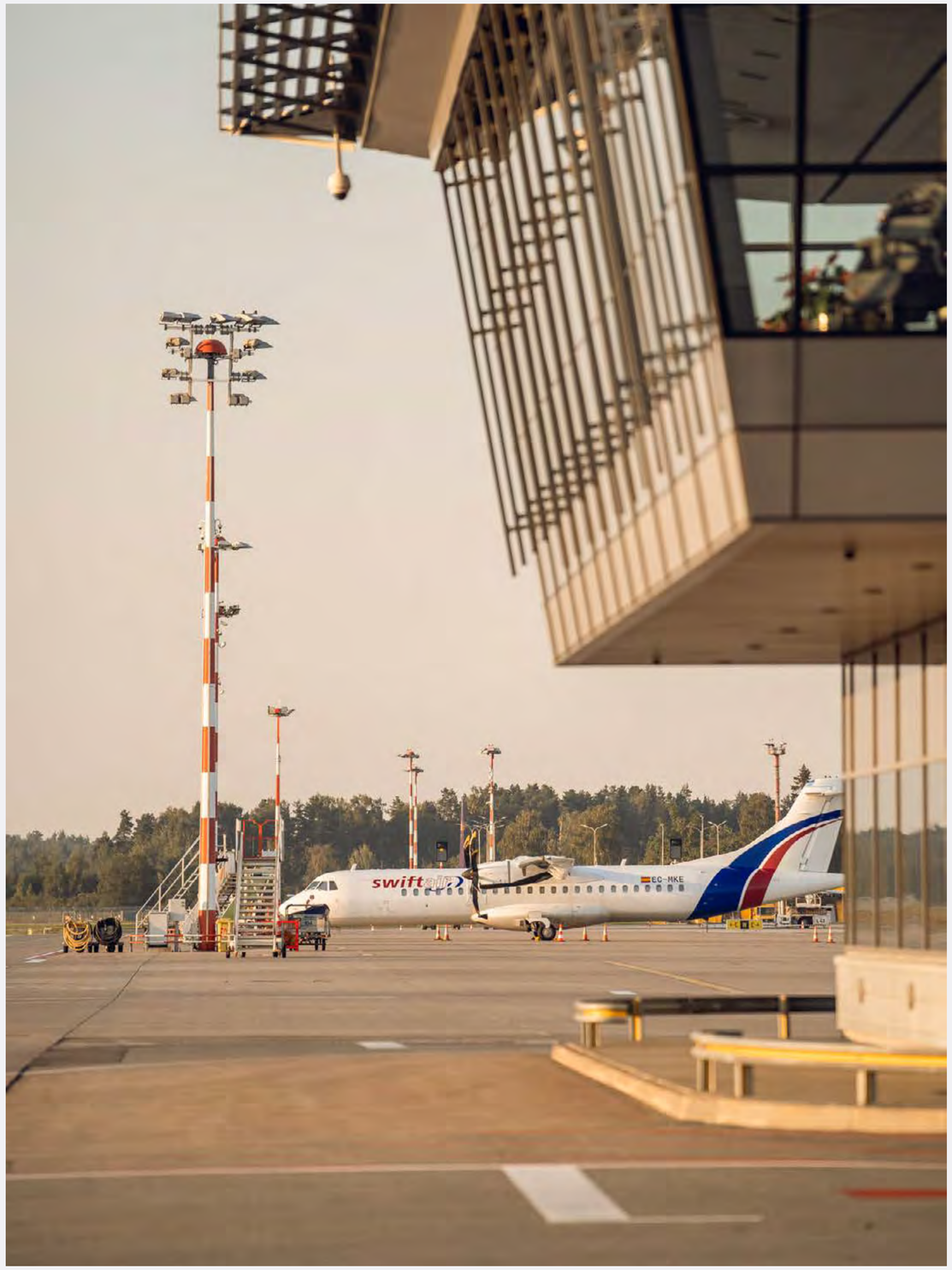
In accordance with the indicators, it can be concluded that despite the historically highest indicator, the result of Riga Airport is lower than the average in all categories, except for the average indicator of the adjusted panel. In this category, Riga Airport takes the 3rd place, behind Tallinn Airport (4.36) and Helsinki airport (4.13), while Vilnius Airport takes the 5th place with 3.9 points.

[13] AASQ Global Satisfaction/Experience – Average of all airports participating in the ACI ASQ Departing Passenger Survey

[14] Custom panel average – average of airports selected for the comparison of RIX results: TLL, VNO, HEL, WAW, CPH ARN

[15] EU average – the average indicator of all European airports participating in the ACI ASQ Departing Passenger Survey

[16] 5-15M average – average of all airports with a passenger volume of 5-15M participating in the ACI ASQ Departing Passenger Survey



CUSTOMER REVIEWS

Customer reviews can be received at Riga Airport:

- orally;
- electronically in the Internet environment;
- electronically to the e-mail address of Riga Airport office@riga-airport.com, customer@riga-airport.com or another e-mail address of Riga Airport;
- electronically in the form of WEB review;
- in writing by filling out a review form;
- in writing by post.

The reviews filled out in the review form and verbal reviews are most often submitted to the information service staff.

In 2022, Riga Airport received 1,614 reviews, and their number has increased by 12% compared to 2021. The increase in the number of reviews can be explained by the increase in the number of passengers of Riga Airport and, accordingly, also by the number of greeters and escorts of passengers. However, judging by the total number of complaints received per 1,000 served passengers during the year, the number of complaints in 2022 has decreased and reaches 0.07 against 0.13 complaints in 2021.

Reviews can be divided into several groups: questions, suggestions, acknowledgments and complaints.

TYPE OF REVIEW

	2019	2019	2020	2021	2022
Acknowledgments	16	31	16	42	22
Questions	334	810	723	1 065	1 209
Suggestions	10	27	16	22	15
Complaints	449	613	181	307	368
In total	809	1 482	936	1 436	1 614

Acknowledgments were received for the services available at the Airport (11 – of which four are for the PRM service; two for the kindness and helpfulness of the Airport employees; three for the ticket offices; two for the information service/ inquiry service), for the kindness and helpfulness of the check-in staff (5), for the kindness and helpfulness of the security staff (3), as well as the waiting time in the security control queue, easy connecting flights, flight services at the airport.

The number of awards received in 2022 has decreased numerically, and their proportion per 1,000 passengers has also decreased from 0.018 (in 2021) to 0.004 (in 2022).

Most often, passengers complained about passenger experience (88), items removed from baggage (64) and services available at the Airport (48). Of the 368 complaints received in 2022, 48 have been recognized as justified.

Out of a total of 1,209 questions received in 2022, 354 questions were about the passenger experience, with a large number related to lost items at the Airport. Also, a large part – 327 questions – is related to security, for example, prohibited items removed from checked baggage and the possibilities of their recovery. 141 questions were about the topic of Covid-19 – travel restrictions in other countries and Latvia, as well as questions about the necessary documents and tests. 84 questions were received about the services available at the Airport. Also, relatively many questions (82) are about passport/ID control, that is, passengers are asking for information to find out what travel documents are needed for a flight or when crossing Latvia in transit. 65 questions were asked about access, mostly related to parking services.

Responding to the feedback received and continuing to improve the level of customer service in the company, the Client Service Working Group works on customer service quality issues. In 2022, improvements were made to the temporary accommodation facilities of passengers not admitted to the country, equipping them with new sleeping places, pillows and blankets, the range of children's sports strollers used at the airport was replaced and supplemented, support was provided for passengers at the automatic border crossing gates, and also an additional place for drinking water was installed.

PRM PASSENGER SURVEY

In order to assess the quality of the services provided to PRM passengers, Riga Airport surveys these passengers. Of the 13,765 PRM passengers served in 2022, 12.85% or 1,770 PRM passengers participated in the survey – this corresponds to the goal set in the PRM quality standards – to survey 10% of the PRM passengers served annually. Of the respondents, 1,054 were departing passengers, 625 were arriving and 91 were transit passengers, of which 1,373 times the PRM service had been applied for and 397 times the PRM service had not been applied for previously.

The average satisfaction score on a five-point scale is 4.73 points. For 2023, the target indicator is 4.5 points (in 2022, the target indicator has not been defined).

SURVEY OF AIR CARRIERS AND AERODROME SERVICE PROVIDERS

In 2022, the survey of air carriers and aerodrome service providers was conducted by the Business Development Department of APBAD.

The survey is conducted electronically, with the aim of finding out the business situation of air carriers and airport service providers in 2022, the adequacy of the infrastructure and services provided by Riga Airport to the needs of the respondents, the assessment of communication with the aerodrome, the assessment of the Airport's reputation, the environmental protection and energy efficiency goals to be achieved and the planned activities in the near future years.

40 respondents participated in the survey (27 in 2021), of which 24 were aerodrome service providers, 12 air carriers, two ground handling service providers and two other airport users – ATL and TAV Latvia. A five-point scale was used for the evaluation, where five – completely correspond, one – not at all and n/a – no answer.

Every year, the survey assesses the compliance of the infrastructure and services provided by Riga Airport with the requirements of air carriers and aerodrome service providers. The average rating for 2022 is four points. Suggested improvements include:

- passenger terminals (capacity increase at security checkpoints, check-in and baggage halls; ventilation systems, WI-FI coverage and signal improvements, etc.);
- aerodromes (improvement and provision of aircraft bridges, increasing capacity for cargo handling, etc.);
- for other categories such as:
  - for parking spaces (their proximity to the user, improvement of road surfaces in them, creation of parking spaces for heavy vehicles, etc.), which were evaluated below four points.
  - for public transport (develop a route from Babīte Municipality, Mārupe to/from the Airport, etc.). Transport and getting to Riga Airport are rated under four points.
  - for catering places (for employees, new places in the public area, etc.) that were evaluated below four points.

Work continues on the introduction of necessary improvements at the Airport, for example, the insufficient capacity of the passenger terminal (will be solved by the construction of the airport expansion project or the round 6), improving the capacity of passenger air bridges (the first three passenger air bridges are planned to be put into operation in December 2023); in 2023 a project for the modernization of the Wi-Fi network is planned. Certain recommendations are related to inconveniences caused by the implementation of the "Rail Baltica" project (organisation of movement at the intersection with the Airport; improvement of roads around the Airport, etc.), as well as to the improvement of the efficiency of certain Airport processes.

Read more about the environmental and energy efficiency goals specified in the survey of aerodrome service providers and air carriers in the section "Environment".

Communication with Riga Airport in 2022 has been evaluated with 4.4 points (in 2021 – 4.61). It is stated that it is fast, simple, kind and solutions are sought in any situation, except for the cases where it is impossible to find the solution desired by the client due to regulatory provisions.

The respondents' assessment of the reputation of Riga Airport (technologically developed, innovative company, socially responsible and sustainable company, open and responsive in cooperation with customers, partners, company that strengthens Latvia's international image and competitiveness, etc.) is 4.3 points.

The summary of the results was sent for the evaluation to the responsible structural units of the Airport with the aim of determining the future actions to be improved. The results of the survey were presented at the Meeting of Operational Managers of December 2022 and will be presented to the Committee of the Airport Users in 2023.

SAFETY AND SECURITY

3.3.

The main priority of Riga Airport in the implementation of the security policy is to guarantee the safety of flights at the aerodrome. The company's core mission is to provide safe flights and a continuously safe environment for employees, lessees and customers.

Security at Riga Airport has two components – aviation security and safety, which are the responsibility of two structural units. Safety and security requirements are determined by the company's top management, following the requirements of the International Civil Aviation Organization, EC, European Aviation Safety Agency, European Civil Aviation Conference and other regulatory and recommending documents for the operation of Riga Airport.

In order to prevent illegal interference in the operation of civil aviation, in accordance with the Aviation Security Programme of Riga Airport, wich has been developed on the basis of Cabinet Regulation No. 397 of 27 April 2010, Regulations on the State Civil Aviation Security Programme, common basic standards for maintaining civil aviation security are defined. In the field of safety, in 2022, illegal interference in the operation of civil aviation will not be allowed.

In order to ensure the level of safety established at Riga Airport and to continuously reduce the risks threatening the operation of the Airport, in accordance with the SMS manual, developed on the basis of EC Regulation No 139/2014, the basic operating principles and scope of the Safety Policy (safety) and safety management system of Riga Airport have been determined, as well as safety goals have been set for each calendar year. Read more about the safety policy in the section "The Most Important Policies and Settings, Their Implementation in Practice".

In 2022, nine security-related objective were defined at Riga Airport, five of which were achieved (56% of the objectives are met), while 21 of 29 security goals of the structural units of Riga Airport were met (implementation of 72%). In 2022, out of a total of 99 tasks set for the achievement of safety objectives, 82 have been completed (implementation of 83%). The results of the defined objectives are periodically (once a quarter) analysed in the monthly working group of safety management, where the reasons for not achieving the objectives or the tasks set for the achievement of the objectives are identified, the non-fulfilment and new goals and/or tasks for the achievement of the objectives are determined, as well as the deadlines. In the field of safety in 2022, no unacceptably high level of safety was identified in the aerodrome processes.

The most important parties of influence of Riga Airport in the field of safety and security are the responsible structural unit of the Airport – the

Security Department, the SMS Assurance Team of the Aerodrome Security and Management Department, the employees of Riga Airport, as well as the competent state institutions, such as CAA, ATL, Aerodrome service providers, State Border Guard, Latvian State Police, etc

According to the security policy of Riga Airport, all employees of the company and its territory must take care of safety at the aerodrome, while supervision is provided by the SMS Assurance Team, which is a part of the Aeorodrome Security and Management Department , that works to reduce safety risks and hazards up to minimum. The safety/security requirements for the operation of Riga Airport are determined by the responsible manager of the Aerodrome and the Supervisory Board of the Airport.

SMS operates at Riga Airport based on the certificate LV-02 issued by the CAA, the requirements and recommendations set by the international regulatory documents and the CAA have been complied with. The operation, priorities and direction of the SMS are determined by the SMSS Manual, Security Policy and Objectives.

CONFORMITY MONITORING

At Riga Airport, a compliance monitoring process for the aerodrome processes has been established and is maintained (hereinafter – the conformity monitoring) to ensure compliance of SMS and aerodrome operation and maintenance processes with the requirements of binding regulatory enactments. The conformity monitoring is applied to all aerodrome processes subject to the requirements of the EC and European Aviation Safety Agency regulatory documents, including those processes that are fully or partially performed by other organizations.

As part of the conformity monitoring, four-level measures are regularly held:

- 1. Level 1 measures – daily and periodic monitoring measures of the aerodrome.
- 2nd level measures – planned – daily and periodic – control inspections of the execution of monitoring measures (including extraordinary ones) of the aerodrome.
- Level 3 measures – monitoring measures of the safety requirements for the calendar year planned within the framework of SMS.
- Level 4 measures – planned or extraordinary conformity monitoring measures of the aerodrome processes (process audits and inspections) planned in the plan for the conformity monitoring measures of the aerodrome processes.

In 2022, 17 conformity monitoring measures of level 4 took place at Riga Airport, for instance:

- inspection of pedestrian control, passenger monitoring and safety at the aerdrome,
- inspection on ensuring operation of the aerodrome in conditions of limited visibility,
- audit of the aerodorme surface maintenance and provision of airfield operation under winter conditions.

INNOVATIONS AND IMPROVEMENTS OF SECURITY PROCESS

to improve the level of safety and the comfort of passengers at security checkpoints, several measures have been implemented in 2022:

- improved software for the ex-ray machine "Smiths Detection HS 6040aTIX" which allows to carry out a security check of cabin baggage without removing laptops from the baggage;
- the passenger service desks at the passenger safety checkpoint have been extended. This improvement significantly increased passenger service capacity and improved safety requirements by reducing the likelihood of a passenger accessing checked baggage;
- procurement "Purchase and Installation of Cabin Baggage Explosive Disposal System (EDS) with C3 Standard" has started. The installation of these devices will significantly reduce the number of

items to be removed from cabin baggage, as the detection algorithm will allow cabin baggage to be checked without removing laptops and liquids. This will allow to increase the speed of passenger service and reduce the number of personnel required for security checks, as it will be possible to check baggage remotely;

- the implementation of the project "Purchase and Installation of the Devices of the Third Standard Explosives Detection System (EDS)" has started. It is planned to start using the new equipment in March 2023. The algorithm of these devices will allow more accurate detection of potential explosives and reduce false alarms.

A MODERN CENTRELINE LIGHT SYSTEM FOR TAXIWAYS

At the end of 2022, the new centreline light system of taxiways started working at Riga Airport which facilitates the movement of aircraft on the aerodrome under the conditions of poor visibility and is an essential step to introduce a modern follow the greens aircraft control system in the future.

The sharp centreline lights of the taxiways allow aircraft to move to parking areas faster and safer, freeing the runway under the conditions of poor visibility – in fog, in case of intense snow or rain and in the dark time of the day. By making aircraft ground manoeuvring more efficient and safer, carbon dioxide emissions and energy consumption are reduced.

At the same time, in 2022, the junction of the Airport's runway lighting system which houses the power supply and control systems, as well as the repair shop for the maintenance of the runway lighting system, was also reconstructed.

EMERGENCY TRAINING

In order to check the response of the personnel involved in the crisis elimination of Riga Airport, the cooperation of the structural units of the Airport and the operational services of the state, as well as the described procedures and emergency equipment, EC Regulation No 139/2014 stipulates the requirement to carry out full-scale emergency training at least once every two years.

In October 2022, an emergency drill took place at Riga Airport, simulating a fire in the terminal. During the training, it was found that the Airport participants are ready and able to respond to a fire accident, the coordinated work of the employees of the Airport, the State Fire and Rescue Service, the State Police and the Emergency Medical Service can be assessed as professional and good, as well as the existing procedures ensure an effective response algorithm and coordination between the involved airport services and state authorities in case of fire and evacuation.

INCIDENTS OF NON-CONFORMITY WITH REGARD TO THE HEALTH AND SAFETY EFFECTS OF PRODUCTS AND SERVICES

416-2

In 2022, two cases regarding the impact of products and services on health and safety have been registered at Riga Airport. Both cases are related to the slippery condition of the platform in winter conditions during the transfer of passengers to the aircraft, as a result of which one passenger slipped and suffered bruises in each case. In both cases, the passengers continued on the chosen route.

BIRD STRIKES

A09

Five bird and animal control specialists work at Riga Airport, who monitor and prevent potential threats caused by birds and animals. In 2022, Riga Airport purchased four additional gas cannons to repel birds and specialized lasers to reduce the threat. In 2023, Riga Airport plans to take the samples of the aerodrome land for the improvement or restoration of the lawn and to establish closer cooperation with the local farmer.

In 2022, 56 confirmed aircraft collisions with birds (one classifiable as a serious incident) and 35 unconfirmed aircraft collisions with birds were registered at Riga Airport. The number of confirmed cases of aircraft collisions with birds in relation to 1,000 flights – 1.02 (in 2021 – 0.72). The index of collisions with birds in 2022 was 45.5. The objective of not allowing the index value of aircraft collisions with birds to exceed nine (within the quarter) was not achieved, because there was a high proportion of unknown collisions, i.e. a large number of aircraft arrived at Riga Airport with a sign that there was a collision with a bird during the flight, but it was not possible to determine at which stage of the flight the collision took place, as well as the signs were discovered after increased inspection in aircraft maintenance hangars.

CYBER SECURITY

3.3.

The connection between business processes and the digital environment is an essential part of any type of business today. The information and communication technology solutions and digital technologies used at Riga Airport also play an important role in the operation of the Airport, ensuring various business processes. However, any technology can be subject to successful cyber-attacks which can result in the unavailability of some processes. According to the statistics of CERT.LV and the data recorded at Riga Airport, it can be determined that within the framework of 2022, denial of service attacks dominate, as well as the methods of phishing, ransomware and malware uploading attacks to retrieve data or compromise integrity are used. Therefore, Riga Airport takes care of its cyber security environment by taking various measures to reduce cyber security risks.

One of the measures is an employee cyber security training programme to improve the awareness of every employee and increase individual cyber defense capabilities. In order to strengthen cyber defense capabilities and resilience, the Cybersecurity Unit has been established at Riga Airport from the second half of 2022.

The external regulations that determine the basic requirements for the cyber security of the information and communication technology environment of Riga Airport are:

- Law on Security of Information Technologies,
- Cabinet Regulation No. 100 of 1 February 2011, Procedures for the Planning and Implementation of Security Measures for the Critical Infrastructure of Information Technologies,
- Cabinet Regulation No. 422of 3 August 2015, Procedures for the Ensuring Conformity of ICT Systems to Minimum Security Requirements,
- EC Regulation (EU) 2015/1998 of 5 November 2015 laying down detailed measures for the implementation of the common basic standards on aviation security,
- EC Delegated Regulation (EU) 2022/1645 of 14 July 2022 laying down rules for the application of Regulation (EU) 2018/1139 of the European Parliament and of the Council, as regards requirements for the management of information security risks with a potential impact on aviation safety for organisations covered by Commission Regulations (EU) No 748/2012 and (EU) No 139/2014 and amending Commission Regulations (EU) No 748/2012 and (EU) No 139/2014.

Also, internal rules have been developed that determine how to use corporate equipment, information systems and how to perform secure data processing. Within the framework of 2022, the reports of the implemented security solutions were regularly reviewed and the obtained data were analysed, the cyber security risks of information systems were reviewed, cyber safety risk mitigating measures were developed based on the obtained data, such as, for example, an expanded scope of the Airport services which are only available with two-factor authentication.

Several audits were held at the Airport in 2022 which also affected the cyber security sphere. In the management's assessment, no significant deficiencies were identified in the audits. Also, cooperation in the field of cyber security with the competent institutions, for example with CERT.LV, took place actively.

The Cybersecurity Unit increased its competence by participating in cyber security events organised by CERT.LV, exchanging the information on current cyber threats between various state and local government institutions, and the largest private commercial structures in Latvia.

Riga Airport takes care of the information communication technology environment under its management and ensures the maintenance of its cyber security capabilities in accordance with regulatory enactments.

DATA PROTECTION

3.3.

The processing and protection of personal data at Riga Airport takes into account the requirements set out in various external and internal regulatory enactments of the Airport.

Riga Airport must be able to demonstrably demonstrate that the processing of personal data takes place taking into account the requirements of GDP Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

As a data controller, Riga Airport must process personal data in compliance with Article 6(1) of the GDP Regulation, that is, the processing of personal data is legal only to the extent and only if at least one of the justifications mentioned in the GDP Regulation is applicable. The processing of personal data is carried out by Riga Airport on the basis of the laid down processing purposes, having regard to the principles of data minimization, transparency, confidentiality and review responsibility, as well as on the basis of the general legal regulation of data storage.

Riga Airport has developed internal regulations in the field of personal data protection in order to periodically evaluate the amount of personal data being processed and its conformity to the achievement of the purposes of personal data processing and data safety, for example, the procedure for reviewing requests from data subjects, the procedure for protecting the personal data processing system, etc. Great attention is paid to staff training.

When processing personal data, Riga Airport must also comply with the personal data processing principles set out in Article 5(1) of the GDP Regulation and the requirements set out in other regulatory enactments in the field of personal data processing and protection – ensure processing of personal data that is legal, fair, transparent in relation to the data subject, accurate and to the minimum extent necessary only for the achievement of the purpose.

In 2022, in compliance with the requirements of the GDP Regulation, Riga Airport:

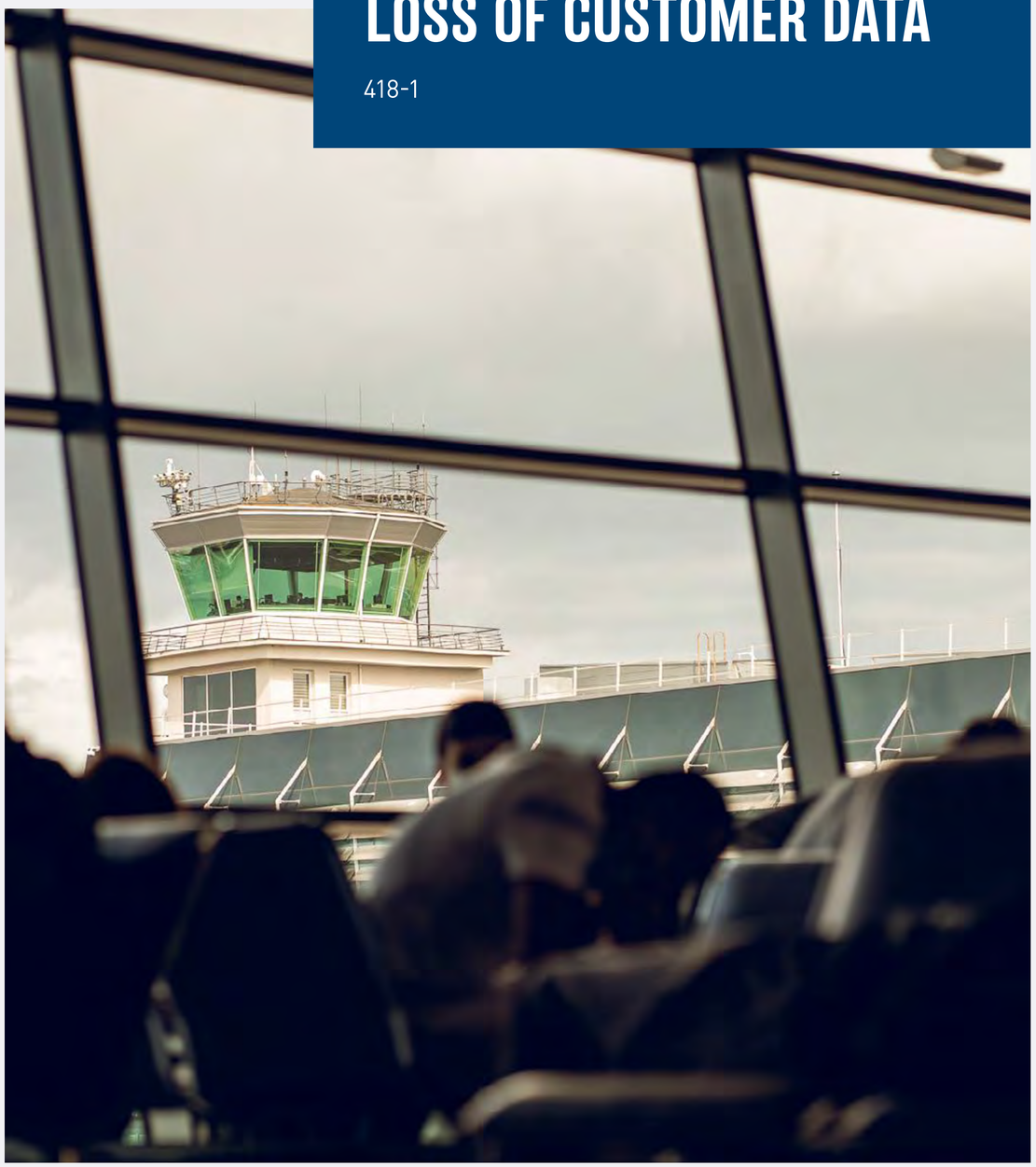
- carried out assessments of the impact on personal data protection, taking into account the conditions of the third paragraph of Article 35 of the GDP Regulation, if, when evaluating the way of personal data processing, it is concluded that it could pose a high risk to the rights and freedoms of natural persons, and an impact assessment has not been carried out until then to the protection of processed personal data, including risk analysis;
- advised employees on current data protection issues;
- evaluated information systems both from the aspect of risks and data protection;
- maintained a register of personal data events and a register of personal data processing processes;
- developed and clarified existing quality system procedures that regulate issues related to data protection;
- provided opinions on the contracts developed by the structural units of the Airport, international agreement contracts, cooperation contracts and their draft amendments;
- informed and provided advice to users of personal data about their obligations in matters of personal data processing and protection;
- performed personal data audits of computers located in the IT infrastructure of the Airport and linked to users, etc.

The board, administration and other employees, as well as third parties with whom the company has signed cooperation contracts, are involved in the process of personal data processing.

The evaluation of the operations so far shows that Riga Airport ensures the protection and safety of personal data in accordance with the regulatory requirements of the GDP Regulation, the Law on the Processing of Personal Data and other legal acts and complies with the principles of good practice in the processing of personal data.

JUSTIFIED COMPLAINTS ABOUT VIOLATIONS OF CUSTOMER PRIVACY AND LOSS OF CUSTOMER DATA

418-1



In 2022, not a single complaint related to violations of customer privacy and personal data processing was registered.

ENSURING SAFE TRAVEL DURING COVID-19

Aware of its responsibility in limiting the spread of Covid-19 and to take care of the safety of passengers, employees and partners, in 2021 Riga Airport introduced a comprehensive epidemiological safety program #NeļaujVīrusamCeļot. It envisages a set of measures in several operational directions for the protection of employees of the Airport and companies working at the Airport and for safe passenger service in order to minimize the risks of the spread of Covid-19 as much as possible. When developing and updating the program, Riga Airport consults with Latvian health protection authorities and follows the recommendations of international aviation organisations.

As the epidemiological situation improved, various restrictions were mitigated in the country from 1 April 2022, however, Riga Airport calls on passengers to continue to wear a medical mask or respirator at the Airport, to strictly observe hand hygiene and to observe physical distancing wherever possible.

At the Airport, there is a hand sanitizer on all tables in the check-in sector as well as in the boarding sector, as well as contactless hand sanitizers in the public and passenger areas of the terminal.

There is a permanent reception point for patients of E.Gulbja Laboratory, operating at Riga Airport, offering the opportunity to pass various types of Covid-19 tests, as well as to perform other types of medical analysis. Also the contactless Covid-19 testing point of E. Gulbja Laboratory's continues work at Riga Airport which is located at the exit from departure hall at the Airport.

See information on the safety of Riga Airport employees in the section "Occupational Health and Safety Management System".

AVAILABILITY

RIX 2

ACCESS BY PUBLIC TRANSPORT

To get to the capital and back, passengers can use public transport bus 22 of Rīgas satiksme Ltd., taxi services, transportation by passenger cars on websites or mobile applications, as well as using shared cars.

The public transport stop is located 300 meters from the passenger terminal of Riga Airport. Public transport from Riga Airport to Riga runs several times an hour, on average every 20 minutes. Taxi services are available from the nearest roadway to the terminal.

International traffic is also available from Riga Airport provided by the following international transport companies: Eurolines with routes to Panevezys and Vilnius, FlixBus with routes to Tallinn, Vienna, Vilnius, Bratislava and Warsaw, Ollex with routes to Šiauliai, Plungi and Klaipeda.

There are three parking lots available for passengers and customers at Riga Airport, providing the opportunity to park 2,986 cars. Parking capacity as a percentage (from the total number of parking spaces):

- P1 in the short-term parking lot – 10%;
- P3 in long-term parking – 72%;
- P4 in long-term parking lot – 18%.

The short-term parking lot P1 is located in the foreground of the terminal, before the arrival sectors E and C, while the long-term parking lots P3 and P4 are located in the distance of a walk of few minutes from the terminal of Riga Airport. For the needs of employees and employees of cooperation partners, parking lots P2 and a temporary parking lot on Muzeju Street are provided.

For the convenience of customers, a free transfer from the long-term parking lots to the Airport terminal and back is available. There is no charge for the first 10 minutes of using P1 short-term parking when waiting or escorting passengers (once in a 24-hour period). In all parking lots, you can pay with cash, with a bank card, or with Mobilly mobile app. Parking services can be purchased by pre-booking them on the Airport's website.

The information on the Airport parking lots is available in the section "Airport parkings" of Riga Airport.

The pick-up and drop-off point for shared cars is located in the long-term parking lot P3 of Riga Airport. There are four companies operating at Riga Airport that provide shared autonomous services, offering low-emission and zero-emission vehicles for rent. In the territory of Riga Airport there are also bicycle parking spaces, and passengers have the opportunity to leave their bicycles for storage in the Airport's baggage storage. Bike sheds are located near the terminal building (next to the P1 short-term parking lot, between E and C arrivals), as well as a parking space for motorcycles and mopeds.

Information on the means of transport to and from Riga Airport is compiled in the section "Transport" of the website of the Airport.

ACCESS FOR PEOPLE WITH REDUCED MOBILITY

3.3.

Riga Airport is responsible for introduction and ensuring the requirements of Regulation (EC) No 1107/2006 of the European Parliament and of the Council concerning the rights of disabled persons and persons with reduced mobility when travelling by air. It includes staff training and disability awareness, environmental accessibility, infrastructure improvement/adaptation and equal, harmonious and non-discriminatory PRM service. Taking into account the requirements of Regulation No 1107/2006, Riga Airport promotes equal service to all passengers and guests of Riga Airport. The PRM service quality standard has been developed for Riga Airport based on the requirements of EC Regulation No 1107/2006. In order for the service to be provided in accordance with the requirement, a service manual for passengers with limited mobility has been developed for Riga Airport.

By investing in the modernization of the passenger infrastructure, the Airport passenger terminal built in 1974 has been supplemented with annexes adapted for PRM passengers and corresponding to the requirements of an accessible environment for every person, regardless of his or her physical or other abilities.

In 2022, the largest number of the total recognitions received at Riga Airport was received for the quality of PRM services (4).

PRM SERVICE

The PRM service is available to passengers with temporary or permanent mobility limitations. This service must be requested in advance at the time of purchase of air tickets. If the ticket is purchased less than two days before the flight, the service can be requested electronically by writing to IPAsupervisor@riga-airport.com. The airport provides a pre-registered PRM service within 10 minutes from the moment of its activation, and up to 40 minutes for non-pre-registered PRM services.

The service is provided from the point of call to boarding the aircraft and includes the following assistance:

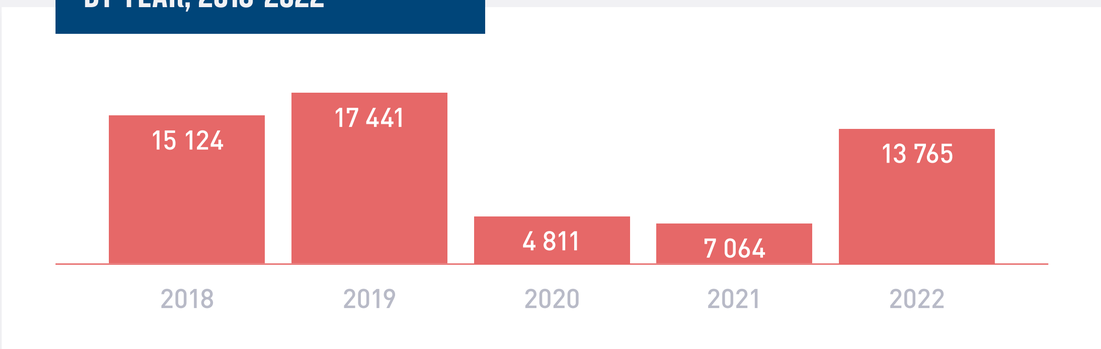
- to register for a flight, to hand over baggage, a wheelchair or other aid which has been approved for transportation by the airline selected for the flight;
- to perform a safety, customs and border control check;
- to visit shops, cafes or business lounge premises;
- to visit the facilities;
- to get from the departure sector to the seat of the aircraft and deposit the passenger's cabin baggage in its designated place.

When arriving at Riga Airport, assistance is provided for the following:

- to get off the aircraft and get to the terminal;
- to get to the departure hall (if the passenger is a resident of Latvia), go through customs and border control checks, receive baggage, get to the passenger's next selected point (in the airport territory), which is a parking lot, taxi, public transport or hotel;
- to get to the necessary aircraft connection (if the passenger is flying on a transfer) and pass customs and border control checks.

In 2022, 95% more PRM passengers were served at Riga Airport than in 2021. A total of 13,765 PRM passengers were served in 2022. In respect of the total number of passengers in 2022, the share of PRM passengers is 0.25%.

NUMBER OF PRM PASSENGERS, BY YEAR, 2018-2022



07 IMPACT ON THE ENVIRONMENT

The environmental and energy management policy of Riga Airport is focused on sustainable development, preservation of the surrounding environment and concern for the society as a whole. The main activity of the Airport is to serve aircraft and passengers, operate the aerodrome, as well as maintain and develop the infrastructure in accordance with the basic principles of sustainable development, respecting the environmental, economic and social aspects and fulfilling the norms of legal acts, as well as the requirements of the ISO 14001 and ISO 50001 standards.

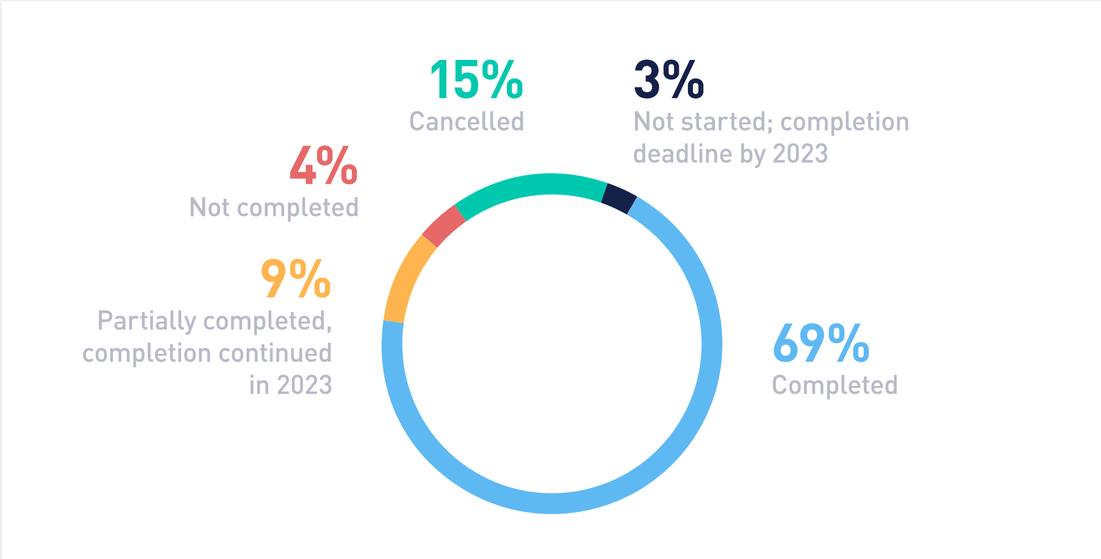
Riga Airport regularly invests financial resources to ensure environmental protection and energy management requirements stipulated in regulatory enactments, as well as evaluates the compliance of the Airport's operations in order to ensure compliance with the laid down requirements.

The implementation of the energy management system in accordance with the requirements of the ISO 50001 standard is determined by the requirements of the current regulatory enactments. If the requirements of the energy management system are not met and financial resources are invested to fulfil the obligations of the energy management system, the company is at risk of paying the energy efficiency fee in the manner and to the extent laid down in the Energy Efficiency Law. In 2022, the energy efficiency fee has not been paid.

The Energy Efficiency Law imposes obligations on Riga Airport as the responsible party of the scheme of energy efficiency obligations, where the measures to improve energy efficiency for end users must be taken in three commitment periods. If financial means are not available and it is not possible to fulfil the above-mentioned obligations, a mandatory contribution to the state energy efficiency fund must be paid in the order and amount laid own in the Energy Efficiency Law. In 2022, no contributions were made to the state energy efficiency fund.

Ten objectives were included in the programme for environmental and energy management for 2022, as well as 35 tasks and 86 activities to achieving the laid down objectives.

18 out of 35 tasks were completed in full, seven – partially, two – not completed, execution of five tasks was cancelled. In general, 69% of all activities included in the programme for environmental and energy management for 2022 have been fully implemented.



Riga Airport regularly monitors the fulfilment of environmental requirements of lessees and aerodrome service providers by organizing environmental inspections. In 2022, 16 environmental inspections were carried out at lessees and airport service providers. Since 2022, Riga Airport has started mapping emissions of the 3rd scope, involving also lessees and aerodrome service providers in their reduction.

In the survey of aerodrome service providers conducted in 2022, in which 40 respondents participated, the environmental protection and energy efficiency goals of the Airport users were clarified. Aerodrome service providers mention the following as the most important measures to reduce their emissions:

- installation of solar panels;
- transition to the use of sustainable aviation fuel;
- purchase of electric cars;
- CO_2 reduction in accordance with the requirements of the green course of the European Union.

In the Airport Users' Committee, Riga Airport informs users about its activities for sustainable development, the progress of the projects of the green course legislation and the position of the industry, as well as the expected involvement of airport users in both the reduction of emissions of the scope 3 and waste management. According to the Net Zero road map of Riga Airport, in 2025 the Airport will qualify for level 3 of the ACA programme, which envisages developing a detailed stakeholder engagement plan in 2024.

FINANCIAL RISKS AND IMPACTS RELATED TO CLIMATE CHANGE

201-2

In 2022, Riga Airport started to identify and evaluate sustainability risks taking into account the Risk Management Policy of Riga Airport, the requirements of the European Sustainability Reporting Standard project, the materiality matrix created by Riga Airport in 2022, and information published by other airports about their inherent risks, and continues doing it in 2023.

The types of climate change-related risks identified so far are attributable to damage to the Airport infrastructure or the impact of extreme weather conditions (floods, storms, heat, fog) of long-term suspension of the Airport operations, frequent extreme weather changes due to which the Airport might have to adapt its operations and processes. Also, sustainability risks are associated with difficulties in identifying climate-related transition events (if 1.5o C or more increase in average temperature occurs), as a result of which it may not be possible to identify and implement measures to mitigate the impact of these events.

Since the identification and assessment of sustainability risks, including the determination of financial impact estimates, will continue in 2023, it is currently predicted that along with climate change, the Airport's operational costs related to adapting processes to climate change could increase. More precise information on sustainability risks will be published in the non-financial statement for 2023.

INVOLVEMENT IN CLIMATE CHANGE MITIGATION

3.3.

In 2009, during the 18th annual congress of ACI Europe, European airports pledged to reduce CO_2 emissions in order to achieve the main goal of becoming carbon neutral airports. The ACA programme was created to achieve this goal. Currently, more than 443 airports around the world are accredited in the programme[17] which works purposefully to decarbonize its operations, including Riga Airport.

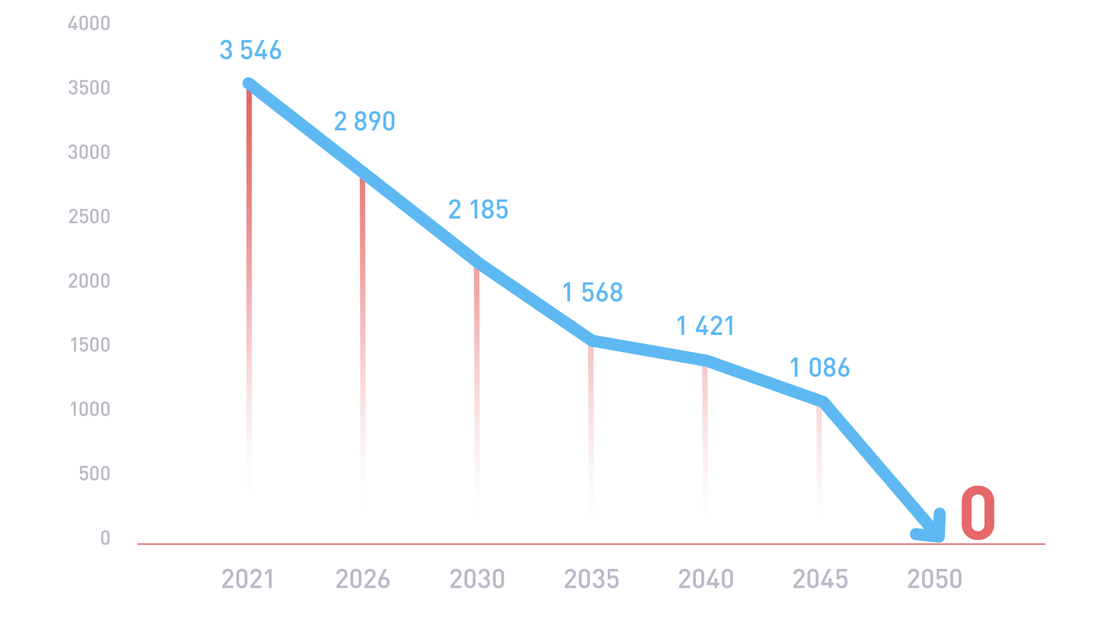
Riga Airport takes care of the reduction of greenhouse gases in the emission sources controlled by the company and participates in the ACA programme since 2015 (certifying the emissions of 2014). Along with the certification at the 2nd level of the ACA programme in 2020, Riga Airport started targeted work on reducing emissions in order to reach the 3rd level in the coming years.

[17] Source: https://www.airportcarbonaccreditation.org/participants.html.

From 2021, the CO_2 emissions assessment of Riga Airport will also include the emissions of the scope 3 which are not under the direct control of the Airport, but which are generated by aerodrome service providers and passengers, thus involving airport lessees, aerodrome service providers (e.g. airlines) and passengers in reducing emissions. For the management of CO_2 emissions at Riga Airport, a process description "Ensuring the Management of Greenhouse Gas Emissions" has been developed, while emission mapping and certification is provided based on the guidelines of the ACA programme. In 2021, the Airport joined Net Zero initiative of the ACI which aims to reduce the Airport's direct emissions to zero by 2050. In 2022, Riga Airport developed a road map for achieving the objective of Net Zero by 2050.

The Net Zero roadmap envisages a gradual reduction of CO_2 emissions until 2035. The biggest reduction will be achieved by reducing CO_2 emissions from electricity. A significant reduction of CO_2 emissions can also be predicted from the use of fuel and the production of thermal energy, making the transition to alternative energy resources.

REDUCTION OF EMISSIONS BY 2050



Reducing emissions by 2035 is relatively easy to implement because the technologies needed to reduce these emissions are developed and available, such as solar panels, electric buses, electric external power sources, etc. Riga Airport anticipates that it will be a bigger challenge to reduce emissions after 2035, taking into account the fact that it is impossible to predict future technological development, costs and their availability.

The Airport plans to compensate CO_2 emissions from surface anti-icing and cold agents, as well as remaining CO_2 emissions, which will not be possible to reduce, with measures promoting CO_2 capture (planned amount of CO_2 emission compensation ~442 t CO_2).

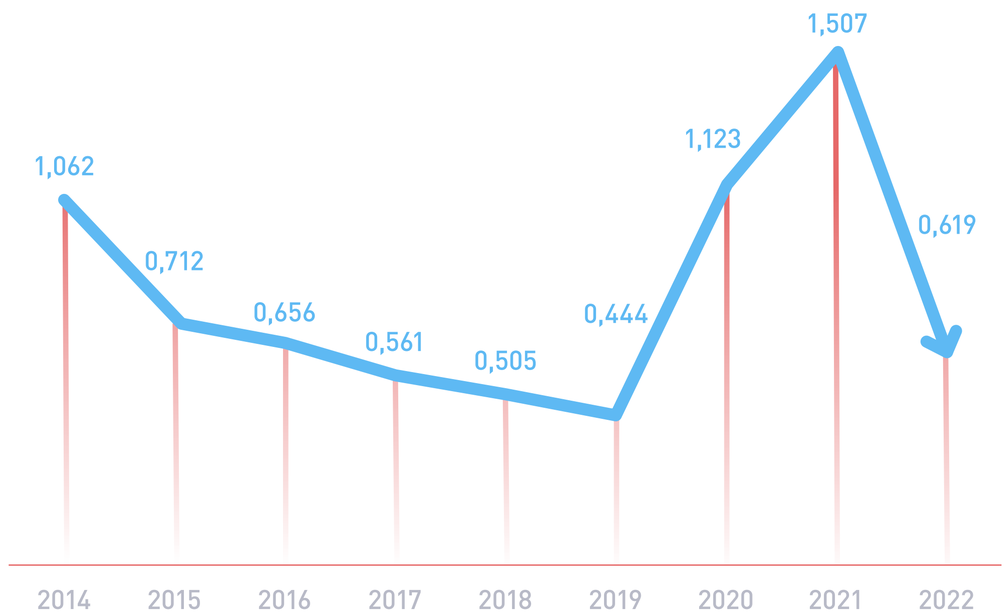
The most important measures for the transition to Net Zero include:

- **production of thermal energy from renewable energy resources** – replacing the gas boiler with wood chips or pellets, improving the energy efficiency of existing buildings;
- **transition to alternative fuel transport** – replacement of passenger buses with electric buses until 2025, gradual replacement of passenger vehicles with alternative fuel road transport until 2035, replacement of specialized machinery with alternative fuel road transport until 2050, replacement of external power sources powered by diesel fuel with stationary power sources and electrical external power sources until 2030, expansion of intermodality possibilities;
- **Electricity production from renewable energy resources** – construction of solar panel parks 7 MW by 2035, installation of vertical wind generators by 2030, CO_2 capture measures in 2050;
- **Efficient use of energy** – replacement of platform and runway lighting with efficient LED lighting by 2025, renovation and updating of existing buildings;
- **To create a modern and demand**-compliant power grid in order to balance supply and demand over time to optimally manage electricity at Riga Airport.

In 2022, Riga Airport also developed a new plan for the management of CO_2 emissions for 2023-2025 in order to achieve the climate objective defined in the Sustainability Strategy – to reduce CO_2 emissions by 65% compared to 2014. The objective to reach the level of CO_2 emissions of 0.346 t CO_2 /passenger, which is 44% less than in 2022, is laid down in the plan for the management of CO_2 emissions for 2023-2025.

Currently, due to the drop in the number of passengers caused by the Covid-19 pandemic, there is an increase in emissions in relative units compared to 2019, therefore the plan for the management of CO_2 has been supplemented with an action plan which lists the projects that should be implemented in the next three years to reduce CO_2.

REDUCTION OF EMISSIONS BY 2050



GREENHOUSE GAS EMISSIONS AND THEIR INTENSITY

305-1, 305-2, 305-3, 305-4

To assess its GHG emissions, Riga Airport uses the guidelines of the ACA programme, as well as the version Acert 6.0 of the tool provided thereby. The ACA guidelines provide for the calculation of emissions by applying both site-specific emission factors and emission factors calculated on the basis of trade. Both direct and indirect emissions are included in the GHG emissions protocol of Riga Airport. Direct emissions of the Airport are considered to be those emissions that arise from the Airport's self-consumption of energy resources and are under the direct control of the Airport. The volume of indirect emissions consists of the services provided by the Airport, but the Airport itself is not a consumer and has no direct control over emissions. CO_2 emissions are attributed to the relative value – the number of passengers served. The Airport has developed the plan for the management of CO_2 emissions for 2023-2025 which defines the procedure for managing and controlling carbon dioxide emissions. The airport does not collect data on the amount of emissions for individual technical units or individual activities, but calculates the total CO_2 emissions from the consumption of energy resources.

For direct greenhouse gas emissions of the Airport, the emissions of CO_2, methane and N_2O are examined, and for indirect emissions – CO_2. CO_2 emissions in the production of thermal energy have been examined, but the information on the gases used in the calculation of emission factors for the electricity consumed by the company is not available.

The Airport uses the absolute volume of emissions, and for direct emissions, the emission factors built into the tool Acert. The emission factor laid down in the regulatory enactments is accepted as the electricity emission factor, but the heat energy emission factor is calculated from the information provided by the heat energy supplier.

In 2022, when developing the new plan for the management of CO_2 emissions, the base year for the assessment of emission reduction was changed from 2018 to 2014, thus aligning the target year set in the Sustainability Strategy with the target year of the ACA programme. In 2014, fixed emissions in absolute units were 5,114 t CO_2, while in relative units – 1,062 kg CO_2 /1,000 passengers.

	2020	2021	2022
Emissions from own direct consumption			
CO_{2e} emissions, t	718	1 707	2 068
CH_4 emissions, t	0.036	0.057	0.069
N_2O emissions, t	0.041	0.070	0.086
HFC emissions, t	0.062	0.010	0.111
Biogenic CO_2 emissions in metric tons of CO_2 equivalent [18], t	23	23	21
Emissions from the production of purchased energy			
CO_{2e} emissions, t	1 540	1 832	1 742
CH_4 emissions, t	0.109	–	–
N_2Oemissions, t	0.002	-	-
Impact party emissions			
CO_{2e} emissions, t	–	285 506	The calculations will be in October 2023 and will be published in the report for the year 2023.
CH_4 emissions, t	–	204	
N_2O emissions, t	–	1	

[18] Biodiesel emission factor of 2.5 kg CO_2 eq/l (9.45 kg/gallon or 2.5 kg/l) and ethanol emission factor of 1.52 kg CO_2 eq/l (5.75 kg/gallon or 1.52 kg/l) were used https://www.epa.gov/sites/default/files/2021-04/documents/emission-factors_apr2021.pdf

REDUCTION OF GREENHOUSE GAS EMISSIONS

305-5

Data on the amount of GHG emissions reduced as a result of the project implementation in 2022 are calculated until 1 November 2023, therefore this report includes data on emission reduction in 2021. In 2021, two heat supply improvement and consumption regulation projects were implemented.

Also, in 2021, 2014 was determined as the base year for the calculation of GHG emissions of Riga Airport in the Sustainability Strategy, because it was the first year when Riga Airport certified for the ACA programme.

In the plan for the management of CO_2 emissions for 2023-2025 developed in 2022, a new objective was set for 2025 – to reach 0.346 tCO_2 per passenger. The new objective is significantly more ambitious than the objective laid down in the Plan for the Management of Carbon for 2023-2026 – to reach 0.494 tCO_2 per passenger. In 2022, Riga Airport reached 0.619 t of CO_2 per passenger.

Amount of GHG emissions reduced as a result of project implementation	2019	2020	2021
Site-attributable emission fac-tors	1,1 t	132 t	0,8 t
Emission factors calculated on the basis of trade	3 t	510 t	0,8 t

In 2022, Riga Airport carried out several activities laid down in the Sustainability Strategy 2022-2030, which will contribute to the reduction of the emissions of the scope 3 in the long term.

In 2022, several meetings were held with the involved parties – fuel suppliers, airBaltic, LAA, Ministry of Transport, Latvian Hydrogen Association, Schwenk Latvia Ltd., Ventspils Oil Terminal, JSC Latvenergo, where possible solutions for sustainable aviation fuel production in Latvia were discussed. For now, there is a lack of a national support mechanism and a leader who would take the direction of the process. Riga Airport also addresses fuel producers to find out about their plans in the Baltic region and potential cooperation.

In 2023 the project application "Establishment of Electricity Supply and Charging Infrastructure in the Baltic States' Airports in North Sea-Baltic CNC/ TEN-T Corridor for the Transition to Environmentally Friendly Operations" within the EU Structural Funds Programme "Alternative Fuels Infrastructure Facility – Works – Zero Emissions" submitted by Riga Airport and the implementation partner from Lithuanian (Vilnius and Kaunas) airports was approved. Within the framework of the project, it is planned to ensure the improvement of the electricity supply infrastructure at Riga Airport by reconstructing the existing electrical substation, to create an electric transport charging infrastructure in order to reduce the emissions created by Riga Airport and cooperation partners, as well as to install a solar panel park with a capacity of 250 kW.

In the 2022 employee survey conducted in June, it was concluded that approximately 66% of airport employees use a car, 14% use public transport, and 12% use a bicycle to get to their workplace.

In order to promote the reduction of emissions created by employees, Riga Airport provides the possibility of remote work for employees whose job specifics allow it, as well as the ride-sharing application Twogo, purchased and adapted specifically for the needs of the Airport employees, available to employees of Riga Airport since March 2023. Taking into account the opinion expressed in the survey, in 2022 new bicycle parking spaces were also installed in several areas of the Airport.

On the other hand, data from the passenger survey in 2022 show that airport passengers use private transport (48%), taxi services (29.5%), bus (18%) and other ways of getting to the Airport (4%). Therefore, in order to reduce these emissions, it is important to participate in the construction process of the railway station "Rail Baltica", to create a suitable charging infrastructure that would motivate the use of electric vehicles, to develop a wider use of shared cars, to cooperate with public transport service providers in order to improve the accessibility of the Airport with low or no emissions means of transport, as well as to cooperate with local governments to promote suitable cycling and micro-mobility infrastructure.

In addition to the charging points installed in 2021 at the entrance in the P3 parking lot, in 2023 two more car charging facilities will be installed in the P3 parking lot of Riga Airport with the possibility of charging four cars at the same time. There are four companies operating at the Airport that provide shared autonomous service. Vehicles for rent are offered with reduced emissions or no emissions – hybrids and electric cars.

COOPERATION IN THE DEVELOPMENT OF HYDROGEN TECHNOLOGY

Hydrogen is considered to be one of the possible decarbonization pathways in the world with high growth potential.

On 29 November 2022, Riga Airport signed a memorandum of understanding with the Ministry of Economy, LIAA and other organisations that cooperate in hydrogen initiatives. The purpose of the memorandum is to promote a strong and unified development of the hydrogen ecosystem and relevant technologies, as well as to accelerate the introduction and capacity of hydrogen innovation, infrastructure, production and application in Latvia, providing an opportunity for the hydrogen industry to develop in accordance with the objectives set by the EU, contributing to the Latvian economy, and contributing to the achievement of climate objectives.

In 2023, the memorandum provides for the following:

- to develop the hydrogen road map and hydrogen strategy of Latvia, which would serve as a guideline and planning document for the development of the industry and would be directly related to the national action policy;
- to ensure that by the end of 2023 at least three applications are submitted to international support instruments.

In 2023, as part of the Hydrogen Alliance, Riga Airport participates in legislative and joint project focus groups.

In order to promote the reduction of emissions and the fulfilment of European climate objectives, in 2022 Riga Airport, in cooperation with the leading partner – Hamburg Airport and several airports of the Baltic Sea region, which are concerned with reducing emissions and preparing for the introduction of hydrogen technology in aviation, started work on the preparation of the project which is the project co-financed by Interreg. The aim of the project is to conduct research on the necessary actions for the introduction of hydrogen aircraft service infrastructure at airports, as well as to test the operation of a hydrogen-powered heavy-duty machinery unit – a snow removal machine.

Participation in the project would provide knowledge about the advantages and disadvantages of using hydrogen technology, the necessary infrastructure for its transportation and storage, the maintenance of hydrogen-powered aircraft and the use of the units of hydrogen-powered heavy-duty machinery. The project is expected to be submitted for approval in March 2023.

08

ENERGY CONSUMPTION AND EFFICIENCY

ENERGY CONSUMPTION

302-1

Riga Airport uses several energy resources to ensure its operation – fuel, electricity and fuel.

Electricity ensures the power supply of terminals and technical service buildings, as well as the operation of cooling systems. Electricity is consumed for the outdoor lighting of the aerodrome and public areas, as well as for the operation of various equipment and vehicles. The biggest consumers of electricity at Riga Airport are the terminals, the administration building complex and platform lighting. Street lighting, aircraft parking lots and runway lighting are also important consumers of electricity. Riga Airport does not use all the purchased electricity for its own needs, but sells part of it to lessees and aerodrome service providers.

Heat energy for the Airport is supplied by Industry Service Partner Ltd. which produces heat energy using wood chips and natural gas. Riga Airport sells part of the purchased thermal energy to lessees.

Diesel fuel, gasoline and electricity are used to operate vehicles and equipment at Riga Airport. Fuel is filled both at the gas station of Riga Airport and also purchased at gas stations outside the airport. The amount of electricity used to charge the baggage trucks is not allocated separately, but is included in the total electricity consumption.

Energy accounting and calculation is based on measurements, delivery documentation and accounting of the company's internal resources. Riga Airport calculates fuel consumption in liters for each calendar month, therefore, in the processing of energy consumption data, the unit of measure "liters" has been converted to "MWh" using the methodology included in the energy report of Riga Airport.

In 2022, the thermal energy consumption of Riga Airport was 7,349.29 MWh which is 17% less than in 2021. Compared to the heat energy consumption of Riga Airport in 2020, the heat energy consumption in 2022 has increased by 8%, but compared to the heat energy consumption in 2019 it has decreased by 20% in 2022. Heat energy consumption has decreased in 2022 due to the implementation of energy-saving measures which are described more detailed in the section "Energy Efficiency", the implementation of measures to improve energy efficiency (replacement of windows in individual buildings) and the continuation of the reconstruction works of the MTI building.

Electricity consumption in 2022, compared to 2021, has decreased by 52.19 MWh or 0.33%. On the other hand, electricity consumption in 2022 is 99.67 MWh or 2.42% less than electricity consumption in 2019. The electricity consumption of Riga Airport is gradually approaching to the level of electricity consumption in 2019, but the number of passengers, flights and cargo served at Riga Airport in 2022 has not yet reached the level of 2019, i.e. the level that was observed in air traffic before the impact caused by Covid-19 pandemic.

Energy resource	Unit of measurement	2019	2020	2021	2022
Consumption of energy resources of Riga Airport					
Electricity	MWh	13 209,450	12 308,88	15 734,02	15 681,83
Heat energy	MWh	9 136,813	6 866,37	8 886,80	7 349,29
Diesel fuel	MWh	8 018,76	2 544,86	4 605,90	5 320,46
Gasoline	MWh	353,56	205,99	198,85	215,37
In total	MWh	30 718,58	21 926,09	29 425,57	28 566,95
The amount of energy resources transferred to lesse					
Electricity	MWh	15 919,168	13 777,87	14 846,15	15 264,38
Heat energy	MWh	2 444,927	1 981,63	2 525,16	2 345,77
In total	MWh	18 364,095	15 759,50	17 371,31	17 610,15

Riga Airport consumed 566,006 l or 5,320.46 MWh of diesel fuel in 2022 which is 22.5% more than in 2021 and 13.1% more than in 2019. In 2022, biofuel made 1.25% of the total amount of diesel fuel consumed at Riga Airport. In its turn, the amount of gasoline consumed was 23,495 l or 215.37 MWh which is 9.3% more than in 2021, but 26.5% less than in 2019. In 2022, bioethanol made 9.5% of the total amount of gasoline consumed at Riga Airport. In 2022, the biggest diesel fuel consumers of Riga Airport are passenger and cargo handling equipment and apron and runway cleaning equipment. In 2022, the biggest consumers of gasoline at Riga Airport are aerodrome equipment and passenger and cargo handling equipment. A significant increase in the consumption of diesel fuel and gasoline in 2022 can be observed in the winter months (January, February, November, December), which can be explained by the fact that fuel consumption was affected by the weather – snow removal from the apron and runway.

ENERGY EFFICIENCY

302-3, 302-4

In order to determine the operational efficiency of the energy management system and the fulfillment of the defined objectives, Riga Airport carries out regular control of performance indicators. Once a quarter, the energy management working group looks at the quarterly consumption indicators and analyses the causes of consumption deviations exceeding 15%. To determine the efficiency of the use of electricity, the consumption of electricity (MWh) is evaluated in relation to the number of serviced traffic units, while to determine the energy efficiency of heat energy, the consumption of heat energy (MWh) is evaluated in relation to the area to be heated (m²).

The Airport cannot estimate what part of the electricity is produced from renewable energy resources, because all the electricity is purchased and the supplier does not provide such information, but when making calculations within the framework of the ACA programme, the airport assumes that this part corresponds to Latvia's residual mix.

The Airport does not collect data on the amount of thermal energy produced from renewable energy sources, but the data on the amount of emissions from each type of fuel and the percentage of emissions it makes up. In 2022, the percentage of CO_2 emissions by fuel type was 85.39% for wood chips and 14.61% for natural gas.

In 2022, several measures to improve energy efficiency related to reducing electricity consumption for lighting were implemented at Riga Airport. In the buildings of the technical services of the Airport – the waste collection hangar, the vehicle washing hangar, the checkpoint building and the fire depot, lighting was replaced and LED lighting devices were installed, thus contributing to the reduction of electricity consumption.

Performance indicator	2020	2021	2022
Electricity, MWh/SV[19]	0.0055	0.0060	0.0028
Thermal energy, MWh/1 m²	0.238	0.308	0.255

In 2022, the objective to reduce the Airport's total electricity consumption below 0.0050 MWh per serviced traffic unit was defined in the environmental and energy management programme, which has been met. The energy efficiency index for electricity in 2022 is 0.0028 MWh/SV which is 53.33% lower than the energy efficiency index achieved in 2021 (0.0060 MWh/SV).

In the environmental and energy management programme for 2022, the objective not to increase the thermal energy consumption of Riga Airport above 0.305 MWh per 1 m² of heating area was defined, which has been fulfilled. Regarding the area of heated premises, the amount of heat energy consumed in 2022 compared to 2021 has decreased and in 2022 reached 0.255 MWh/m² or decrease by 17%.

[19] One traffic unit is equivalent to one passenger or 1 t of serviced air cargo.

Taking into account the increase in the prices of energy resources, on 26 September 2022, Riga Airport introduced a set of energy saving measures for the heating season of 2022-2023. The main austerity measures included:

- optimization of lighting intensity both inside and outside the Airport, reducing it by 20% in common areas, where it is technically possible;
- adjusting the heating temperature in the airport terminal within 19-20°C degrees;
- in the working premises, the heating temperature should be ensured at the level of 19-20°C, outside of working hours the temperature should be reduced to the level of 16-17°C. In rooms where employees do not stay daily or stay for a short time, reduce the temperature to a technically permissible lower temperature;
- the application of uniform remote work to all employees in the administration building;
- rational use of household appliances and office equipment;
- information and education measures for employees and lessees.

Taking into account the increasing importance of improving energy efficiency and energy management, a new position of energy management specialist of QSD was created in 2022 at Riga Airport. The energy management specialist ensures the functioning, monitoring and improvement of the implemented energy management system, ensures the fulfilment of the requirements of the ISO 50001:2018 standard at Riga Airport, and also helps structural units to integrate the requirements of the standard into their daily work.

On 20 September 2022, the State Construction Control Bureau conducted an inspection at Riga Airport to ensure compliance with the requirements of the Energy Efficiency Law. No inconsistencies were found during the inspection.

In order to mitigate the effects of climate change and contribute to the reduction of GHG emissions, it is essential to implement measures that reduce the amount of energy consumed and replace energy produced using fossil energy resources with energy produced using renewable energy resources. Riga Airport plans to develop and implement solar panel projects that will start operating in 2024, thus the 2025 report will include a new performance indicator – the share of renewable energy in the total energy balance.

Regarding the rational use of energy and measures to improve energy efficiency, informative and educational events are held for the employees of the Airport – the webinar "Elektrum" on energy efficiency was organised, which included consumption analysis, lighting modernisation, as well as employee education and motivation, general educational articles on topical environmental and energy management topics were regularly published in the airport newsletter "eRIX reports", as well as examples given to employees on how their activities can reduce the impact on the environment. In employee kitchens and other rooms, a reminder is placed near the light switches to turn off the lights when not in the room.

WATER CONSUMPTION

3.3.

Water is one of the most important natural resources at Riga Airport, whose quality and quantity are assessed every year with an internally developed procedure, accredited methods and according to the requirements of the laws and regulations of the Republic of Latvia on the management and protection of water resources. The most important directions of water consumption are providing passengers and employees with high-quality drinking water and using water to ensure technical processes. Water quality control at Riga Airport is carried out by specialists of an accredited company, while its testing takes place in several accredited laboratories of Latvia. The managers and specialists of the involved airport structural units, airlines and other involved parties are informed about the results of the testing.

An annual monitoring program has been developed and approved for

the assessment of water quality and quantity at Riga Airport, as well as an internal process has been developed – environmental monitoring and data analysis, which determines the division of duties and responsibilities between employees, structural units and other involved parties of Riga Airport. In the final stage of the water quality evaluation, individual evaluations are prepared, in cases of exceeding the limit values, allowing to identify the possible causes of the exceedances, as well as, if necessary, to immediately initiate actions to restore and improve the water quality.

In the sustainability strategy for 2022-2030, the objective has been defined to improve the quality of drinking water at the Airport and promote the rational consumption of water resources, preventing the increase of water consumption per passenger above 0.011 m³.

In 2022, this goal was achieved, both taking into account the indicator of water consumption per passenger (see the section "Water Extraction and Consumption") and the results of water sample testing reports which confirm water quality.

WATER EXTRACTION AND CONSUMPTION

303-1, 303-5

Riga Airport obtains its water from three underground water extraction wells. After water extraction, the water is de-ironed and softened so that it meets the drinking water quality requirements, after use, the entire volume of the extracted water (except for the small part that is used in the washing hangar) is transferred to Rīgas ūdens Ltd. for purification. Water consumption limits, attainable quality indicators and control frequency are determined in the national regulatory enactments and the polluting activity permit. The company informs the controlling institutions about the amount of drinking water obtained and the results of the quality and quantity monitoring carried out once a year in accordance with the procedures laid down in the regulatory enactments.

Once a quarter, an environmental protection specialist measures the static and dynamic levels of water extraction wells with a special level gauge. Statements are prepared for the measurements and they allow to assess the recovery rate of the underground water inflow in the mining wells, as well as the working capacity of the wells. In one of the wells, a reduced operational capacity is regularly recorded, but this generally does not pose a threat to the general water supply system at the Airport. Water extraction from each well is regulated so that it does not create potential geophysical hazards, such as the formation of depression funnels.

The availability of water resources at the Airport, as well as the implemented technical and organizational control mechanisms ensure water extraction in the short and long term. The obtained water is consumed not only for the needs of the Airport, but in conformity with mutually concluded utility service contracts, it is also supplied to the lessees of the Airport and aerodrome service providers. The largest water consumption occurs in the terminal (including for sanitary purposes), administration buildings and the equipment washing hangar. In 2022, compared to the previous year, the direct consumption of Riga Airport increased significantly, consuming a little more than half of the volume of water obtained.

Drinking water in very small quantities in 18.9 l polycarbonate bottles is supplied to the company by an external service provider.

Water storage does not have a significant impact on water consumption – it is stored in small amounts in the water tower to ensure the continuity of water supplies.

Water extraction, m³	2020	2021	2022	% 2022 vs. 2021
Underground boreholes	80 967	75 824	106 414	+28.74
Other sources (polycarbonate bottles)	115	104	139	+25.17
In total	81 082	75 928	106 553	+28.74
Water consumption, m³				
Airport	28 155	30 463	54 064	+43.65
Lessees and aerodrome service providers	52 927	45 361	52 350	+13.35
In total	81 082	75 824	106414	+28.74
Water consumption (m³ / 1 passenger)	0.0139	0.0129	0.0100	+29%

Data on the water consumption of Riga Airport is obtained from verified water meters. The consumption of the lessees of the Airport is mainly obtained from verified water meters, a small part of the water consumption of the lessees is calculated according to the approved methodology. The methodology for calculating water consumption is applied to those lessees for whom it is technically impossible to install water meters (there is no connection point for the water pipe), for example, individual shops in the terminal. Environmental inspections, as well as internal and external audits, are regularly carried out at the responsible structural unit to ensure process monitoring.

Riga Airport does not obtain water from areas with a water deficit.

In 2022, Riga Airport started preparations to almost completely abandon water in polycarbonate bottles in 2023, using tap water for consumption. One of the activities was an information campaign for the employees of the Airport and those working in the Airport terminal about the fact that tap water of the Airport is safe for consumption. Also, material on rational water consumption was placed in the restrooms of employees. In 2023, it is planned to continue placing such material in passenger toilets.

WASTEWATER AND SOIL POLLUTION MANAGEMENT

3.3.

Taking into account the specifics of the operation of Riga Airport, the management of wastewater is essential for Riga Airport. In 2022, amendments were made to the category B polluting activity permit, as a result of which SES clarified the conditions in the permit for the frequency of wastewater sampling and quality control. The requirements for waste water management are defined in Paragraph 9 of Section C of the permit for Category B polluting activity, in the calendar water monitoring plan of Riga Airport and in the internal process – Environmental Monitoring and Data Analysis.

The Airport, when carrying out waste water quality control, constantly follows up in order not to exceed the thresholds of polluting indicators specified in Cabinet Regulation No. 92, Requirements for the Monitoring of Surface Water, Groundwater and Protected Areas and the Development of Monitoring Programmes. Evaluating the results of mandatory monitoring and self-monitoring, the quality of wastewater can be assessed as good, as it ensures the limit concentrations specified in regulatory enactments. In order to improve the quality of wastewater, additional oil product catchers were installed, as well as regular maintenance and cleaning of the existing equipment was carried out by pumping out accumulated sand and water containing oil products.

In 2022, work continued on the evaluation of technical solutions for the reconstruction of anti-icing wastewater treatment facilities in the following years. The existing wastewater treatment equipment installed in the car wash, according to the quality control results, confirms the good efficiency of the equipment operation.

The Airport informs the SES about the quality of wastewater in conformity with the conditions laid down in the permit for Category B polluting activity, and also indicates the information

in the unified environmental information system of State limited liability company "Latvian Environment, Geology and Meteorology Centre" in the state statistical report "No. 2-Ūdens". Other involved parties, such as lessees and service providers, are not informed separately about the quality of wastewater, but they can obtain this information in a general form in the publicly available annual company environmental report on the website of Riga Airport. At the same time, lessees and aerodrome service providers are bound by the environmental protection requirements set by Riga Airport in the document "Regulations Regarding Environmental Requirements for the Lessees and Aerodrome Service Providers of SJSC Riga International Airport". In order to control whether tenants and service providers comply with the relevant environmental protection requirements, annual environmental inspections are carried out.

In 2022, an attracted outsourced service conducted a study of historical pollution near the boiler house in the engineering area of the Airport. As part of the research, several monitoring boreholes were drilled and exploration wells were installed to obtain soil and groundwater samples, which were further analysed in an accredited laboratory. In none of the exploration wells installed in the research area, the "free phase" of oil products, or the floating layer of oil products not adsorbed in the soil, was recorded. It was established that the concentration of the sum of petroleum products (3610±430 mg/kg) in the soil exceeds the pollution precautionary limit value (B value) in the exploration well No. 1, in soil sample 1 – 2. Summarising the research results, it was concluded that historical soil contamination with oil products is mainly found in the research facility. Evaluating the laboratory testing report, it can be concluded that the groundwater in the research facility is not contaminated. The SES was informed about the results of the research and in conformity to its instructions, additional research is planned to be carried out in 2023 as well.

WASTE WATER MANAGEMENT

303-2

In 2022, rainwater from the discharge points entered the drainage ditch, from where it further flowed into the Neriņa River. In 2022, another monitoring site was established, monitoring a total of six rainwater discharge sites. In 2022, municipal wastewater was transferred to Rīgas ūdens Ltd., and since 5 May 2021, production wastewater has also been transferred to Rīgas ūdens Ltd. for treatment. In 2022, 2,271 m³ of production wastewater was transferred to Rīgas ūdens Ltd., which is 37.93% more than in 2021. The cause of the increase is mainly related to more unfavorable meteorological conditions in the winter months of 2022 and performance of more intensive anti-icing of aircraft.

WASTE WATER QUALITY AND TREATMENT METHODS

The quality control of rainwater and municipal wastewater is carried out on the basis of the approved annual water monitoring plan in accredited laboratories in Latvia and the Czech Republic. The indicators of the quality of rainwater and municipal wastewater and their thresholds are determined in the national regulatory framework, for example, the achievable quality indicators of municipal wastewater are determined in the binding regulations of the Riga City Council No. 17, Binding Regulations for the Operation, Use and Protection of the Centralized Water Supply and Sewerage System of the Riga City, while quality indicators and thresholds in rainwater are determined in Cabinet Regulation No. 34, Regulations Regarding Discharge of Polluting Substances into Water. Once a year, a report on the results of rainwater quality is submitted to the Lielrīga Regional Environmental Board of the SES.

A biological wastewater treatment facility with a capacity of 25 m³ /day was built in the Airport territory for the treatment of car wash wastewater. The rest of the municipal wastewater is transferred to Rīgas ūdens Ltd. for treatment in conformity with a mutually concluded contract. In order to ensure adequate indicators of the quality of municipal wastewater, its initial treatment is provided by grease traps. In conformity with the rules and procedures established at Riga Airport, environmental inspections are regularly organised in the structural units of the Airport, cleaning and maintenance schedules, the actual condition of grease traps and quality indicators (data from testing reports) are checked at lessees and service providers, as well as survey statements are prepared. The requirements for the installation of appropriate cleaning equipment are set by the Riga Airport and the state controlling institutions, taking into account the specifics of the planned operation and the requirements in the regulatory enactments. In order to ensure the quality of rainwater and municipal wastewater, equipment surveys are carried out regularly and equipment cleaning and maintenance are carried out at least once every six months (if necessary, once a quarter). Metering of discharged domestic wastewater is not carried out.

Rainwater is discharged into the environment without treatment, except for the areas where oil spills are possible. In these areas, rainwater is collected and directed to oil product separators which clean the rainwater from oil products before discharging it into the environment. 17 oil product separators are located in the territory of the Airport.

From February 2021, wastewater from anti-icing areas is also collected in the stationary storage tanks of the Airport, and from 5 May 2021, their transfer to Rīgas ūdens Ltd. began. The Lielrīga Regional Environmental Board of the SES was informed about the above-mentioned changes in wastewater management, which made amendments to the Aategory B permit No. RI15IB0030 in 2022.

USE OF AIRCRAFT AND AERODROME SURFACE DE-ICING/ANTI-ICING MATERIAL

A06

To ensure safe flights, anti-icing agents are used in the treatment of aircraft and aerodrome surfaces. Since the anti-icing treatment of aircraft takes place on the territory of the aerodrome, the Riga Airport must ensure the collection and processing of chemicals and mixtures used during the anti-icing treatment. In 2022, 2,271.50 tons of production wastewater containing anti-icing treatment agents were collected and handed over to Rīgas ūdens Ltd. from the anti-icing treatment areas.

Quantity of De-icing/Anti-icing material of the Surface of Aircraft and Aerodrome	n 2022, 1,397 m³ of aircraft de-icing/anti-icing material of type I and 141 m³ of aircraft de-icing/anti-icing material of type II were used. In 2022, 362.79 tons of liquid anti-icing reagent (KFOR) and 304 tons of granular anti-icing reagent (NAFO) were used for the treatment of aerodrome pavement surfaces.
Amount of aircraft and aerodrome de-icing/anti-icing material in percent handed over for recycling or used without recycling	In the de-icing season of 2021/2022, 99.99% of all de-icing processes took place in de-icing remote areas where the de-icing fluid is collected. Waste water containing anti-icing reagents for aerodrome surfaces is not treat-ed, nor is it separately listed.

WASTE MANAGEMENT AND CIRCULAR ECONOMY

3.3.

In order to ensure waste management in accordance with environmental protection requirements, a waste management system has been implemented at the Airport, which involves all employees of Riga Airport, passengers and lessees of the terminal premises. The activities and measures to be implemented related to the waste management are determined in the Sustainability Strategy and the Environment and Energy Management Programme of Riga Airport. Waste management procedures are determined by the Waste Management Plan for 2022-2027, the permit for the Category B polluting activity No. RI15IB0030, as well as the internal process – Ensuring Waste Collection and Removal. The goal of municipal waste management in 2022 was to reduce the volume of unsorted municipal waste below 69%. The objective was not achieved in 2022 (fulfilment in 2022 – 81.04%). The reason for the increase in the indicator can be explained both by the change in the methodology for expressing volume units in mass units and by the lack of measures to increase the proportion of waste sorting. With the planned creation of new positions for waste sorters in the terminal and the change of the waste collection system in 2023, it is expected to reduce the proportion of unsorted municipal waste, reaching at least 65% in 2030.

Annual goals are not set in hazardous waste management. Riga Airport regularly reviews the objectives defined for the waste management, performing activities within the framework of available funding. The Airport's lessees and service providers are also involved in the waste management system of the Airport, which have concluded utility service contracts with Riga Airport, which provide for the transfer of household or hazardous waste to the Airport. Deeds on acceptance and transfer are prepared for the acceptance and transfer of waste, which are used for mutual settlements with Riga Airport and for ensuring waste accounting. For specific lessees and service providers, the SES has issued the permit for the Category C polluting activity, or activity registration has been carried out and requirements in the context of waste management have been included therein. The requirements for lessees and service providers in waste management are also defined in the Airport regulations, Regulations Regarding Environmental Requirements for the Lessees and Aerodrome Service Providers of the SJSC Riga International Airport. In order to control whether the lessees and service providers comply with the relevant environmental protection requirements, Riga Airport carries out annual environmental inspections.

WASTE MANAGEMENT

306-1, 306-2, 306-3

The main sources of municipal waste are the airport terminal, administrative and technical premises, external territory, aircraft and territories transferred for lease. In order to ensure waste management in conformity with environmental protection requirements, the waste management system has been introduced at Riga Airport, involving all the employees of the Airport, passengers and lessees of terminal premises. Participation in the common waste management system of the Airport is not mandatory for the lessees of the territories, however, the same basic principles of environmental protection and waste management must be observed as in the waste management system introduced by Riga Airport.

The total amount of generated municipal waste has decreased from 2,059 tons in 2021 to 1,923 tons in 2022, respectively, during the last year, the total amount of waste has decreased by

6%, which can be explained by changes in the methodology for recalculating the mass of waste. Since 2022, the waste coefficients calculated by Eko Baltia Vide Ltd. have been applied to convert waste from m³ to tons. The total amount of waste in kg per passenger in 2022 was 0.292 t. Comparing the data of 2021 and 2022, it was found that the amount of waste transferred per passenger in 2022 is smaller (0.658 t/passenger in 2021) and the decrease in 2022 is due to the increase in the number of passengers.

Data on waste volumes are obtained from the information available in the Waste Transportation Accounting System and deeds. Data on hazardous waste is obtained from hazardous waste registration invoices. Once a year, Riga Airport submits the national statistical report "No. 3-Atkritumi", which indicates the types of waste generated at the Airport, the dangerousness, the amount and the merchants to whom the waste is handed over.

Short-term storage of household, hazardous and environmentally harmful goods waste takes place in the waste hangar of Riga Airport and in a specially designed room in the terminal, with the exception for certain types of waste which are handed over to the waste management company from the place of waste generation. Permanent long-term waste storage facilities have not been established at Riga Airport. The Airport lists all types of waste in accordance with the requirements of regulatory enactments.

The company transfers the generated municipal, hazardous and environmentally harmful waste to licensed waste management companies with which contracts have been concluded for a certain period. The largest share is made up of unsorted household waste, which Riga Airport transfers to Eco Baltia vide Ltd. on the basis of the contract. Also, paper and cardboard packaging, plastic packaging, glass packaging, bulky and biodegradable waste are handed over to Eco Baltia vide Ltd. In accordance with the concluded contract, the confidential paper waste is transferred by Riga Airport to Šrēdereja Ltd.

Information on waste management methods at Riga Airport can be obtained from waybills, as well as by contacting representatives of the waste management companies. The method used for household waste

depends on whether it is sorted. Riga Airport sends paper, glass, cardboard, and other types of municipal waste for recycling.

The purpose of using hazardous waste is indicated in the hazardous waste registration waybills. Storage and processing of hazardous waste takes place at the addresses of hazardous waste receiving facilities. Riga Airport does not compile information on the further use of hazardous waste after its storage.

In 2022, the amount of hazardous waste has decreased. The decrease is mainly due to the fact that anti-icing wastewater, which was classified as hazardous waste in 2020 and 2021, was reclassified as production wastewater in 2022.

	2020		2021		2022	
	Household waste, t	Hazardous waste, t	Household waste, t	Hazardous waste, t	Household waste, t	Hazardous waste, t
Recycling	657	1 509	511	225	368	139
Composting	20	–	–	-	-	–
Landfill disposal	1 546	–	1 548	–	1 573	–
Storage	–	157	–	22	–	–
Other management methods (recovery, incineration, under-ground disposal, etc.)	–	–	–	–	–	–
In total	2 223	1 666	2 059	475	1 941	139

It is determined in the Airport Sustainability Strategy to ensure the sorting of waste and the transfer of sorted waste for recycling as efficiently as possible, therefore, by the end of 2030, Riga Airport has committed to increase the proportion of sorted waste to 40% of the total annual volume of municipal waste.

In 2022, the amount of sorted waste compared to unsorted was 18.96% (24.83% in 2021). By carrying out a detailed study of waste statistics, it was found that the amount of waste sent for recycling has significantly decreased – comparing the data with the data of 2021, it was found that the amount of glass, bulky waste, metal and biodegradable waste sent has decreased which is partly explained by changes in the methodology for the recalculation of waste volume to mass units.

In order to improve this indicator, in 2022 Riga Airport developed the Waste Management Plan for 2022-2027 which includes activities both towards the achievement of the objective of 2030 goal and primarily to achieve the objective laid down in the Strategy of Riga Airport – to achieve an increase in the proportion of unsorted waste to 66%.

The most significant actions completed in 2022 for the implementation of circular economy principles:

- two mobile deposit packaging points have been introduced in the Airport terminal – in the passenger preparation area before safety control and in the passenger area;
- purchase, installation and marking of separate waste collection containers for all administrative and technical service buildings;
- expansion of sorting options – placement of waste containers for used office paper that is not confidential waste paper and placement of waste containers for separate collection of electronic cigarettes in the terminal and in employee premises;
- placement of a separate container for textile waste in the Airport territory;
- conclusion of the contract with "Depozīta iepakojuma operators Ltd. for the packing to be transferred to the deposit system of the VIP center;
- an algorithm has been introduced to use the remaining water from the fire engine for watering the platform during the summer.

Existing activities are also successfully maintained – waste sorting takes

place both in the Airport terminal and in administrative buildings, processing not only sorted and general waste, but also other waste streams, including electrical and hazardous waste. For the implementation of social goals, the foundation "Ideju partneru fonds", which maintains the charity shops "Otrā elpa", donates the belongings left in the terminal.

Riga Airport reuses the milled asphalt pavement in its territory for the creation of other pavements. For example, in 2022, the asphalt milled from the sidewalk leading from the bus stop to the P2 parking lot was used to create a new sidewalk at the corner of Muzeju and Torņa Streets. The perimeter road around the aerodrome and the section on Mazā Gramzdas Street are also made of the milled asphalt of the runway and taxiways.

In 2022, there was also an informative activity for the employees about waste sorting – the annual environmental competition in the closed group "RIXMīlSavējos" of the social website Facebook. The competition was dedicated to educating employees and testing their knowledge of waste sorting. This time, the employees had to familiarize themselves with waste sorting tips and complete a test. Of all the authors of the correct answers, two received water bottles as a prize, and one received a waste sorting bin for their homes.

In 2023, Riga Airport will continue to implement the activities laid down in the Waste Management Plan for 2022-2027, taking additional measures to promote waste sorting, for example waste re-sorting in the terminal.

WASTE DISPOSAL

306-4, 306-5

Riga Airport does not collect information on the further use of the handed over household and hazardous waste after it arrives at waste management facilities. Information on the volumes of hazardous waste transferred for processing and regeneration is obtained from hazardous waste registration waybills, in which this section is indicated by the waste receiver upon agreement with the transporter. The further cycle and use of recycled and recoverable waste takes place in accordance with the specifics of the operation of the relevant facility and in conformity with the requirements of the permit for polluting activity of the waste managers. The amount (weight) of household and hazardous waste transferred to processing and storage and the purpose of management are specified in the section "Waste Management and Circular Economy". One of the most typical methods after treatment of hazardous waste is its incineration in company boiler houses. Taking into account that the largest amount of unsorted household waste from Riga Airport is buried in the landfill "Getliņi", where methane gas is obtained and burned during the decomposition of waste, it can be concluded that the transferred waste was at least partly used for energy production.

IMPACT ON BIODIVERSITY

3.3., 304-2, 304-3

Biodiversity is decreasing all over the world under the influence of various conditions. Aware of both the global context and the context of the aviation industry within it, Riga Airport works to ensure that the biological diversity around the Airport does not suffer significantly as a result of the company's operational activities, primarily ensuring high flight safety. With regard to biological diversity, Riga Airport has set the objective "Encourage that the management of the Airport territory is ecologically responsible and operationally safe, and as far as possible does not affect biological diversity" in the Sustainability Strategy.

Among the binding documents that regulate the area of biological diversity, the external regulations are binding on Riga Airport – the Hunting Law, the Animal Protection Law, the Law on the Conservation of Species and Biotopes, and from the internal documents – the Aerodrome Operating

Instructions, which determine the management of wildlife threats.

BIRD AND ANIMAL CONTROL

Safety requirements for airports require limiting the presence of wild animals on the aerodrome to a minimum, especially birds. The Airport is staffed 24/7 by specially trained staff – bird and animal control specialists – who use the gentlest possible methods to repel birds from the runway area.

In order to preserve those species of birds that are protected in Latvia, but whose presence in the territory of the Airport may threaten the safety of flights, Riga Airport has received a permit issued by the Nature Protection Board to catch and relocate these species to another, more suitable and safer place for birds until 2023.

In order to assess the impact of the operational activities of the airport on birds in the territory of the aerodrome, Riga Airport prepares a report once a year on the observed bird species, caught and relocated protected birds, and birds that died in collisions with aircraft. This report is submitted to the Nature Protection Board and assessed in the context of biodiversity at the Airport. If an injured animal is caught, it is handed over to the society for helping Latvian wild birds "Drauga Spārns" for veterinary assistance.

In order to reduce the presence of birds in the vicinity of the aerodrome, Riga Airport has included in the terms and conditions of the land lease agreement the provisions for the lessees of its territories which are aimed at the maintenance of buildings and the environment, and the creation of an unattractive environment for birds and animals.

FOREST MONITORING AND FOREST RESTORATION

In order to monitor the possible impact of aircraft emissions on the forest ecosystem, forest monitoring was started in 2018, including in the Beberbeķi Nature Park. As part of the monitoring, a methodology was developed, as well as a forest monitoring program was prepared and approved by the Nature Protection Board. In 2022 obtaining of monitoring data has been carried out. In 2023, the modelling of five years of pollution impact will be carried out.

In 2019, Riga Airport concluded a contract for a complex forest management service, within the framework of which the restoration of forest stands on the territory of the Airport, including planting of forests and care of young trees, is intended. In 2022, forest maintenance, agrotechnical maintenance on the area of 10.28 ha and young trees maintenance on the area of 3.39 ha were carried out.

MAINTENANCE OF THE TERRITORY OF THE AERODROME

Together with the Nature Protection Board, Riga Airport applied for the research project of the EU Network for the Implementation and Enforcement of Environmental Law "Implementation of the Birds and Habitats Directive at European Aerodromes". The desired outcome of the project is to gain insight into the impact on habitats, birds, pollinators, wildlife and their management practices at European aerodromes. Initially, the project was planned to run from 2022 to 2024, and although the project has been approved, there is still a lack of experts involved in its implementation, including in the development of airport survey questions, and the Nature Protection Board plans to start the project in April 2023.

The Airport is working to eliminate insect larvae that pose a threat to flight safety through biological and environmentally friendly methods. Since 2018, insecticides are no longer used to eliminate such pests.

In 2022, an area of 22 hectares of the green area has been limed with the aim of reducing soil acidity and changing the microclimate, thus worsening the development of garden beetles. Work is also underway to improve the quality of the lawn.

RESTORED AND PROTECTED HABITATS

The closest specially protected area to Riga Airport is the Beberbeķu Nature Park, which is included in the list of the territories of "Natura 2000", however, the Airport has no direct influence on this specially protected nature area.

In 2022, Riga Airport concluded a contract with the foundation "Ziedot.lv" for the fact that the fee from the passenger deposit package is donated to the Latvian Nature Fund for the preservation of Latvia's biological diversity and the restoration of disappearing natural meadows. In 2022, EUR 215.70 was donated, which enabled the Latvian Nature Fund to purchase seeds for the restoration of natural meadows.

CITES

The Security Department of the Airport cooperates with the Customs Administration of the SRS to prevent the illegal transportation of wild animals. Also, Riga Airport has allocated space in the terminal so that the State Revenue Service can carry out informative and educational activities in the form of various visual materials.

During the summer flight season of 2022, Riga Airport, in cooperation with the Nature Protection Board and the Customs Administration of the SRS, held an educational campaign, calling on passengers to be careful and knowledgeable when choosing and buying exotic souvenirs in foreign countries. In the informative campaign "I am bringing a souvenir, I am bringing smuggled goods", air passengers were reminded of the need to comply with the requirements of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), so that the importation of souvenirs is not followed by a penalty for an offense and confiscation of the souvenir.

EMPLOYEE TRAINING

Based on the guidelines "Combat Wildlife Trafficking" of ACI Europe, the training programme "Training for personnel conducting safety checks" was updated on 10 October 2022, which is intended for the training of employees of the Aviation Security Division of the Security Department. The training programme includes information on the illegal transportation of wild flora and fauna.

In 2022, a total of 142 employees – X-ray operators and personnel performing safety checks – were trained in the detection of illegal trade in wild animals, while in 2023 an educational webinar is planned for all employees of Riga Airport on the trends and risks of illegal transportation of wild flora and fauna.

ACTIVITIES FOR SUSTAINABLE TRAVELLING

In order to inform the wider public about what choices for more environmentally friendly travel every passenger can make at home, at the Airport and at the travel destination, in 2022 Riga Airport developed a video with tips for sustainable travel. The video is available in the section "Sustainable Travel" of the website of Riga Airport.

IDEAS COMPETITION FOR EMPLOYEES

In January 2022, Riga Airport implemented a new initiative – the idea contest for employees "Idea Bank". In the competition, employees can submit ideas in several categories, including the category "Efficiency and Resource Saving". During the year, in this category, employees submitted 12 ideas related to the environment and energy efficiency – motion sensors, waste sorting and separate containers for electronic cigarettes, electric charging points for employees, together with a driving application, GPU replacement, expansion of the deposit system and support for biodiversity projects.

09 EMPLOYEES

EMPLOYEES

3.3.

Riga Airport is one of the largest and most recognizable employers in Latvia, employees of all generations of the workforce and of various educational levels work together. Many of the company's professions and the knowledge and skills necessary for work are unique in Latvia. In order to achieve the company's strategic objectives and implement high safety and service standards, it is important to attract, train, manage and retain professional, motivated, result-oriented and loyal employees.

The airport implements a personnel policy in conformity with its values – safety and security, growth, responsibility, efficiency and openness and promotes the implementation of a modern personnel management system based on best practices. Employee selection, training, remuneration, evaluation and labour protection systems are continuously improved, as well as professional development opportunities and employee well-being are promoted.

HRD, in conformity with the strategic objectives of Riga Airport, especially the objective "To promote the development of the aviation industry by retaining and attracting high-quality specialists, providing growth opportunities and a work environment that promotes success", ensures the maintenance, improvement and implementation of a Unified Personnel Policy at the Airport, organises employee evaluation and development discussions, coordinates employee motivation processes, participates in the development of a collective labour agreement in cooperation with the Union of the Airport Employees of the Republic of Latvia and organises other projects related to personnel management in accordance with the Terms of Reference of the Human Resources Department.

HRD includes the following departments:

- The Human Resources Management which performs analysis and planning of personnel resources, ensures recruitment, selection and recruitment of personnel, management of personnel documents, control of working time planning and accounting, management of the process of employee evaluation and development discussions, management of salary and motivation processes, engages in the development process in management (talent, career management, succession, competence management and development, etc.) and ensures the connection of the personnel management function with business management processes.
- The TC, which provides training and qualification maintenance of the employees of Riga Airport, inspections of processes and training and professionalism, determines the required set of training for each position at Riga Airport. TC cooperates with education and training centers in Latvia and abroad, attracting external training providers if necessary. TC also trains employees of other organizations.
- The Labour Protection Department which ensures the management of the labour protection system in accordance with the current regulatory enactments. Read more in the section "Employee Health and Safety".

In order to achieve the above-mentioned strategic objective, the HRD has defined annual performance indicators and annual achievable indicators, within the framework of which several important projects defined in the Sustainability Strategy and the following documents have been implemented in 2022:

- in the performance report of the action plan of the HRD for 2022, which provides a comprehensive overview of the performance of objectives in 2022, reflecting the planned and performed activities, achievable and actual results, deadlines, involved structural units and performance status;
- in the Plan for Work Environment Internal Monitoring;
- in the Plan for the Personnel Development and in performance of this plan for 2021, 2022;

- in the Plan for the Implementation of the TC Strategy for 2022-2027;
- in the Plan for the Professionalism Inspections for 2022.

In connection with the development of the operations of Riga Airport at the end of 2021 and in 2022, a large number of employees were hired, reaching 1,388 employees at the end of 2022. Read more in the section "Employee Turnover". Recruitment took place throughout the year, implementing a large-scale recruitment campaigns, organising career events and cooperating with educational institutions and employment organisations. Timely recruitment of employees in the first half of 2022 allowed Riga Airport to avoid the lack of employees observed in other European airports during the summer travel season which caused significant flight delays.

Thinking about attraction of employees in the future, as well as contributing to the education of the population, Riga Airport provided internships, including updated the regulations on training internships at Riga Airport and engaged in the employment activities for various target audiences.

In 2022, a large resource was devoted to the training of new and existing employees, which takes place in accordance with the Personnel Training and Competence Procedure. The Plan for the Implementation of the TC Strategy for 2022-2027 was developed and approved, work was continued on the modernisation and digitisation of the training process, determination of the training needs of structural units, new curricula were developed and professionalism inspections were carried out, in accordance with the Plan for the Professionalism Inspections for 2022. In addition to the training required for the position, employees were also offered other training courses, on which you can read more in the section "Development".

For the satisfaction and motivation of existing employees, the following key measures were implemented in 2022:

- the Personnel Policy was revised;
- the Motivation Programme for 2023 was developed;
- the Personnel Management Manual was updated;
- the Remote and Flexible Work Organisation Procedure was updated;
- the Terms of Reference for Awards have been developed;
- the changes developed in 2021 in the wage system, which provide for an increase in salaries, were introduced;
- the Requirements for the Determination of Employee's Salary have been developed for determining the individual salaries of employees;
- the qualification requirements/ criteria with detailed descriptions and distribution of salary in conformity with the criteria for salary increase have been developed for the operational positions within the salary range (from/to);
- the work continued on the development of the PI system, in order to further link the execution of the PI plan with the receipt of the bonus;
- the amounts of several bonuses were increased (read more in the section "Salary");
- several activities for the physical health and safety of employees were implemented (read more in the sections "Well-being" and "Employee Health and Safety");
- the Idea Bank was introduced (read more in the section "Internal Communication and Involvement");
- the electronic annual evaluation module has been introduced and the development negotiation process has been improved. Development discussions and events at Riga Airport take place in accordance with the Plan for the Personnel Development.
- Being aware of the current challenges in the psycho-emotional field, in connection with the consequences of the pandemic, the aggravation of the geopolitical situation, the increase in work amount and workload, the economic situation in the country and other challenges, in 2022, Riga Airport implemented several initiatives dedicated to the mental health of employees. Read more in the section "Mental Health and Wellbeing".

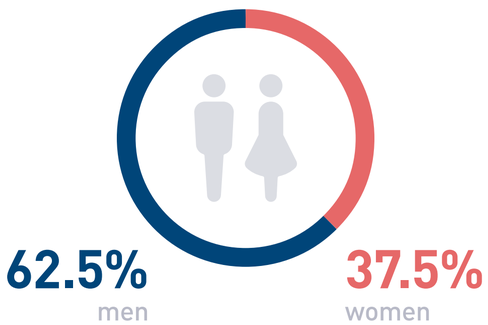
At the end of 2022, a comprehensive work environment and engagement survey was conducted (previously such a survey was conducted in 2019). The results of the survey show that improvements have been achieved in many areas, and material has been obtained for further work in improving the working environment and employee engagement. Read more in the section "Internal Communication and Engagement".

STAFF COMPOSITION

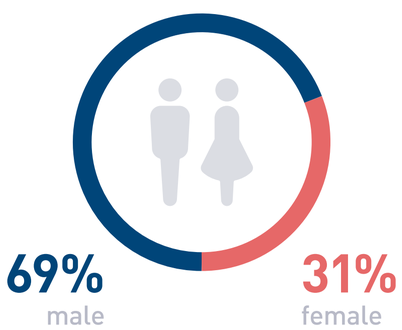
2.7, 405-1

As of 31 December 2022,
1,388 employees
worked at Riga Airport.

Staff composition
(board, directors, deputies):



Staff composition (excluding senior management, including employees on parental leave):



The proportion of men at Riga Airport has developed historically and can be explained by the high number of technical professions, as well as professions that require high physical endurance. During 2022, a large number of aircraft service agents were hired, in connection with the expansion of operations in ground handling, which is also associated with the most significant changes in the composition of employees compared to 2021 (more in the section "Personnel Turnover"). However, in 2022 there was a more active involvement of women in technical professions. In order to promote greater representation of women in the aviation industry, Riga Airport joined the IATA initiative "25by25" by signing a memorandum in 2022.

Basically, the employment contract is concluded for a full workload and for an indefinite period. In 2022, 937 men and 420 women worked for an indefinite period, and 20 men and 11 women for a fixed period (i.e., mainly for the period of childcare leave, as well as additional managers of aerodrome maintenance equipment during the winter season and positions for the implementation of certain projects). In certain cases, mainly upon the initiative of the employee, part-time employment contracts may be concluded. In 2022, 928 men and 425 women worked full-time at Riga Airport, and 29 men and six women worked part-time. A total of 35 full-time employees, including five men, were on paternity leave (employment contracts entered into for indefinite period of time).

WORKING HOURS

Excluding senior management, excluding employees on parental leave:

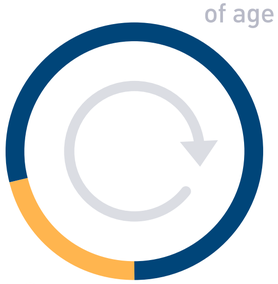
18% normal working hours

81% aggregated working hours

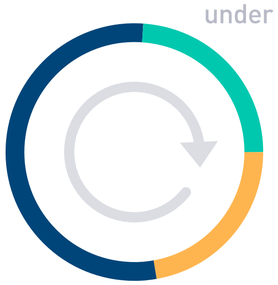
Not including senior management	Including senior management, but excluding employees on parental leave
Working time	Working time
82% aggregated working time	**81%** aggregated working time

AGE OF EMPLOYEES

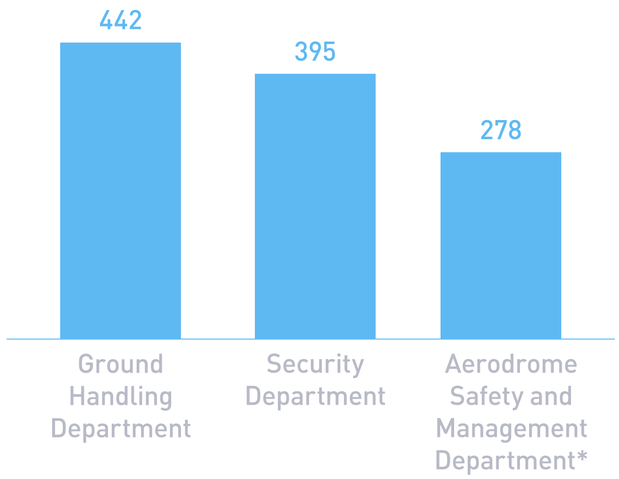
Board, directors, deputies



Excluding senior management, including employees on parental leave

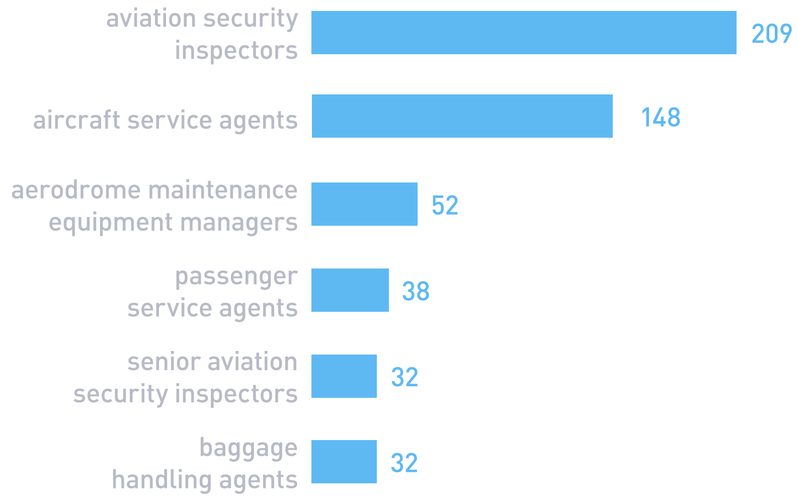


TOP 3 DEPARTMENTS WITH THE LARGEST NUMBER OF EMPLOYEES (including directors):

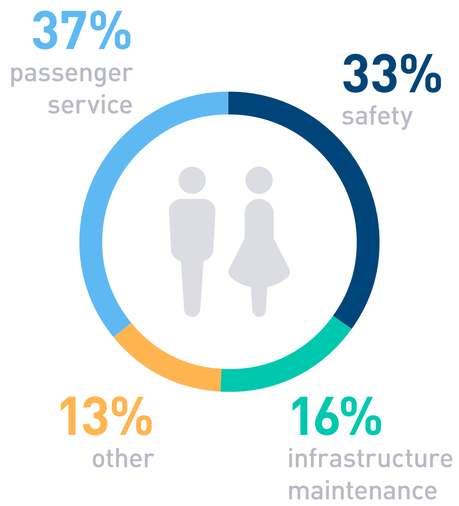


* including seasonal staff

TOP 5 POSITIONS WITH THE LARGEST NUMBER OF EMPLOYEES:



NUMBER OF EMPLOYEES BY AREA:



39 years

The average age of the employees of Riga Airport is 39 years of age (including employees on parental leave and top management).

42%

of employees (including management) have children under 18 years of age

1%

of employees with a disability work at Riga Airport

All personnel information is entered and stored in the programme Microsoft Dynamics NAVISION 2018 and the current personnel list. Data is retrieved from these systems and analysed as needed.

OTHER WORKERS IN THE TERRITORY OF THE AIRPORT

2.8

More than 6,860 employees work in the territory of Riga Airport – employees of aerodrome service providers, employees of lessees working in the terminal, employees of outsourced service providers, as well as employees of state institutions.

Since this is the first reporting year for this indicator, changes compared to the previous year will be made in the non-financial statement for 2023. At the time of preparing the statement for 2022, the Airport has no information about the contractual relations of the employees of the abovementioned companies. The Airport plans to include them in the non-financial statement for 2023.

Data on the number of employees are obtained from the reports of 2021 or environmental reports, by directly surveying aerodrome service providers in 2022 and compiling information on issued airport passes.

COMPENSATION SYSTEM

2.20

The objective of the remuneration policy of Riga Airport is stable, always paid on time and competitive remuneration of employees with social guarantees and benefits, ensuring internal and external justice.

The remuneration system is defined in the Terms of Reference of Labour Remuneration, which consists of salary, allowances and bonuses (cash prizes), as well as any other type of remuneration related to work.

The salary system consists of 16 salary levels. The salary level is the salary range (from/to) for certain groups of positions, within which the salary may change based on the principles of its formation.

The salary of airport employees is created by determining the relative value of the positions by evaluating the positions, taking into account the following basic criteria:

- responsibility – freedom of action, influence on the result,
- problem solving, decision making and complexity,
- professional knowledge, including education level and work experience.

When determining the individual salary for an employee, the following is taken into account:

- length of service of the employee,
- work performance evaluation,
- additional qualification requirements of structural units/ criteria for positions/groups of positions (if defined).

"Requirements for the determination of the employee's salary" have been developed for the determination of the individual salaries of employees.

One of the most important projects after the crisis caused by Covid-19, as the Airport's operations are recovering and financial indicators are

improving, was the question of both the review of the entire remuneration system and the increase of the remuneration of employees, which was carried out in 2021 and took effect from 1January 2022.

Comprehensive research and the involvement of all levels of employees were very important in the project, which included the following key activities:

- a working group of the remuneration system was established, which evaluated the existing remuneration system and determined the need for changes;
- an external consultant was hired to evaluate the existing remuneration system and provide proposals for improving the system, as well as to obtain information on current wage trends and good practices;
- the competitiveness of salaries by job groups/positions was evaluated, proposals were developed for revision of job levels and salaries. The steps for raising the salary within the position level and the qualification requirements for their achievement were determined, as well as the proposals of the structural units for determining the individual salaries of employees were compiled, the requirements for determining the employee's salary were developed, additional qualification requirements/criteria for determining the individual salaries of employees and the individual salaries of employees were determined;
- employee representatives were invited to participate in the development of proposals for the improvement of the remuneration and motivation system of Riga Airport. In addition, managers, the Union of Airport Employees of the Republic of Latvia and trusted persons were invited to provide their assessment and proposals;
- thematic webinars were held for employees under the guidance of an expert.

Employees were informed about the changes using internal communication tools, and also information about the new salaries was included in current job advertisements. In order to promote the competitiveness of Riga Airport in the labour market and to ensure appropriate remuneration for the positions, a total of 16 new salary payment levels and salary frames for each of them have been reviewed and determined. The average salary increase was between 15% and 25%. Larger increases were found in positions where wages were less competitive compared to the labour market situation and where turnover was higher, or vacancies that remained unfilled for longer periods of time.

In addition, it has been established that those employees who work aggregated working time will receive overtime pay once every two months from 2022, instead of once every four months, as was the case until now.

There are several types of allowances at the Airport:

- for overtime;
- for night hours (from the first hour of the night);
- for working on holidays;
- for additional work, scope of work, intensity, etc.;
- for work in short shifts of up to five hours.

In 2022, the amounts of several bonuses were also revised and increased from 20% to 30%.

In 2022, work on the improvement of the wage system continued. The Personnel Policy and Employee Motivation Programme for 2023 were reviewed and approved.

In order to develop the system for the key performance indicators (PI) of Riga Airport and to develop/revise the bonus system, the working group of PI system was established. The way of PI development and implementation chosen by the working group is based on the promotion of coordinated action in achieving the strategic objectives of Riga Airport with the gradual implementation of the system, initially linking it to the operational plans of the structural units. The main basic condition – PI is an important indicator of the work of the structural unit and helps to measure progress towards the achievement of the strategic objectives of Riga Airport. For the implementation of the laid down goal, including the relation with receiving the bonus, the list of key performance indicators has been revised and clarified, the instruction for developing the Operational Plan has been developed and the draft operational plan has been created. Quantitative PI will be measured in accordance with the defined performance indicator objective/achievable result, and qualitative PI – in accordance with the

deadline/execution status laid down in the Action Plan. The allocation of the PI bonus system is planned from 2024.

In 2022, Fontes management consulting Ltd. compared the remuneration practices of Riga Airport with the remuneration market of Latvia. The results of the salary study confirmed that at the moment of receiving the study, the salary of the employees of Riga Airport is competitive, therefore it was decided not to revise the salaries in 2023 in general, but to look at individual cases.

In 2022, several innovations were introduced:

- improved system of allowances in the Aircraft Services, relating it to a measurable amount of overloaded work;
- from 1 June 2022, a new type of allowances for short shifts (the length of a shift does not exceed 3-5 h) has been introduced in all structural units of Riga Airport

As of 1 January 2023, the payment of vacation allowance has been renewed in full in accordance with the terms of the Collective Labour Agreement (in 2022, vacation allowance was paid to all employees at the same time, at the end of the year) and the two-month accounting period for employees of aggregated working time has been preserved.

In 2022, the Terms of Reference of Awards were developed and approved, which will come into force on 1January 2023. Its purpose is to determine the procedure by which recognition and gratitude are expressed to the employees of Riga Airport for significant work or contribution to ensuring the operation of the Airport and promoting its development, to mark important events for the employee or Riga Airport, to determine the types of awards and the procedure for awarding them.

To support employees in connection with the increase in the prices of energy resources during the heating season, at the end of 2022, it was decided to pay a monthly benefit in the amount of EUR 200 (before tax) to all employees whose probationary period has ended on the day the benefit is paid, except for seasonal employees. Benefit payments take place from January to March 2023.

COLLECTIVE LABOUR AGREEMENT

2.30

The Collective Labour Agreement concluded between Riga Airport and the Union of Airport Employees of the Republic of Latvia promotes the protection of the legal, economic and social interests of employees in addition to the requirements laid down in legal acts. In 2022, the Collective Labour Agreement applied to 99% of the employees of Riga Airport (excluding seasonal employees), whose probationary period has ended. The Collective Labour Agreement applies not only to the members of the trade union, but to all employees of the company.

The current version of the collective agreement was approved on 6 March 2020 at the general meeting of the representatives of employees, concluding the work on changes to the collective agreement that began in 2019. The Collective Labour Agreement was concluded for two years (with the possibility of extension for the next one-year period). The revision of the new Collective Labour Agreement included several significant improvements for the employees of the Airport, such as the increase of several benefits and bonuses for night work from the first hour, as well as greater involvement of the union in the processes of improving the working environment and the support of the Airport to the union.

Since 2020, seven employee trustees have been elected at the general meeting of employees, who are actively involved in representing the interests of employees, for example in labour protection processes, working groups, etc.

During the Covid-19 pandemic, due to a significant decrease in the Airport's revenues, the payment of certain financial benefits was temporarily withheld, as the situation improved, the procedure laid down in the Collective Agreement was fully restored in 2023. In 2022, negotiations between the Airport and employee representatives took place regarding other benefits and support opportunities in the future.

In accordance with the Labour Law, all issues of labour law (including wages) and labour protection apply equally to all employees.

ANTI-DISCRIMINATION AND EQUAL OPPORTUNITIES

3.3., 406-1, 405-2

Gender quotas are not defined at Riga Airport. The company respects gender equality – employees are recruited and employed based on the requirements of the position – the potential to learn and the ability to perform the duties and tasks, – and the qualifications required for the position. The selection of employees takes place in compliance with labour law norms, legal principles of equality and non-discrimination, confidentiality regarding the information provided by applicants and the selection process. At the end of the job interview, the interviewed candidates confirm with their signature or in writing in an e-mail that no discriminatory questions were asked during the selection.

In 2022, when updating the Code of Ethics, it included the prohibition of different treatment and discrimination based on gender, race, skin color, age, disability, religious, political or other beliefs, national or social origin, financial or family status, sexual orientation or others conditions.

This prohibition is also included in the Personnel Policy, which determines that when establishing employment legal relations, as well as during the existence of employment legal relations, especially when promoting employees, determining working conditions, wages or professional training, or raising qualifications, the Airport complies with the prohibition of different attitudes and discrimination depending on the employee's gender, race, skin color, age, disability, religious, political or other beliefs, national or social origin, financial or family status, sexual orientation or other circumstances.

On 8 November 2022, Riga Airport joined IATA's gender equality initiative "25by2025", which aims to promote greater representation of women in the aviation industry by 2025. The commitment was signed on behalf of the Airport at the IATA conference "Wings of Change" in Istanbul by Laila Odiņa, the Chairperson of the Board of the company. IATA's voluntary gender equality initiative "25by2025" was launched to raise awareness of the need to improve the representation of women in the aviation industry and to create opportunities for the development of all talent, regardless of gender.

Employees have the opportunity to report cases of discrimination using the reporting intranet tool "Violations of the Code of Ethics". More information about the reporting tool is available in the section "Ethics, Anti-corruption Policy and Prevention of Conflict of Interest".

In 2022, not a single case of discrimination was registered at Riga Airport. Read more in the section "Communicating on Critical Issues".

At the Airport, there is no gender pay gap. All employees have the same and clearly known opportunities. Also, in the employee survey conducted in 2022, both genders rate the statement "I receive adequate compensation for my work" with 3.5 points. Women rate the competitiveness of their salary in the Latvian market a little higher than men. For the statement "My salary is competitive compared to what is received for similar work in other Latvian companies", the assessment of women was 3.6 points, men – 3.5 points. Read more about salary determination in the section "Remuneration System".

EMPLOYEE HEALTH AND SAFETY

3.3.

Since Riga Airport is an object of increased danger, one of its main core values is safety and security. The safety and security of the airport employees, passengers, guests and cooperation partners is the cornerstone of the decisions, processes and actions of Riga Airport.

The Safety Policy is determined at the Airport, the purpose of which is to minimize the risks and hazards related to the operation of the Airport in terms of flight safety, which includes the commitment of the higher management to fulfill the requirements set for the operation of the Airport and to continuously improve the nuances related to the safety and security of the Airport. Several basic principles of implementation the Safety Policy emphasize job protection, for example, to commit to providing a safe working environment for all employees working at the aerodrome, to ensure that work is performed only by appropriately trained employees, to guarantee the opportunity for all employees to participate in the creation and maintenance of safety, as well as to provide the opportunity to report safety incidents or violations.

The safety and occupational protection of employees of the Airport and other employees working in the territory of the company are ensured by highly developed safety management and occupational protection systems, within the framework of which a safer and less harmful work environment is created and maintained on a daily basis, in which harmful work environment risk factors are prevented by various preventative measures or minimised up to minimum. Riga Airport invests funds in promoting the health of employees and improving the working environment.

Taking into account the specifics of the operation of the Airport and the large number of employees, 75 employees have been identified and trained accordingly as responsible for labour protection at Riga Airport, who are responsible for the labour protection of employees under their subordination on a daily basis within the framework of their competence. All those responsible for labour protection are determined by order, and are also trained internally at the Airport in labour protection issues with a special internal labour protection training programme of Riga Airport.

In connection with the broad spectrum and specifics of the operation of Riga Airport, occupational safety specialists manage 39 occupational safety instructions, 33 dangerous equipment, more than 800 measuring equipment, six occupational safety training programmes, approximately 8,700 assessed work environment risks per year (number of positions multiplied with harmful risk factors of the working environment per year), more than 40 harmful risk factors of the working environment to which employees are sent for mandatory health examinations, approximately 43 types of personal protective equipment and 93 types of work clothes and work shoes.

Within the framework of 2022, the resources of labor protection specialists were largely occupied by the increased number of accidents at work, their investigation and implementation of preventive measures. During the year, the labour protection specialists created a new internal regulatory document – the labour protection manual, which also includes a methodology for assessing the risks of the working environment, which is appropriate to the specifics of the operation of Riga Airport. Likewise, the team of occupational safety specialists continued to perform daily tasks – monitoring the dangerous equipment and measuring devices of the Airport, conducting surveys to control compliance with occupational safety requirements both for the employees of the Airport and in the construction works taking place on the territory of the Airport, organising employee training on occupational safety issues, organising mandatory health checks for employees, assessment of work environment risks and develop binding documentation, etc.

Riga Airport annually develops a plan for the internal monitoring of the working environment, which defines the tasks to be performed in the field of labour protection. Once a quarter, reports are given to the Chairperson of the Board and the document report is available to all employees in the internal document management system of the Airport.

On 29 April 2022, Riga Airport, by signing the charter, joined the initiative "Mission Zero" initiative of Schwenk Latvia Ltd., the main objectives of which are:

- to prevent the number of deaths at work and external conditions related thereto;
- to significantly reduce the number of accidents at workplaces, aiming for "0";
- to preventively implement measures to protect and preserve the health of employees.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

403-1, 403-8

The labour protection system and organisational procedures at Riga Airport are created on the basis of the laws and regulations of the Republic of Latvia and the labour protection requirements laid down in the company. Labour protection requirements are regulated by the Labour Protection Manual, which is approved by the chairperson of the Board. The Manual entered into effect on 31 October 2022. With its entry into effect, the procedure of the Labour Protection Organisation was annulled. The Manual includes information on duties and responsibilities in labour protection, labour protection measures, internal monitoring of the working environment, methodology for the assessment of the risks of the working environment, employee training in the field of labour protection, mandatory health examinations, personal protective equipment, dangerous equipment, measuring devices, accidents at work and near accidents at work, as well as labour protection monitoring and control, which applies to all structural units of the Airport and is binding on all employees of Riga Airport.

The Plan for Internal Monitoring of the Work Environment of the Airport for 2022 was harmonised and approved on 27 January 2022, which determined the organisation of labour protection issues in the company for 2022.

Commitments to achieve safety objectives are set out in the Safety Policy. Safety objectives of the Airport for 2022 were approved at the Board meeting on 14 February 2022, which also include labour protection objectives:

- to prevent the number of accidents at work (with loss of working capacity) and work injuries (without loss of working capacity), within the SMS controlled processes, for employees greater than 1.03 cases per 1,000 flights. Taking into account that in 2022 the operation

of Rīga Airport was rapidly restored after two years of Covid-19 and the number of flights served increased significantly, as a result there were more accidents at work among both airport employees and employees of other companies, so the goal was not achieved (1.15 cases per 1,000 flights).

- Do not allow the number of accidents at work (with loss of working capacity) and work injuries (without loss of working capacity) for the employees of Riga Airport, within the SMS controlled processes, to be greater than 0.02 cases to the number of employees at Riga Airport. Considering that the number of employees with up to one year of service at the end of 2022 reached approximately 40% of all employees of the Airport, as well as the number of serviced flights increased significantly, the number of work injuries increased and the objective was not achieved (0.04 cases to the number of employees).

HAZARD IDENTIFICATION, RISK ASSESSMENT AND ACCIDENT INVESTIGATION

403-2

In the field of labour protection, the duties, rights and responsibilities of the employer, heads of structural units and employees at Riga Airport are defined. At Riga Airport, three labour protection specialists are responsible for maintaining and improving the labour protection system – the labour protection manager, the senior labour protection specialist and the labour protection specialist. The professional qualifications of all labour protection specialists of the Airport are appropriate for the performance of their duties – two specialists have a professional master's degree in labour protection and the professional qualification "Senior Labour Protection Specialist", one has a professional bachelor's degree in labour protection and the professional qualification "Senior Labour Protection Specialist".

In September 2021, a separate structural unit – Labour Protection Department – was established under the HRD with the three positions mentioned above. The structural unit is headed by the head of labour protection. The structural unit is subordinate to the Director of the Human Resources Department.

More information about the internal regulations that determine the actions to be taken in the event of an accident is available in the section "Accidents at the Workplace".

In accordance with the document SMS Manual, the company has implemented and maintains a voluntary reporting system. It stipulates that the management of the Airport and other companies operating at the Airport shall undertake not to impose criminal sanctions against whistleblowers, unless the safety incident was caused by negligence, intentional act or omission.

Special attention in the field of labour protection in 2022 was paid to the training of employees and the improvement of the methodology for the assessment of the risks of the working environment. In 2022, the methodology for the assessment of the risks of the working environment was reworked, adapted to the specifics of operations and positions of the Airport, and was included in the Labour Protection Manual. In connection with employee training in occupational safety, the occupational safety-related training programmes for employees of the Riga Airport were updated – briefings in occupational safety, which are learned in an e-training environment (for office workers, employees of the Security Department and aircraft services workers of the Ground Handling Department), as well as a new an external training provider that provided training for employees in high-risk jobs and servicing dangerous equipment.

EVALUATION OF THE RISK FACTORS OF THE WORKING ENVIRONMENT

403-4, 403-7, 403-10

The semi-quantitative 9x9 point method is used as the basic method in assessing the risks of the Airport's working environment, which is based on control questions suitable for the company's scope, resulting from legislation and practical experience, and with the help of which the risk factors of the working environment at the workplace are determined and the preventive measures to be taken for the prevention or reduction thereof. An auxiliary method for assessing the risks of the working environment is the SGR-A method (for moving weights by hand) and the SGR-B method (pushing, pulling weights) for determining ergonomic risks.

The assessment of the risks of the working environment takes place in accordance with the approved internal monitoring plan of the working environment for 2022, using the above-mentioned methodology, which is included in the Manual of Labour Protection, in the development of the documentation of the assessment of the risks of the working environment.

Within the framework of the risk assessment of the working environment, an inspection of the working environment (workplaces and types of work therein) is carried out in each structural unit at least once a year, determining the factors of the working environment existing in the working environment and the identified factors that pose or may pose a risk to the safety and health of employees. After conducting work environment risk assessment surveys, the work environment risk assessment documentation is prepared – workplace and type of work risk assessment statements, list of mandatory health checks, list of personal protective equipment, statement on the work environment indicative measurements and plan for the preventive measures in work protection.

In accordance with the Semi-quantitative method, the determination of the degree of risk of each risk factor of the work environment is calculated by multiplying the probability of the risk by the degree of the risk consequences. If the calculation results in a risk level III (tolerable risk) or higher, risk mitigation measures are taken. In such cases, the plan of preventive measures in labour protection is prepared, determining the responsible employees and deadlines for the implementation.

In 2022, the assessment of the risks of the working environment took place in all structural units of Riga Airport – in 11 departments, four units and 33 departments. Employees and trusted persons or representatives of employees, after the approval of the work environment risk assessment documents, are provided with the opportunity to familiarise themselves with the work protection documentation binding on their department/structural unit, including the work environment risk assessments for the workplace and type of work, the list of mandatory health checks, the list of personal protective equipment, protocols of indicative measurements of the working environment and plans for the preventive measures in labour protection.

The Collective Labour Agreement and the Labour Protection Manual provide for the involvement of employees in the improvement of the labour protection system, as well as define and describe the procedures of the labour protection organisation in order to improve the safety and health protection of employees at work. The risks of the work environment are assessed by labour protection specialists, additionally involving trusted persons or representatives of employees, employees who work at the relevant workplace and are familiar with it, and the head of the particular structural unit or his delegated representative. In 2022, trustees participated in 26 accident investigation commissions and four assessments of the environment risk of departmental work.

In addition to the assessment of the risks of the working environment, 13 workplace survey acts have been registered in 2022, for the fact that inspections of compliance with labour protection requirements have been carried out at workplaces.

Within the framework of 2022, labour protection specialists of Riga Airport were actively involved in the briefings of the employees of the Aircraft Services of the Ground Handling Department, informing employees about accidents that occurred in the structural unit, as well as creating a feedback loop, inviting employees to express themselves about similar or other dangerous situations at the workplace, where there is a possibility of injury to employees, as well as listening to recommendations that could prevent hazards at the workplaces.

From May 2022, together with the higher management of the person injured in the accident at work, a meeting is held with the employees injured in the accident, after their return to work, to talk about the accident again and determine additional preventive actions. During the meeting, information is obtained from the employees about the necessary improvements in the field of labour protection.

The labour protection instructions and the combined equipment use and labour protection instructions specify the conditions of the working environment harmful to the health the employee, as well as the prohibition to start and continue work if damage to the equipment/equipment is detected which may endanger the health of the employee. Within the framework of 2022, ten labour protection instructions were revised and updated, and one was annulled. In connection with the purchase of new equipment, one operating and occupational safety instruction was newly developed in cooperation with the Aerodrome Safety and Management Department.

REPORTING PROCEDURE

The procedure for reporting accidents that have occurred or almost occurred is regulated by the Labour Protection Manual. The reporting procedure is also defined in the section "Labour Protection Requirements in Emergency Situations" of each labour protection instruction, where the actions of employees in the event of damage to work equipment, first aid and fire, and when a situation threatening human health and life has arisen are described.

Employees can also report accidents or near accidents anonymously using the voluntary safety incident reporting system, by filling out the form Safety Report or safety report on the website of Riga Airport or on the intranet site ERIX – Help desk "Safety Report", or by filling out an application at the Airport on the intranet ERIX – Help desk "Labour Protection".

If the information from an employee is obtained through the incident reporting system, and the employee reports a threat to the safe operation of the aerodrome caused by his or her actions, and if his or her actions were not malicious, the information provided may not be used to punish the employee.

INVESTIGATION OF ACCIDENTS AT WORK

In 2022, there were 28 accidents at work with the classification – health disorders not serious, one accident with the classification – serious health disorders – and one accident in which the risk of infection was detected at Riga Airport. In 2022, Riga Airport did not receive any reprimands from the State Labour Inspectorate for violations, inconsistencies or fines.

Every accident at work was investigated in accordance with the procedures laid down in Cabinet Regulation No. 950 of 25 November 2009, Procedures for Investigation and Registration of Accidents at Work, as well as in accordance with the procedures laid down by Riga Airport in accordance with Order No. 22/37B, Regarding the Action of Responsible Persons After an Accident at Work, when investigating an accident at work together with the accident investigation commission.

The coefficient of accidents at work at Riga Airport is calculated taking into account the number of employees (in 2022 this coefficient was 0.04, in 2021 – 0.02) and the number of accidents (in 2022 this coefficient was 1.15, in 2021 – 1.23) at work per 1,000 flights (in respect of employees of companies working at the aerodrome of Riga Airport, including employees of the Airport).

Information on the necessary measures for the improvement of the working environment, including dangerous situations and inadequate working environment, is received both from the trusted persons of employees, with whom meetings are periodically organised to discuss all current information on both personnel and labour protection issues, and through Help desk and the common e-mail of labour protection.

In 2022, three meetings were held with the main trustee, during which current topics and issues were discussed both on labour protection issues and personnel issues, and in addition to the usual, the main trustee of Riga Airport, together with HRD and the management of the Ground Handling Department, participated in three in meetings on improving the working conditions of the Aircraft Service Department of the Ground Handling Department.

The investigation of work-related accidents at Riga Airport is provided for in the document Labour Protection Manual, Section 13, Accidents at Work and Near Accidents at Work, where the general requirements, reporting procedure, investigation procedure of accidents at work, registration and accounting of accidents at work are stipulated.

Both the Labour Protection Manual and in Order No. 22/37B, Regarding the Action of Responsible Persons After an Accident at Work, determine the action of responsible persons after an accident at work, procedure how accidents are investigated, and the composition of the accident investigation commission is determined.

Every accident at work is investigated by the employees of the Airport in the following composition:

- the higher manager of the victim,
- the immediate manager of the victim,
- a labour protection specialist,
- a trust person,
- the manager of the SMS or representative thereof.

If the victim has suffered serious or potentially serious health problems, or the victim has died, then the accident at work is investigated by the investigation commission established by the State Labour Inspectorate, which includes two labour protection specialists from the part of the Airport, who have been granted appropriate powers by the Board of Riga Airport.

During the investigation of accidents, preventive and corrective actions are determined, which were also recorded in accident investigation reports, which are submitted to the State Labour Inspectorate, with the aim to prevent the recurrence of specific and similar accidents. For example, sending for a repeated mandatory health check-up, unplanned labour safety training of employees and informing about accidents, improvement and replacement of work equipment, development of instructions, improvement of infrastructure, repeated briefing, etc.

After each accident at work, occupational safety reports are prepared which include a description of the accident situation, the description of the victim's injury, the cause of the accident and certain preventive actions that everyone can follow on a daily basis to prevent the recurrence of similar accidents (in 2022, a total of 12 reports on accidents at work). All labour protection reports are regularly posted in the mailing list "e-Rix Reports", can be found in the public labour protection folder and are used/placed in current labour protection trainings.

The SMS unit organizes working group meetings once a month, where the working group discusses current safety incidents, incl. cases that occurred in labour protection – accidents, near-accidents, potential hazards in the work environment, etc.

ACCIDENTS AT THE WORKPLACE

403-9, LA6

In 2022, the ratio of accidents registered in the company per employee is 0.04 cases, including 28 accidents with loss of working capacity (according to the classification, health disorders are not severe), one accident with loss of working capacity (according to the classification, health disorders are severe), one accident where there is a risk of infection, but immediate incapacity for work did not occur, and 29 near-accidents without loss of working capacity.

Taking into account that out of all accidents at work, 25 accidents involved employees with up to one year of service, it can be concluded that one of the main reasons for the number of accidents in 2022 is the number of hired employees, which was 586 employees on an annual basis or 42% employees from all employees of Riga Airport as of 31 December 2022. In addition, the increasing number of flights and, accordingly, the rapidly growing amount of work contributed to the increase of accidents at work, because as of December 2022, the increase in the number of flights compared to 2021 was 40%. As a result of the two abovementioned factors, the number of accidents also increased.

The highest number of accidents at work was registered in January and June 2022. In January, accidents at work occurred due to unfavourable winter weather and are mainly related to slipping on slippery surfaces. This trend was also observed in previous years. On the other hand, in June there was a significant increase in the number of flights and, accordingly, a greater amount of work, which results in rush of work, fatigue of employees, etc.

The most frequently injured parts of the body are the extremities – fingers, hands, ankles, feet and back. The main types of injuries are related to impingement, compression of various parts of the body, injuries received in connection with physical tension in the muscles and skeletal system, as well as the impact of objects in motion. Evaluating the statistics of accidents at work in recent years, it has been found that mostly men suffer from injuries. Most accidents occur due to clumsy movement, carelessness, or non-compliance with the requirements laid down in the labour protection instructions.

Among all employees, who are employees of both Riga Airport and companies working at the aerodrome, 1.15 accidents at work per 1,000 flights in 2022 have been detected. In total, ten workplace accidents with or without loss of working capacity have been registered for employees of five companies (not Riga Airport) in the territory of Riga Airport. No fatal accident was registered in 2022. The employees of service providers of the aerodrome have mainly suffered from musculoskeletal injuries related to hand, finger and back injuries while using work-related equipment.

Analysing the statistics of accidents at work in 2022, the following important events took place at Riga Airport:

- labour protection briefings are provided and employees are informed about accidents that have occurred;
- an unplanned labour protection briefing of the structural units of the injured employees was carried out at the workplace;
- organised physiotherapist lectures;
- heavy baggage audit performed;
- improved labour protection training on the basic principles of ergonomics;
- unplanned labour protection briefing training has been created, which has been supplemented with all accidents at work, including

preventive actions, so that similar cases do not recur;
- reassessment of the risks of the working environment was carried out;
- improvement of work equipment started to make it safer for use;
- updated bulletin boards with information on current labour protection requirements;
- prepared labour protection reports on accidents at work, including case descriptions and preventive measures;
- organised meetings with employees affected by the accident, re-explaining the accident together with the victim's senior management;
- additional personal protective equipment is provided.

The total number of hours worked by the employees of the Airport in 2022 is 2,235,541.6 h, including women worked 650,596.7 h and men – 1,584,944.9 h, (compared to 1,642,848 h in 2021)[20].

It is currently not possible to summarize the total working hours of employees working at the aerodrome (including employees of external organisations).

OCCUPATIONAL DISEASES

403-10, LA6

Occupational diseases of employees at Riga Airport are investigated and determined in accordance with the binding Cabinet Regulations and the established procedures of the Airport. In 2022, the occupational disease was confirmed for two employees, of which one employee continues to work, one – terminated the employment legal relationship. Occupational diseases are related to diseases of the joints and spine, which are mainly contributed by such health-damaging and dangerous risk factors of the work environment as physical exertion (forced work postures, moving weights, etc.), general body vibration and psycho-emotional risk factors.

In order to reduce the risks of occupational diseases and to assess the time of exposure to employees in aspects where it is possible, measurements of the risk factors of the working environment are carried out – both indicative and laboratory. Managers and employees under their authority receive the necessary information about the risk factors of the work environment on regular basis, and can also freely access risk assessments of the work environment in the internal network of Riga Airport.

All employees of the company receive labour protection reports prepared by labour protection specialists, which discuss current labour protection issues. These reports are also available in occupational safety training programmes. Information on labour protection issues is provided in the e-RIX intranet, in e-mail – in the mailing lists "e-RIX Reports" and "Labour Protection News". Riga Airport provides new work equipment and trains employees in the use of equipment, as well as replaces technologically outdated equipment with modern solutions.

In connection with the applications for occupational diseases of employees of Riga Airport, in 2022, two surveys of the State Labour Inspectorate for the hygienic characterisation of the workplace took place.

The labour protection organisation and procedure at Riga Airport apply to all employees.

[20] In the non-financial report for 2021, the data on gender distribution in relation to the number of working hours worked by the employees of the Airport were not collected, they will start to be collected from 2022. The proportional distribution of men and women at the Airport should be taken into account, which on 31.12.2022 was 31% women, 69% men.

TRAINING OF EMPLOYEES ON OCCUPATIONAL HEALTH AND SAFETY

403-5

Employee training at the Riga Airport is the basis for promoting safety culture awareness. The procedures for employee training in occupational safety are determined by the Labour Protection Manual and Order No. 22/90B, Regarding the list of Positions which Ensure and Carry out Labour Protection Instruction at the Workplace. Employee training in the field of labour protection includes introductory training, labour protection briefings and thematic training on a specific labour protection issue.

Introductory training of new employees in labour protection takes place on their first day of work. In 2022, all new employees, including interns, as well as employees returning from a long absence and seasonal employees, received introductory training in labour protection. Labour protection briefing at the workplace was carried out for all employees of Riga Airport with periodicity once or twice a year, depending on the assessment of risks of the working environment related to the position.

In order to introduce more bindingly and remind employees of the most important basic principles of labour protection, which every employee must take into account, a work safety video "Do only what you have been trained for" was created. Both this and the labour protection videos developed in previous years are included in the contents of labour protection briefings and introductory trainings. In the premises of the Aircraft Services of the Ground Handling Department, there are screens on which labour protection videos binding on aircraft maintenance employees and videos created by SMS are shown daily, with the aim of reminding employees about safety requirements on a daily basis.

As well as labour protection training include labour protection reports prepared after accidents are included.

In addition, once a quarter, all employees of Riga Airport are informed about the statistics of accidents at work, in which a summary of accidents at work and near accidents at work has been created. Once a year, employees are informed about the statistics of accidents at work in the previous year. In accordance with Order No. 21-103B, Regarding the Procedure for Training Employees in the Field of Food Hygiene, employee training was held regarding the procedure in the field of food hygiene in the company, by training five employees in total in 2022.

In accordance with Order No. 22-23B, Regarding the Training of Employees in High-risk Jobs, external training in high-risk jobs took place, by training for the first time in 2022:

- **for work at height** – 39 employees;
- **for work with a chainsaw and brushcutter** – 28 employees;
- **driving a forklift and an electric forklift** – seven employees;
- **for gas burner** – one employee;
- **for strapping work** – 13 employees;
- **in labour protection requirements, performing welding work** – five employees.

On the other hand, in accordance with Order No. 22-15B, Regarding the Assignment of Personnel Servicing Hazardous Equipment and the Periodicity of Training, the following training was held in servicing of hazardous equipment:

- **the operator of the elevator intended for lifting people** – for ten employees;
- **bridge crane operator** – for two employees;
- **on the technical condition of the cargo crane, its safe use, maintenance and safe movement of cargo** – for two employees.

Within the framework of 2022, the Labour Protection Department, in cooperation with the Communication Unit, created a personal protective equipment campaign, preparing posters of the current personal protective equipment for each structural unit. Within the framework of their preparation, a photo session of employees with the personal protective equipment required for each structural unit was held. The posters of personal protective equipment have been prepared with the aim of informing employees about the personal protective equipment required for their work, indicating the risk against which each individual protective equipment protects and visually depicting how to use them

correctly in order to achieve the desired risk reduction effect.

Within the framework of the working environment month, Sleep Week took place at Riga Airport from 28 April to 8 May 2022. Within the framework of Sleep Week, employees were encouraged to introduce various habits in their lifestyle to improve their health and productivity through informative e-mails and an internal competition. Read more in the section "Mental Health and Wellbeing".

COVID-19 RESTRICTIVE MEASURES

Riga Airport constantly provides clear and comprehensible information about the epidemiological safety measures implemented in the company and how both arriving and departing passengers should act. The employees were informed about the current and national labour protection and health measures with special orders – safety statements, which are updated according to the procedures

established in the country for ensuring epidemiological safety. Current information was reported to employees by e-mail, as well as current events are available in the section "Covid-19" section of E-RIX intranet.

Also in 2022, Riga Airport continued measures to restrict Covid-19 in accordance with the state regulations, recommendations of specialists and good practice. Riga Airport:

- hand and surface disinfectants, protective face masks, and other protective means are provided;
- employee testing provided and performed in conformity with current regulations and needs;
- employees provided with self-tests;
- in structural units where a higher level of infection has been observed, disinfection of common areas has been carried out by engaging a certified external service;
- measures to promote psycho-emotional health and reduce tension were organised.

Also in 2022, the promotion of employee vaccination against Covid-19 was relevant for employers. Riga Airport provided employees with convenient access to vaccination at the workplace. Within the framework of 2022, two field vaccinations against Covid-19 were organised – on January 7, vaccinating 83 employees, and on October 14, vaccinating 61 employees (it was also possible to vaccinate against the flu at the same time).

HEALTH OF EMPLOYEES

403-6

Health of employees is one of the priorities of the personnel policy of Riga Airport, paying more and more attention not only to physical, but also to mental health, which was also separately highlighted when updating the Personnel Policy.

In order to preserve the confidentiality of the data and health data of the employees of Riga Airport, the company performs the following actions:

- health information is stored and transferred in compliance with confidentiality and data protection requirements (closed cabinets/closets, electronic documents protected by a password, issued to the employee only to the work e-mail or in person upon presenting a personal identification document);
- information is available only to those employees whose job duties include working with it;

- data is processed to the minimum necessary extent;
- the circulation of information on health insurance services takes place between the employee himself/herself and the insurer.

HEALTH INSURANCE

All employees who have completed their probationary period, with the exception of seasonal employees, are provided with a health insurance policy in accordance with the Collective Labour Agreement. In the cases specified in the Collective Labour Agreement, the policy is retained by the employee even after the termination of the legal employment relationship. The policy has wide service coverage and limits, incl. health checks, vaccinations, doctor's consultations and examinations, outpatient and inpatient care, rehabilitation, dentistry, sports and critical illness insurance.

Following the needs of employees and the situation in the field of medical services, new paid services such as psychotherapist visits have also been included in recent years. When purchasing the 2023 policy, the range of mental health professionals was expanded to include psychologist and psychiatrist consultations, treatment of oncological diseases, as well as the company purchases an open policy which allows medical services to be covered in non-standard situations upon the employee's application.

A health insurance policy provides employees with a sense of safety, as it is possible to receive medical services more promptly, promoting the detection and treatment of diseases in their early stages, which, in turn, contributes to faster recovery, and it also includes health promotion measures. The health insurance policy provides that employees can receive health care services without paying with personal funds, including at the outpatient medical facility located in the territory of the Airport, at contract institutions in the amount of 100%. Employees also have the option to purchase a policy for their first degree relatives.

The purchase of the policy is organised by the procurement commission – representatives of the HRD, the Procurement Department, the largest structural units and the Union of the Airport Employees of the Republic of Latvia, attracting experts in the field of medical services and insurance, taking into account employee feedback and survey results, overall service usage statistics for employees of the Airport, the market situation – in medicine and insurance and budget possibilities of Riga Airport.

Once a year, HRD surveys employees regarding the health insurance service, as well as analyses policy usage statistics and, based on the information obtained, applies the policy coverage to the needs of employees as much as possible. 211 employees, or 20% of the number of employees, participated in the survey conducted in the summer of 2022. The results of the survey reveal that employee satisfaction has slightly decreased compared to the previous insurance period, when it was close to the maximum possible. Taking into account that the content of the policy (limits, services) has not changed, some items have even been increased, the ratings can be partially explained as dissatisfaction with the change of the usual insurance company (in conformity with the results of the open tender), as well as a general sharp increase in prices in the medical, sports and dental sectors which makes the services received in non-contractual institutions more expensive. In 2022, the Health Insurance Procurement Commission and the Airport management did everything possible to maintain the current policy coverage (services and limits) for 2023 as well, despite the price increase in the medical services and insurance industry, which required the allocation of significant additional funds.

Information about health insurance services is constantly explained to employees, by replying to the questions of employees and providing useful information both in individual consultations and by collecting information in the intranet under the specialized section "Health".

OTHER HEALTH PROMOTION ACTIVITIES

There is a medical centre in the passenger terminal of Riga Airport. Employees can turn to it in case of injury, sudden illness or deterioration of their health. The medical centre works around the clock, seven days a week and provides first aid and medical consultation. The medical centre actively cooperates with

labor protection specialists, for example by sending information about occupational injuries that occur in the territory of the Airport, including employees of other companies. The medical centre sends information to the Labour Protection Department and the SMS Assurance Team for every injury to employees of companies working in the territory of the Airport.

E.Gulbja Laboratory is arranged the terminal E of the Airport, where employees can carry out the analyses necessary for a health check.

There is an outpatient medical facility in the territory of the Airport, where services can be received promptly, as well as mandatory health examinations can be performed, and they can be paid for with a health insurance policy.

Medical optical vision correction products are paid for employees within the laid down limit once every two years. In case of long-term and/or serious illnesses, in accordance with the Collective Labour Agreement, employees are granted an allowance if the expenses are not covered by the health insurance policy or the state. In 2022, Riga Airport paid the expenses of the child's treatment for seven employees, as well as paid other health-related expenses for ten employees.

MENTAL HEALTH AND WELL-BEING

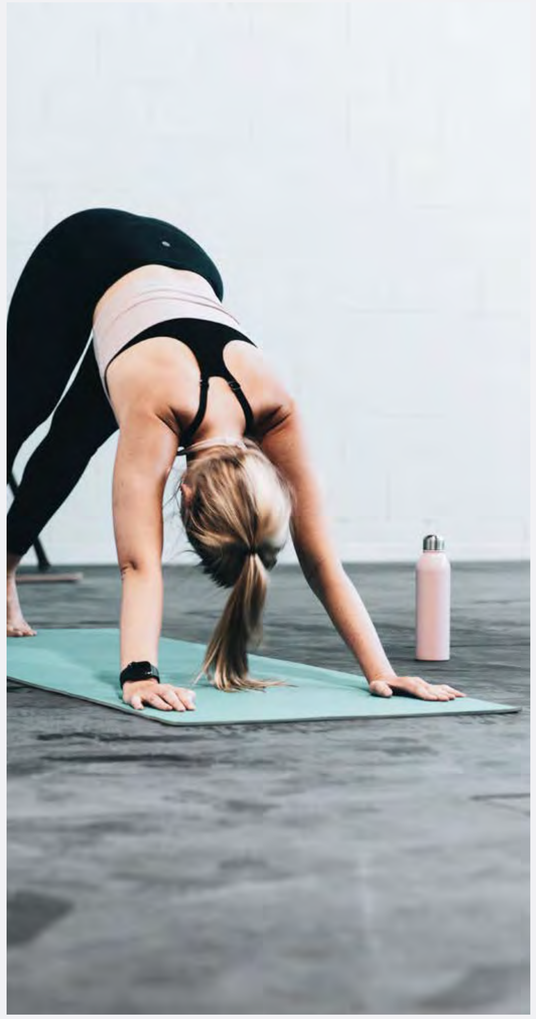
Already during the Covid-19 pandemic, in 2020 – 2021, based on the recommendations of experts in the field, Riga Airport started more intensive activities for maintaining and improving mental health for all employees, continuing them in 2022:

- the health insurance policy includes three psychotherapist consultations;
- employees regularly receive information about online training and its recordings and resources for stress reduction and psycho-emotional health;
- specialised psycho-emotional support webinars are also held for employees of the Airport, for example, when hostilities began in Ukraine, HRD organized a webinar "First emotional aid in crisis conditions", led by Marija Ābeltiņa, clinical psychologist and cognitive-behavioural psychotherapy specialist;
- HRD regularly collects and sends recommendations of open access webinars, including in the field of well-being and mental health, to heads of structural units;
- various informative materials and contacts are available on the intranet of Riga Airport, to whom to turn in case of psycho-emotional crises, information about offers and opportunities is regularly communicated to employees by e-mail;
- Among the new initiatives in 2022, Riga Airport paid increased attention to an important aspect of well-being – sleep, because sleep is essential for any work, to perform it qualitatively, efficiently and safely, it is the basis for people's physical and psychological health. Riga Airport joined the international initiative "worldsleepsociety.org", participating in the movement of sleep ambassadors, and in 2022, calling to realise the importance of sleep for the quality of work and life, celebrated World Sleep Day with educational webinars on sleep issues. In order to promote healthy sleep habits, a thematic activity "Sleep week" was held within the framework of the work environment month. Taking into account the diversity of employees and the specifics of the work of the Airport, emphasis was placed on the implementing diverse and feasible habits to improve sleep quality.

SPORTS

Riga Airport believes that the provision of various sports activities is important for the health of employees, as well as joint sports unites the company's employees and creates a positive microclimate which is also an essential part of promoting health and well-being. Also in 2022, despite the restrictions on sports activities imposed due to the Covid-19 pandemic, which lasted until March, the company, in cooperation with the Union of the Airport Employees, gave employees the opportunity to engage in various sports activities, providing paid football, basketball and volleyball lessons and partially paid hockey lessons.

After a two-year break, in 2022 the team of the Airport participated again in the "Rimi" Riga Marathon. 60 employees and their children were represented in the team of the Airport. Also, after the lifting of Covid-19 restrictions, participation in sports tournaments was restored – Mārupe Municipality Basketball League, Riga Football League and 6th Aviation Cup competition in indoor football. In the Mārupe Municipality Basketball



League, the team of Riga Airport reached the finals and fought for the bronze medal.

In 2022, after a two-year break caused by the Covid-19 pandemic, the sports games of employees of Riga Airport were held. They were attended by a record number of participants – more than 520 airport employees and their family members. During the day, 11 teams competed in various sports disciplines. A wide range of activities was also available for children during the games. The progress of the games was covered in the closed Facebook group of the Airport #RIXmīlsavējos.

Also, employees of Rīga Airport had the opportunity to participate in sports events in which participants start individually – in the run "Stirnu buks" and the bike ride "Vienības velobrauciens". In the trail run "Stirnu buks" in 2022, 103 runners and stickwalkers from the team of the Airport took part in seven stages, but only five riders started in the bike ride "Vienības velobrauciens" due to bad weather conditions. The most active members of "Stirnu buks" shared their experiences in the Airport's internal newsletter "e-RIX reports", thereby promoting the interest of other colleagues in this sports activity. Taking into account the great interest of employees of the Airport in the trail run "Stirnu Buks", a company team is being formed to participate in the trail run in 2023.

The initiative started in 2021, when due to the restrictions of Covid-19, the employees of Riga Airport played sports together in a virtual team in the RIX application "Strava". A total of 50 members are registered in the club.

On the airport's intranet "e-RIX" employees have access to a range of recommendations for online, remote or outdoor exercise opportunities through a health insurance policy. The health insurance policy of the employees of Riga Airport covers the costs of a variety of sports classes, including subscriptions – classes in sports clubs, swimming pools, sports dances, ice skating, etc. within the framework of laid down limits. Employees had the opportunity to attend classes not only in sports clubs, but also outside, online classes or use video recordings of classes of their choice.

In September, the Airport team took part in the charity football tournament organised by the logistics company DHL and the Latvian Football Federation, where they won first place. All funds obtained at the event were donated by the tournament organisers to the needs of the Latvian SOS Children's Villages Association football team, providing young people with everything they need to play football on a daily basis. The total amount of donations received was EUR 1,000.

EMPLOYEE SKILLS AND DEVELOPMENT

3.3., 404-1

Work in the aviation industry requires responsibility, precision, knowledge and diligence, therefore, by providing appropriate training, Riga Airport takes care of both the development of the potential of employees and the responsibility of employees in providing quality services. It is organized and largely ensured by the structural unit of Riga Airport – the Personnel Development Department, which has been called TC since September 2021.

The professional knowledge of TC of Riga Airport is acquired not only by the employees of the Airport, but also by employees of companies working at the Airport and lessees of the Airport, as well as specialists of various Latvian and foreign aviation and other industries. TC training is conducted by professional instructors who have qualified in IATA, International Civil Aviation Organisation, ACI, European Civil Aviation Conference and other internationally important training institutions of the industry and who have both theoretical and practical knowledge of the topics of the training courses. TC also cooperates with other Latvian and foreign training centres, creating joint training projects. As a result of more than 20 years of operation, TC has become the leading and most modern airport training centre in the Baltics. The training centre develops and delivers specialised training programs in compliance with the requirements of binding regulatory documents and good practices.

Since May 2020, TC has been located in modern and comfortable premises specially adapted for the organisation of training. The existing infrastructure is sufficient for TC to successfully provide training, even with an increase in the number of trainees.

The policy and procedures of personnel training and professional development are defined in several documents: Personnel Policy, Procedure for Personnel Training and Competence, and Personnel Management Manual, etc.

The data on the number of training hours by employee position categories cannot be obtained at the moment, as several systems used are not mutually compatible, but in 2023 it is planned to introduce a new training accounting system that will allow data to be collected in different categories, including position categories.

TC STRATEGY

In 2021, the HRD TC development strategy for 2022-2027 was developed and approved in December. In order to implement the strategy, the Plan for the Implementation of TC Strategy for 2022-2027 was developed and approved in January 2022 – a detailed action and time plan which defines the actions planned within the tasks to be implemented, the expected time period for the implementation of the actions, the expected result and deadline. **In accordance with the Plan for the Implementation of TC Strategy in 2022:**

- the development and implementation of a new LMS training platform solution corresponding to the current requirements and the training specifics of the airport was carried out, implementing the procurement and starting cooperation with the winner of the tender;
- the training programmes to which the new training model and digital solutions can be applied have been evaluated and identified;
- technological solutions have been identified and a specification for the implementation of digitisation of the training process, which will be purchased in 2023, has been developed;
- in order to support various opportunities for cooperation, the functionality of the TC website and customer attraction materials were developed.

In 2022, TC continued existing and developed new opportunities for the cooperation in both the international field, for example with ACI Global Training and with the airports of Georgia, Uzbekistan and Kazakhstan, as well as with local organisations. TC also provides a lot of training for civil servants and other organisations working at the Airport.

PROVISION OF SKILLS AND RAISING OF QUALIFICATIONS

404-2

When starting work, the company provides each employee with the professional training necessary for the job, as well as further qualification improvement measures during the paid working time. For all new employees, the training required for the position lasts from two days to several weeks, depending on the position.

Training formats for the employees of Riga Airport:

- face-to-face training;
- remote trainings – live broadcasts;
- e-training or self-learning training;
- combined training – using e-training, live broadcast and/or face-to-face training.

Types of training for the employees of Riga Airport:

- initial and repeated training, mostly in the fields of ground handling, aviation security and aerodrome handling;
- extraordinary unplanned trainings – after an incident, negative process trends, management order, significant changes in the airport's operation, structure, binding processes and regulatory documents;
- training that is not in the form of training required for the position and whose procedure is described in the Personnel Management Manual, for example, partially or fully paid studies at a university or training courses.

In addition to the above-mentioned training, several learning opportunities are constantly offered for the development of employees, which can be used voluntarily, on one's own initiative. Taking into account the results of the annual development discussions and the established development objectives, as well as the opinion of employees about the learning and development experience during the last year, this type of training was further developed in 2022.

The trainings organised by the training centre constantly receive a high rating, in 2022 the average rating was 4.85 points (out of 5).

TRAINING PROVIDED BY THE COMPANY

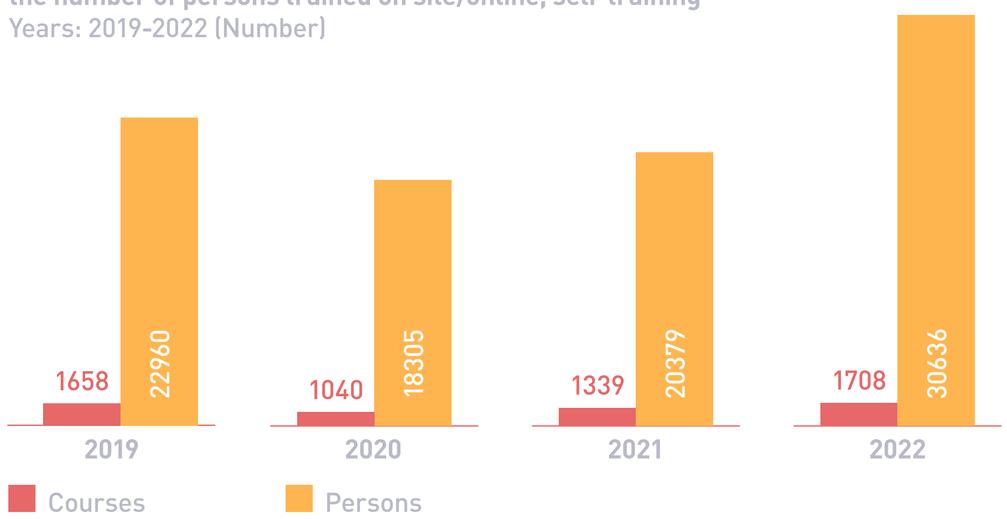
Heads of structural units determine the necessary set of training for each position, which is included in the form of training required for the position. In accordance with the laid down form of training required for the position, training is organised by the TC or the structural unit itself. On average, one employee spent 5.5 hours in training within TC programmes in 2022, excluding the courses acquired by self-learning, as they can be learned at their own pace, as well as voluntary training, such as online mini-lectures or participation in voluntary training courses for employees on various topics.

In 2022, 143 employees were tested for professionalism. In 2022, training activities increased significantly, which is related to both the need to train new employees and the opportunities to organise training both in person (which was hindered by the restrictions related to Covid-19 in the previous period), as well as online and e-training, developing technical capabilities.

In 2022, TC held 1,699 training courses – a total of 8,355.8 hours, training 15,172 persons. 1,320 courses were for employees of Riga Airport (one employee attends several courses) and 458 – for employees of other organisations. On the other hand, in 2022, training was provided to 595 persons in guest lecturer courses. 14,965 people learned the courses through self-learning in the e-environment. The hours of training provided by external organisations are listed only for those trainings that are provided in the premises of Riga Airport (the average length of training is 3.5 hours).

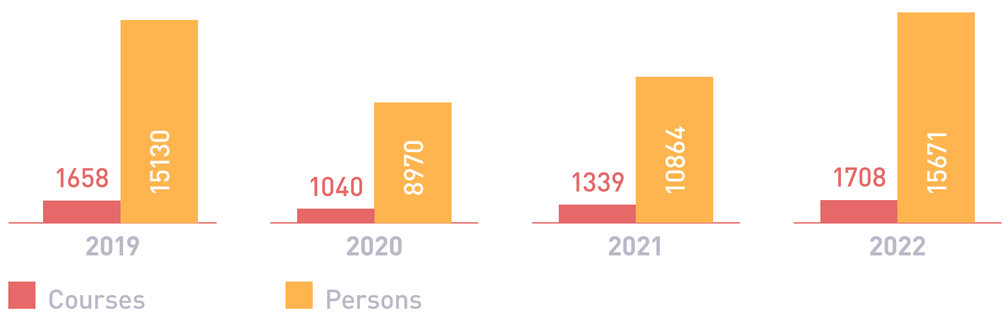
ALL TRAININGS ORGANISED BY TC IN TOTAL:

Number of trainings organised by the Training Centre and the number of persons trained on site/online, self-training
Years: 2019-2022 (Number)



ALL TRAININGS ORGANISED BY TC:

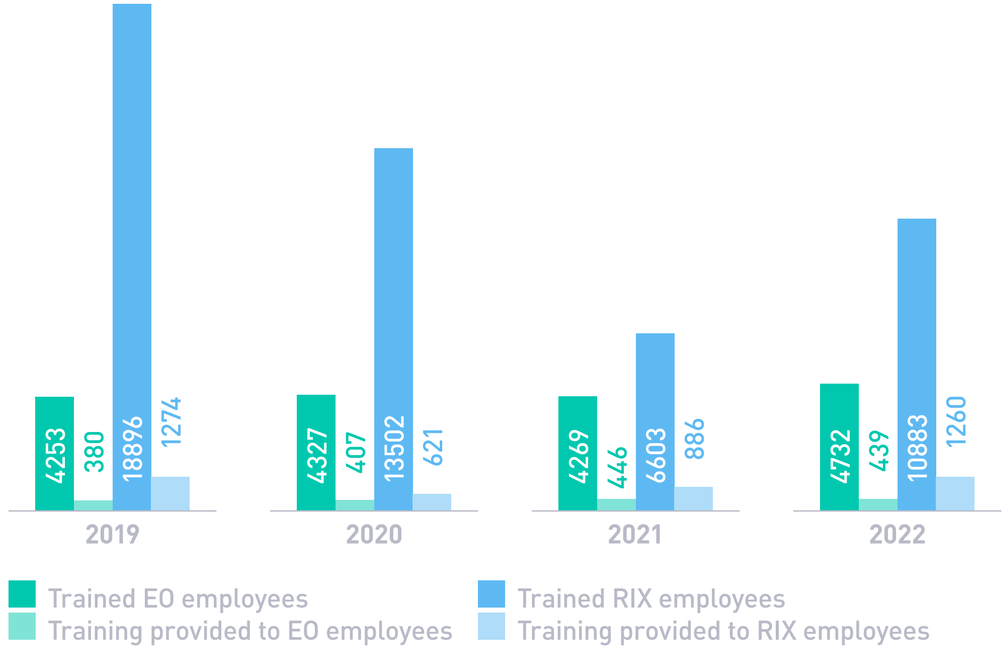
Number of trainings organised by the Training Centre and the number of persons trained on site/online
Years: 2019-2022 (Number)



TC of Riga Airport developed and provided 131 current training programmes in 2022, of which 46 training programmes were created anew or updated in 2022. 14 programmes are under development. The work on the development and updating of new programmes is ongoing, taking into account the actualities of industry or airport operations, changes in regulatory documents and analysis of practice cases. The main areas of the training programmes developed by TC are related to the airport's core business areas – ground handling, aviation safety and aerodrome operation, as well as crisis management, fire safety and labour protection. Training programmes for learning new equipment or processes were re-established.

TRAINING PROVIDED BY PROGRAMMES DEVELOPED BY RIX TRAINING CENTRE TO EXTERNAL AND RIX EMPLOYEES ON SITE/ONLINE

Years: 2019-2022 (Number)



MAIN AREAS OF TRAINING PROGRAMMES DEVELOPED BY TC

Field	Number	Training programmes developed/renewed in 2022
Aviation security	18	10
Labour protection	5	2
Crisis	13	3
Aerodrome	15	4
Fire safety	19	16
Ground handling	53	6
General	6	3

In addition to the training required for the position, the employees of Riga Airport have the opportunity to attend qualification training in Latvia or abroad. In 2022, after the interruption caused by the Covid-19 pandemic, several such training missions were organised. 105 employees, representing 39 positions, went on 117 business trips with the aim of attending trainings or conferences in 2022.

Using the e-RIX online intranet, information on free online training for employees is published and regularly updated in the section "Raising of Qualifications" dedicated to development opportunities. Special attention was paid to competences that were determined for employees to be developed within the framework of the 2022 development negotiations, as well as topics for promoting employee well-being.

HRD of Riga Airport inform the employees regularly about free training, especially inviting them to participate in state-level lifelong learning projects implemented by the State Education Development Agency and the State Employment Agency, for example, in the adult education project "Improving the Professional Competence of Employed Persons". Riga Airport helps employees with informative and practical support.

At the end of 2022, HRD invited employees to participate in a new lifelong learning project organised by the State Employment Agency. In it, it is possible to learn competences that are very useful for the employees of Riga Airport, for example, English and driving various types of vehicles, as well as computer skills, so the project aroused great interest and activity. Also for this project, Riga Airport organised a practical webinar and its recording. Staff had the opportunity to receive individual assistance with course selection and application from HRD staff.

In order to improve employee competencies and provide support in the implementation of employee development objectives, in 2022 Riga Airport started cooperation with LU "Open Minded" or "OPEN", which is the largest online course training platform in Latvia. The first courses that employees could learn were devoted to all current topics – critical thinking and information analysis and intergenerational cooperation, as well as targeted speaking skills, which are important not only in public speaking, but also in conversations with colleagues and clients. In 2022, in the first two months of the project, 229 employees had started training in one of the courses, while 81 employees had already obtained a certificate. Taking into account the activity of the employees and the positive feedback, the project is continued in 2023, adding new courses determined by the vote of employees.

In 2022, a training cycle was started to improve financial literacy of employees:

- in order to promote understanding of employees of the pension system as a whole, including the effective management of the 2nd pension level and other opportunities for saving, the online seminar on pension issues was held for employees in November 2022.
- In December, the webinar was held on personal money management, savings, personal finance management tools, and there was also an opportunity to participate in the game "Financial Literacy".

Additional information is available in the section "Manager Training".

SUPPORT FOR OBTAINING EDUCATION

According to the Personnel Management Manual, employees have the right to apply for payment of tuition at accredited universities in Latvia, accredited bachelor's, master's and doctoral study programmes, as well as professional training or training for qualification improvement.

If professional training or qualification improvement measures are considered to be related to the work performed by the employee in conformity with the circumstances, but such professional training or qualification improvement is not of decisive importance for the performance of the contracted work, the employer can reimburse the expenses of the employee's professional training or qualification improvement. An agreement is concluded between the employee and the company regarding training and reimbursement of related expenses.

In 2022, no employee of the company used the opportunity to apply for tuition payment.

STUDY LEAVE

Employees of Riga Airport can receive a study leave of up to ten working days a year to pass semester tests or develop a doctoral thesis, or up to 20 working days to take final exams and state exams. In order to acquire the necessary knowledge for the performance of work duties in conformity with the job description and if the working conditions allow it, Riga Airport grants a study leave while maintaining the salary. In this case, the employee, while continuing his work, must successfully study at a state-accredited educational institution or a foreign educational institution, the issued diplomas of which are recognised in Latvia.

In 2022, two employees used the right to paid study leave. Studying employees have spent 40 calendar days on paid study leave.

MANAGER TRAINING

Taking into account the high workload of managers, as well as the need to ensure remote and flexible work, in 2022 the development of managers played an important role in e-learning – online or in e-training, offering to use various resources. HRD collected and regularly sent information about recommended webinars to managers, for example, the offer of cooperation partner Latvian Chamber of Commerce and Industry. These webinars could easily be attended by those leaders who were interested in the given topic or watch the recording afterwards. Managers, like all employees of the Airport, could use the abovementioned training offers, which included various competencies needed by managers – information about them was sent to all employees and published on the intranet.

In 2022, several specialised leadership trainings were held:

- in order to implement the planned development and implementation of the PI system, webinars were held in February for all administrative managers of Riga Airport, with a total of 63 participants, led by Uldis Pāvuls, organisational trainer, psychologist. In addition, a seminar was held for the working group for the implementation of PI.
- Several trainings were held for the managers of the Security Department – 40 employees participated in two-day face-to-face training in the first-level manager development programme. Training of supervisors was conducted for 23 employees. The studies were combined – both remotely and face-to-face.
- Several trainings were also held for the managers of the Ground Handling Department.

INTERNAL COMMUNICATION AND ENGAGEMENT

3.3.

The basic principles of the internal communication of the Airport are determined by the Communication Strategy of Riga Airport for 2022-2027 adopted in 2022. Internal Communication Procedure. The procedure applies to all structural units of Riga Airport and is binding on all employees of the Airport.

Company employees are identified in the Communication Strategy as the most important audience with direct and indirect influence on all other communication audiences. **The communication strategy provides for the following basic principles and tools of internal communication:**

- employees are the first to learn about important airport work issues, news, results;
- main communication channels:
  - intranet,
  - regular employee meetings with company management – both at the level of structural units and common to all employees,
  - the newsletter "e-RIX reports",
  - e-mails – as necessary,
  - closed Facebook group,
  - informative materials in work and rest rooms;
  - modern digital communication tools.
- we will plan internal communication campaigns on a monthly basis, covering as wide range of topics/interests as possible;
- we will plan and organize employee motivation events related to important events for the company, country or calendar;
- at least once every two years, as part of an employee survey, we will evaluate the effectiveness of the internal communication process and the channels used.

In accordance with the employee engagement survey of 2022, the most important internal communication channels (on a scale of 1-4) are:

- e-mail (3.5);
- negotiations with the head of the structural unit (3,3);
- WhatsApp groups (3);
- online meeting with the Board of Riga Airport (2.9);
- meetings of structural units (2.9) and intranet "e-RIX" (2.8)

The communication strategy also envisages, taking into account the generational change in the collective of the Airport, where more and more new generation of employees are entering whose mentality, social and information consumption habits, emotional attitudes and life goals are different from the scope of previous generations, to develop new internal communication channels and tools, including non-traditional and digital solutions, during the period of operation of the Strategy.

Internal communication plays a vital role in the Airport, as it covers all communication and information relationships within the Airport, between management and employees, as well as among employees themselves. Internal communication is a tool that ensures the functioning and coordination of functions and processes for the efficient operation of the company. It helps to perform work correctly, promotes employee motivation, understanding and satisfaction, increasing loyalty to the company, helps to strengthen trust and credibility and resolve conflicts.

With the help of internal communication, the circulation of information in the company, understanding of the transferred information and feedback is ensured. In this way, the strategic plans, objectives, tasks, projects, achievements, news and current events of Riga Airport are communicated, as well as other information that can help to improve the operation of the Airport, involve and motivate employees to achieve the defined objectives.

The purpose of internal communication is to ensure management and understanding of the objectives by employees, ongoing activities and other topics important to the company, promote employee involvement and loyalty to the Airport, effective cooperation between colleagues and structural units, create a corporate culture, and quickly and effectively convey various messages to employees.

The objectives of internal communication are linked to the objectives defined in the Strategy:

- employee satisfaction in 2027 > 4 (on a scale of 1-6);
- voluntary employee turnover in 2027 < 15%
- the company's recommendation index (Net Promoter Score, e-NPS) among employees in 2027 > 30 (on a scale of -100 to 100).

In the employee engagement survey of 2022 (scale from 1-6), employees positively evaluated aspects of communication and values, including trust in the company's senior management.

In order to ensure direct and regular communication with employees, several communication channels have been established at Riga Airport.

EVALUATION OF JOB ASPECTS (4/4)

COMMUNICATION CHANNELS

In order to provide employees with information about what is happening in the company in a summarised way and promptly, once a week all the employees receive the newsletter "e-RIX reports" in their e-mails. It is a summary of the week's highlights, performance indicators, results and available vacancies and other useful information for employees. In addition to the weekly newsletter, in 2022, a separate newsletter dedicated to labour protection and epidemiological safety issues continued to be published. It includes up-to-date information on the most important labour protection and epidemiological safety issues.

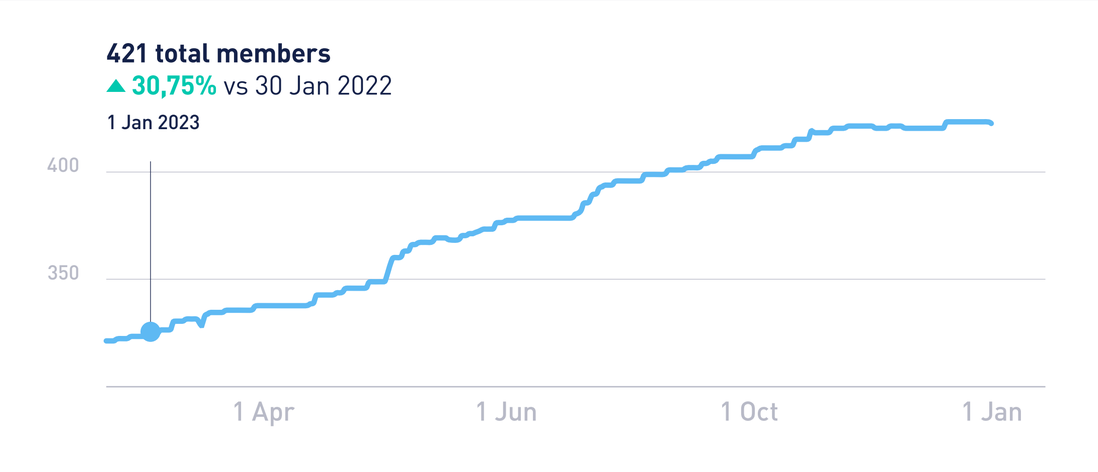
In 2022, the development of the intranet e-RIX was continued, where not only current information is available, but also the employee contact directory, documents required for work, application forms, information on salary, health insurance, bonuses, and other useful information for employees. In 2022, new sections on actions in the event of bribery, as well as risk management and employee involvement, were created on the intranet. Structural changes have also been made to make the website more transparent and easier to use.

In order to follow up-to-date information, the e-mail and e-RIX environment of Riga Airport can also be used remotely (on a smartphone, tablet, home computer) by authorising with the employee's access data.

Internal communication channels of Riga Airport also include e-mail, phone, "WhatsApp" groups, meetings, employee surveys and direct communication with the manager. Employees also have the opportunity to join the closed Facebook group of employees, the number of members of which increased to 421 members in 2022 (data as of 1 January 2023 (322 members as of 30 January 2022, earlier data are not available).

In 2022, online meetings of the Board with employees on the platform "Zoom" were continued regularly once every two months. During the online meeting, the company's management presents the employees with current information, operational data and results of economic activity, planned works, and during the meeting, everyone has the opportunity to ask a question to the company's management. Between 350 and 400 employees participated in each of the online meetings with company management.

Regular (for example, weekly) online meetings are also organised within the structural units, involving the employees of the structural unit, discussing what has been done, what is planned and other current events, while providing and receiving mutual support and promoting the maintenance of team spirit.



EMPLOYEE SATISFACTION SURVEY AND OTHER SURVEYS

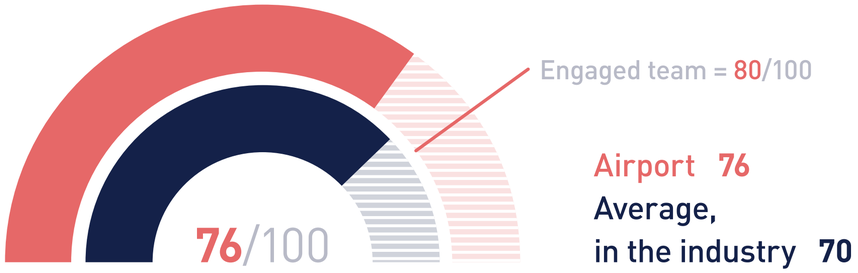
At the end of 2022, after a three-year period, Riga Airport organised a comprehensive study of employee satisfaction, i.e. employee involvement and work environment, by engaging an external service. 943 or 68% of the employees of Riga Airport participated in the study.

The main findings of the study:

- the employee engagement score is 76 points out of 100 – above the industry average indicator of 70 points;
- eNPS is -4 (on a scale of -100 to 100), or 7.1 points on a scale of 0-10 points;

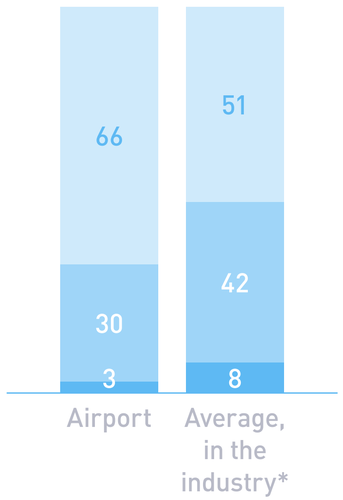
EMPLOYEE ENGAGEMENT

Average on the scale of 0-100



SATISFACTION

I am generally satisfied with the work in this company, %



RECOMMENDATIONS

What is the possibility of you recommending the Riga Airport as an excellent place for a job, if anyone asks? The average on the scale of 0-10

Agree Hesitant Disagree

Average, in the industry* - Latvian residents employed in the industry of transport and storage, August 2022, n=1005

- satisfaction with work at the Riga Airport is rated as 4.7 points on a scale of 1-6 points;
- overall satisfaction (average indicator of comparable questions in 2022) is 4.5 on a 1-6 point scale. Compared to the results of the survey of 2019 (4.2 points on a 1-6 point scale), the general satisfaction indicator has increased.

The results of the study show that the employees of Riga Airport feel more involved than the average in the industry and are more satisfied with life, compared to those working in other companies. Employee loyalty indicators are also slightly above the average level of the industry. The employees of Riga Airport value their colleagues, team and stability the most.

Comparable indicators of the results of 2022 have improved on average by 8% compared to 2019.

Several aspects that require improvement have also been identified, such as remuneration level, information flow, quality of work clothes and uniforms, workload and microclimate.

In 2023, the results of the survey in the structural units will be evaluated in detail, and in cooperation with the heads of the structural units and responsible specialists, the HRD will determine the necessary actions to improve the aspects to be improved. The results of the survey and the action plan for the necessary improvements will be presented to the employees within the structural units.

In addition to the employee engagement survey, in 2022, the opinions and proposals of employees were identified in the following issues:

- the survey of employees and evaluators about evaluation and development discussions,
- the annual employee survey on health insurance,
- the survey on development experience and fulfilment of objectives of employees.

The following also happens continuously:

- survey of newly hired employees,
- survey of leaving employees (from July 2022 in electronic format),
- survey of new employees at the end of the probationary period (a new initiative that was introduced permanently in 2022).

BANK OF IDEAS

In 2022, a new important internal communication activity was launched – the Bank of Ideas of employees. Its purpose is to involve employees in improving the company's operations and processes, creating and implementing new, innovative solutions, improving the working environment and client service. The procedure of the Bank of Ideas is determined by the "Terms of Reference of the Competition of the "Bank of Ideas"". The ideas submitted in the competition are evaluated by the Preliminary Evaluation Commission, headed by the Chairperson of the Supervisory Board of the Airport. The committee determines the further direction of the idea, which is then the responsibility of the head of the relevant responsible structural unit. Ideas that participate in the contest are eligible for cash prizes. The winners of the Bank of Ideas are determined by a vote of the employees and the Supervisory Board of the Airport every year in November, and, in December, the winners are awarded.

Employees can easily submit their ideas on a specially created site on the airport intranet "eRIX", where feedback is also provided – employees can find out information about the progress of their idea and receive an explanation of the decisions made.

The competition has received a great response from employees – in the 1st season (from 11 January to 31 October 2022), employees submitted a total of 90 ideas to the Bank of Ideas. The most – 19 ideas – were submitted in the category "Process improvement", 16 ideas – in the category "Efficiency and resource saving", 13 ideas in the category "Innovation and services", 11 ideas each in the categories "Client service" and "Other", while 10 ideas – in the category "Improving the working environment".

Of the ideas submitted in Season 1, seven were implemented by the end of 2022. Another seven ideas will be implemented in the short term (in a period of up to one year), while two are recognized as feasible in the long term – in a period longer than one year. Nine ideas will be implemented in a different way than presented, 15 ideas were already included in the work agenda of a structural unit, while nine ideas had already been submitted previously. Ten ideas were still under evaluation at the end of the year, but the evaluation of the last four submitted ideas had not yet started. 27 ideas are recognized as unfeasible.

MINIMUM NOTIFICATION PERIODS FOR CHANGES IN THE COMPANY'S OPERATIONS

402-1

in 2020, based on Cabinet Regulation No. 427 of 17 September 2002, Procedure for the Election of Trusted Representatives and the Activities Thereof, seven trustees were elected at the general meeting of employees, from which the main trustee was chosen.

Riga Airport regularly informs employees and the trade union about the actualities of operations, development and planned changes in the structure. If a collective layoff is planned, in conformity with the Labour Law, consultations with the trade union must be started no later than one month before the notification is submitted to the State Employment Agency. Employees must be informed about structural changes related to reducing the number of jobs no later than five days after the decision is made. Employees are notified of other significant changes in the company's operations, wages or conditions no later than one month in advance. In accordance with to the Order No. 20/74B of 19 June 2020, a permanent working group for consultations with the trade union has been established.

In the event of a reduction in the number of employees, which took place in the spring of 2021 in the Passenger Service Department of the Ground Handling Department, Riga Airport consulted with employee representatives in a timely manner and regularly. The reduction of the number of employees was planned in connection with the reduction of the predicted number of passengers (served by Riga Airport). The employment relationship was actually terminated with 17 employees instead of the planned 25.

DEVELOPMENT DISCUSSIONS

404-3

The annual evaluation and development discussions related to its results take place once a year for all employees of Riga Airport whose probation period has ended, including all managers. The procedure for annual evaluation is determined in the Personnel Management Manual in conformity with the evaluation criteria set for the position, by filling out the evaluation questionnaire. After the annual evaluation of the employee, the head of the structural unit conducts development discussions.

Starting from 2021, Riga Airport introduced significant changes in the concept of annual evaluation and development discussions, based on the proposals of employee representatives, managers and experts, the specifics and possibilities of the work of the Airport, and also taking into account good practice recommendations in the field of personnel management. Comprehensive preparation was carried out – guidelines, forms, informational materials and other documents were developed, and managers' training in conducting development discussions was organised. A separate section "Annual evaluation – development discussions" was created in the intranet, where all materials and information are compiled, and consultations to managers and employees are provided. Based on the results of the development discussions and the development objectives laid down for the employees, HRD developed a Personnel Development Plan, the actions determined therein were implemented in 2021 and 2022. Surveys of employees and evaluators were conducted in 2021, which confirmed that the majority of evaluators and employees were satisfied with the key areas of evaluation and development discussions, including innovation, and many valuable suggestions were received that were used for the improvement of evaluation-development discussion process of 2022.

When preparing for the assessment and development discussions of 2022, work was carried out on the digitisation of the assessment process, which was one of the most important recommendations to facilitate the process. In 2022, the evaluation form was simplified and its filling and handling took place electronically in a specially created intranet module.

In relation to the development of employees, at the turn of the year 2021/2022, research was conducted – a survey and interviews – about employee development experiences and the fulfilment of objectives in order to find out the opinion of employees about their learning and development experience at Riga Airport during the last year.

The implementation of the development plan is reflected in the implementation of the staff development plan of Riga Airport for 2021/2022. Within its framework:

- consultations were provided to managers and employees on the development issues upon request;
- a market feasibility study on the costs of individual consultations/ supervisions for the manager's individual development was carried out;
- events related to desire of employees to get to know the work of other companies in the industry and other structural units of the airport were organised, including:

- four tours for getting to know the territory of the Airport and work processes for employees working at Riga Airport since 2020 were organised;
- internal "Shadow Day" was organised;
- the cooperation in organising mutual excursions with ATL;
- exchange of experience for the representatives of employees from several structural units with several airports was organised.

More about training measures for the promotion of the development of employees in the section "Trainings Provided by the Company".

EMPLOYEE TURNOVER

401-1

In 2022, 1,388 employees worked at Riga Airport (as of 31 December 2022). The number of employees has increased compared to 2021, and it is planned to continue to increase in 2023. Upon the renewal of the operation of the Airport, new positions were introduced and employees were hired in connection with the growing number of passengers, as well as infrastructure development, attracting new employees to provide passenger and aircraft services, and also employees with the necessary technical competences. A large increase in the number of employees is due to the fact that from 1 January 2022, Riga Airport fully took over the aircraft servicing of the airBaltic airline on the apron. The recruitment of employees started already in the second half of 2021, so that the necessary training could be provided to the new employees in time.

In 2022, the number of employees in the fields of aerodrome maintenance and safety also increased, for example by hiring:

- managers of aerodrome maintenance equipment;
- aerodrome service specialists;
- senior aviation security inspectors;
- aviation security inspectors.

Also, with the increase in the number of flights, the number of employees in other areas also increased, reaching the historically highest number of staff positions – 1,434 as of 1 February 2023 (previously the highest number of staff positions was in 2008).

Employees have the opportunity to apply for internal vacancies and take advantage of growth opportunities in other structural units as well. In 2022, 150 employees took advantage of this opportunity and changed their position.

Internal vacancies are available to employees on the intranet and via e-mail. In order to more clearly and mitigatingly communicate the internal growth opportunities to employees and support career development, growth opportunities were revised or newly developed in several structural units – positions, position criteria and remuneration were reflected. In 2022, the growth opportunities of two departments of the Ground Handling Department and one department of the Security Department were revised, clarifying the criteria, and position growth opportunities were developed in two departments of the Aerodrome Safety and Management Department.

In order to ensure the attraction of large-scale, diverse specialties and qualified employees, in 2022, Riga Airport organised open days and other personnel attraction campaigns, as well as participated in career events of other organisations:

- during the open door week, in cooperation with "prakse.lv";
- in the career events of the State Employment Agency;
- online on the re-emigration think tank;
- in the online event "Work and Career in Latvia";
- in university career events;
- in guest lectures or other events in educational institutions.

Read more about the events in the section "Career Events and Internship Opportunities".

As a result of personnel recruitment activities, 501 new employees started work in 2022 (compared to 375 in 2021, 158 in 2020) and in addition 85 students were hired during the summer period.

Of the employees who ended their employment in 2022, 72 were women, 204 were men. 133 persons under the age of 30, 104 persons between the ages of 30 and 50, and 39 persons over the age of 50 terminated their employment.

STATISTICS OF NEWLY HIRED EMPLOYEES

In 2022, 501 employees were hired at Riga Airport, which is 36% of the company's employees:

- 268 employees were under the age of 30;
- 182 employees aged between 30 and 50;
- 51 employees over the age of 50.
- Of the newly hired employees, 114 are women, 387 are men.

In 2022, voluntary turnover reached 14.39% (i.e. employees who want to terminate employment legal relations themselves), actually remaining at the level of 2021 (14.28% in 2021). Taking into account the rapid recovery of the operation of Riga Airport and the recruitment of personnel (~50% more employees were hired in 2022 than in 2021), the result can be assessed as very good and in line with the planned indicators.

In 2022, two employees of Riga Airport retired. In the previous five years – 2021, 2020, 2019, 2018 and 2017 – two, six, three, four and seven employees retired respectively.

Starting from August 2022, HRD introduced an electronically filled questionnaire on the reasons for the termination of employment. In the five months of 2022 (August to December), 33 employees filled out the interview, giving their opinion on such aspects as the training process, the work process and the team, as well as on the reasons for terminating the employment legal relationship with Riga Airport. The most frequently mentioned reasons for terminating the employment relationship: another job offer, starting studies, family and health problems. 25 of the employees who filled out the questionnaire stated that they would definitely recommend Riga Airport as a place of work.

Also, from August 2022, the HRD introduced an electronically completed survey for employees whose probationary period is coming to an end. Employees are given the opportunity to share their first impressions about aspects such as the recruitment and training process, the work process and the team, including the direct manager, as well as about growth and development issues. In the five months of 2022 (August to December), 91 employees completed the interview. 83 employees admit that they evaluate the decision to start working at the Airport positively, eight – neutrally, while none of the respondents evaluates this decision negatively.

RANGE OF BENEFITS

401-2

Riga Airport offers its employees a diverse and attractive range of benefits, including those in addition to those laid down in the Labour Law. The tools of material motivation of employees are defined in the Wages Regulations, the Collective Labour Agreement, the Personnel Management Manual, and by separate decisions of the Board and orders of the Chairperson of the Board.

In accordance with the Collective Labour Agreement concluded between Riga Airport and the Union of the Airport Employees of the Republic of Latvia, employees whose probationary period has ended (except for the seasonal employees) have access to a wide range of benefits, in addition to those laid down in the Labour Law.

The range of benefits includes:

- social guarantees;
- benefits in important life events, for example, in connection with marriage, birth of a child, adoption of a child;
- material support for employees or their relatives, for example, to cover expenses for the treatment of a child, expenses related to the death of a family member or a former employee;
- vacation allowance (from the second working year) – once during the calendar year, when leaving [21] on annual paid leave of not less than 14 calendar days, from 70% to 100% of the salary (amount depending on length of service);
- benefits in case of retirement;
- purchase of optical vision correction products;
- allowance of the Knowledge Day for the employees who have children aged 5-18;
- health insurance policy for employees, providing opportunities to receive high-quality and versatile health services – with the possibility to purchase it for your first-degree relatives, as well as accident insurance;
- one-time material benefit for other reasons;

[21] in 2022, the vacation allowance was paid to all employees at the same time, at the end of the year, in connection with the need to evaluate the company's 1st-3rd quarter financial indicators

- in conformity with the budget possibilities, on the round anniversaries of the company (every five years), a one-time bonus is paid to employees with ten or more years of service;
- benefits offered within the framework of cooperation with other organisations (special discounts and offers in useful areas);
- various sports and cultural activities, including events for family members of employees of Riga Airport.

Since March 2020, the Covid-19 epidemic, as well as the hostilities in Ukraine affected the Airport's financial situation, reducing revenues. However, both during this period and upon the return of faster growth, Riga Airport continues to work on evaluating and improving the benefits system, identifying directions for good practice in motivation and reward issues.

Two of the most desirable types of benefits in the opinion of employees in 2022 are support for transport and meals – not only financial, but also organisational. Likewise, employees have always highly valued the opportunity to purchase discounted airline tickets which are also available to family members of employees in cooperation with the airline "airBaltic" since 2022.

Employees of Riga Airport have access to a free parking space for their personal car, as well as a discount on fuel as part of the cooperation partner's offer. Increasingly supporting the environment and financially friendly choices for everyone, in 2022, several new bicycle sites have been created and improved for employees, an employee bus is provided when public transport is not running, and procurement was organised for the purchase of an application for employee ride-sharing.

Equipped kitchens are available in the premises of employees, where you can heat up and eat a meal you have taken with you, drinking water is available. There are several catering companies with a diverse assortment operating in the territory of the Airport. In order to improve the availability of the offer, a food kiosk was installed in 2022 where employees can buy food 24/7.

Information about benefits available to employees is communicated in job advertisements, career portal and career events. It is introduced to new employees during induction training, detailed information and current events are published on the intranet and e-mail.

FLEXIBLE WORKING HOURS AND REMOTE WORK

At Riga Airport, as in other companies, the balance between private and work life is essential for employees.

The majority of the employees of the Airport (82%) work cumulative working hours (shifts), and they have the opportunity to influence the schedule of work, vacation and holidays, by applying in a certain order not to plan shifts on specific days or to change them.

From 2020, in relation to the emergency situation caused by the Covid-19 pandemic, Riga Airport was also looking for organisational and technological solutions to promptly and effectively implement and support the application of flexible work forms. Technological solutions were improved in 2021 and 2022, more and more functions can be performed remotely comfortably and safely. In 2022, the Remote and Flexible Work Organisation Procedure developed in 2020 was revised and updated. Employees can use remote and flexible work opportunities in accordance with a clearly defined procedure – in coordination with the manager of remote work if it is possible to perform the specified work duties remotely. If it is possible to work remotely and/or flexibly in the position, this is also indicated in the job advertisement.

In connection with energy-saving measures, from the fall of 2022 remote work will be additionally promoted for those working during normal working hours, determining Fridays to be remote work days.

CAREER EVENTS AND INTERNSHIP OPPORTUNITIES

It is important for Riga Airport to attract employees (read more in the "Employee Turnover" section), so various events are held so that schoolchildren and students have the opportunity to learn about work at Riga Airport, as well as events are organised for a wider audience of job seekers or representatives of certain professional fields. During 2022, some of the events took place online, but using the possibilities of different formats. Some of the events were in person.

In 2022, many events took place with the participation of Riga Airport:

- events in cooperation with the Employment Agency – career presentations and meetings with job seekers, Jūrmala Vacancy Fair, Work and Career in Latvia;
- events in cooperation with higher education institutions – career day of Riga Technical University and its Culture Centre's inter-faculty erudite competition "We are flying on wings!", introducing students of Jēkabpils Agribusiness College to the work processes and opportunities of the Ground Handling Department; career day of the university RISEBA, career day of the Institute of Transport and Communications, career opportunities day of the University of Latvia;
- events for students – two online lessons "Handling Dangerous Substances" of the project "Ready for Life" were organised and conducted, a guest lecture of JSC "Sadales tīkls" was held at the informational seminar of electrical safety messengers, participation in Latvia's Day of Shadows, participation in the project "School Comes to Life" organised by Mārupe elementary school (read more in the section "Support to Society");
- other events – excursions at the open day events at Riga Airport, the celebration of the Mārupe Municipality, where the stand for the recruitment of the personnel of Riga Airport, re-emigration think tank – job exchange were operating.

Riga Airport informs pupils, students and students of vocational education institutions about the airport's career events, practice and work opportunities in various specialties, using the "prakse.lv" portal, as well as addressing the responsible specialists of educational institutions – career counsellors, methodologists, program managers and others.

Information about vacancies and career events is always available on the career website of Riga Airport darbslidosta.lv and is also communicated via social media.

In 2022, Riga Airport provided 40 internships for students of various educational levels in the following fields:

- entrepreneurship (work organisation and management of institutions, start-up business management, management of companies in the tourism and hospitality industry);
- information and communication technologies;
- human resource management;
- law;
- etc.

Riga Airport also supports the acquisition of education or qualification of employees by organising the necessary educational internship in the company, if the employee wants it and has the opportunity to provide internship in his/her or another structural unit. In 2022, 19 employees of Riga Airport used this opportunity.

In 2022, Riga Airport shared its experience of employment challenges and labour recruitment both with organisations and by participating in events:

- in cooperation with the Society Integration Fund, on 29 June 2022, an event "Family Friendly Workplace" was organised for the participants of the programme. Riga Airport presented its family-friendly initiatives, provided educational activities for children and a tour of the territory of the Airport;
- On 15 November 2022, at the Company Experience Day organised within the framework of World Business Week, the Airport shared its experience in involving employees in knowledge transfer in the company;
- in cooperation with the Society Integration Fund, Riga Airport gave a guest lecture to Liepājas RAS Ltd. on promoting cooperation between employees of different generations;
- in cooperation with the Society Integration Fund and the Latvian Chamber of Commerce and Industry, Riga Airport participated in a live discussion for employers about age discrimination at the workplace;
- Riga Airport shared its experience with other companies, for example, on the accounting of aggregated working hours, its organizational conditions and other relevant personnel management issues.

10 ECONOMIC AND SOCIAL IMPACT

POSITIVE IMPACT AND INVESTMENT IN THE ECONOMY AND SOCIETY

3.3, 203-2

Airports are the engine of regional and national development. The study "Economic Impact of Europe's Airports" shows that airports in Europe contribute to 12.3 million jobs, while airport connectivity, as measured by the Connectivity Index, a tool developed by ACI, shows that a 10% increase in connectivity has a 0.5% impact on GDP per capita [22].

The significance of the economic impact of the airport is also characterised by the strategic objective – while maintaining the leading position in the Baltics, to develop connectivity and increase the number of served passengers and cargo turnover with the aim of becoming the traffic centre of Northern Europe.

Riga Airport is the leader of passenger and air cargo transportation not only in Latvia, but also in the entire Baltic, with the ambition to become one of the air traffic centres of Northern Europe. Riga Airport ensures the connectivity of the region with strategic destinations, which directly affects the tourism and hospitality industry and foreign investments in Latvia – the wide range of destinations promotes economic growth and creates new jobs in the hotel, leisure, public transport, catering and other service sectors in the country. It also shows the critical importance of restoring connectivity after the Covid-19 pandemic, supporting the country's economic recovery.

In order to improve the connectivity of the region, one of the priorities of Riga Airport is the development of a wide network of routes, therefore the Airport is constantly negotiating with air carriers about the opening of new flight routes, which is described in more detail in the chapter "Connectivity and Promotion of Latvia as an Attractive Destination".

Riga Airport is one of the largest taxpayers in Latvia and one of the largest employers. Read more about the impact of Riga Airport on the national economy in the chapter "Impact on the National Economy".

Also, a study is conducted every two to three years on the economic impact of the aviation industry on the Latvian economy in cooperation with LAA and Latvian aviation industry companies – airlines and aviation service providers.

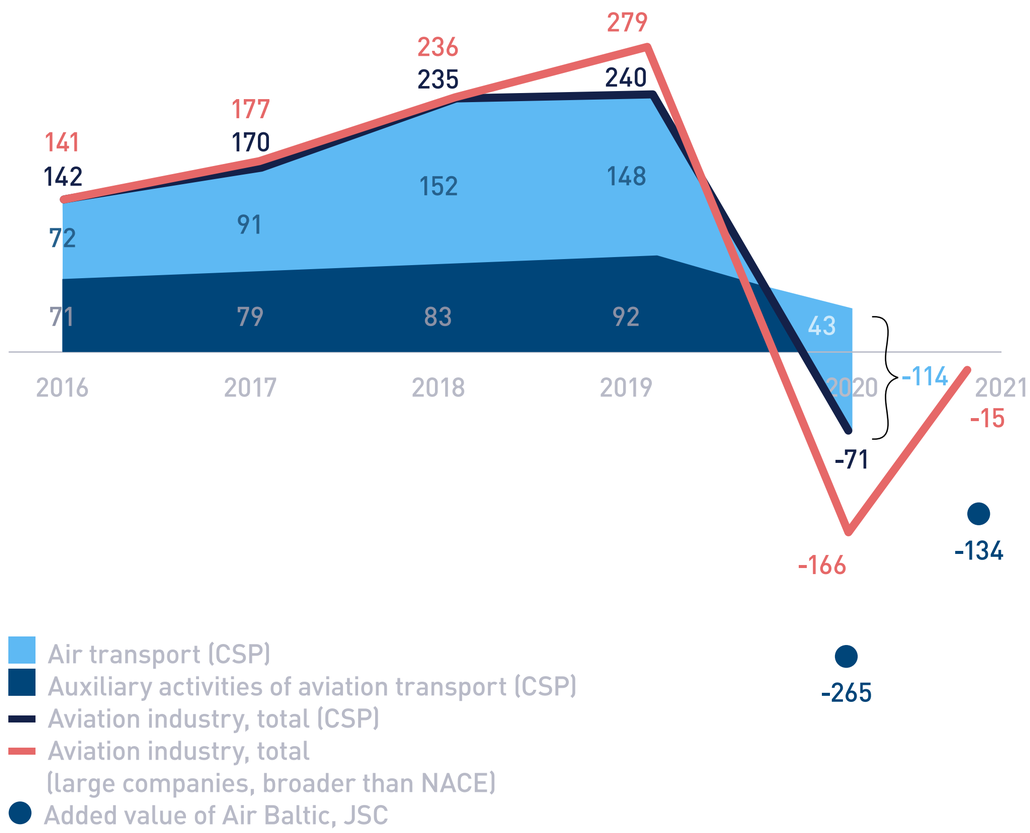
The study "Economic impact of the Latvian aviation industry on the national economy in 2018 – 2021" conducted by "Oxford research" in 2022 [23] shows that the direct added value of the aviation industry in 2019 reached at least 240 million euro. If the aviation industry also includes companies in significant fields that are not included in the air traffic and air transport auxiliary industries according to the NACE classification, then the direct added value in 2019 was at least 279 million euro which made up 0.9% of Latvia's GDP.

[22] Source: ACI EUROPE Sustainability Strategy for Airports

[23] Source: Oxford research "The economic impact of the Latvian aviation industry on the national economy"

DIRECT ADDED VALUE, MLN, EUR

According to two methods: CSP and data of large companies



Methodology: The 1st method (in blue) – summarised CSP data <<GDP060 Total added value in actual prices>> for industries H51 and H5223. The sum of both industries indicates the total added value in the aviation industry. The 2nd method (in red) – using the list of largest companies in aviation industry compiled by the Latvian Aviation Association, more enhanced than CSP. The direct added value is calculated by using data of the annual reports of the companies according to the following formula: Profit or loss before payment of enterprise income tax plus personnel costs plus depreciation. Data of studies in previous years (available at the Latvian Aviation Association) were used to reflect the direct added value of the large companies in 2016 and 2017. For 2020 and 2021, additionally is shown the negative impact of COVID-19 on Air Baltic JSC.

Due to the impact of the Covid-19 pandemic, in 2020 the added value of the aviation industry fell to minus 71 million euro. The added value of air transport companies fell to minus 114 million euro, but it was balanced by air transport auxiliary companies, where the added value fell by half since 2019, but was positive – 43 million euro.

If the expanded circle of aviation industry companies is assessed, the total drop in added value reaches minus EUR 166 million in 2020. The impact of the pandemic is also characterised by percentage changes compared to 2020 which were thirty times higher than in the country as a whole (-30% versus -1%). However, already in 2021, a rapid increase of EUR 151 million EUR up to minus EUR 15 million was detected (assessed by the activity indicators of large companies, which cover the aviation industry more broadly than the NACE classification applied by CSB).

In the aviation sector, the direct value added is on average one quarter of the total value added, if the impact of Covid-19 is not taken into account. This means that one EUR of direct added value in the aviation sector indirectly generates three EUR of added value in other sectors.

It was established in the study that the total impact of the aviation industry on the national economy, which includes not only the direct, but also the indirect, induced and catalyst effects, is worth at least in the amount of 918 million EUR in the period before the pandemic in 2019, or 3.4% of GDP:

- **indirect impact** – the added value of products and services purchased by the aviation industry amounted to EUR 427 million, or 47% of the total added value of the aviation industry;
- **induced impact** – the added value created for ensuring the consumption of those working in the aviation industry amounted to EUR 57 million, or 6% of the total added value of the aviation industry;
- **the impact of the catalyst** – the contribution of the aviation industry to the provision of tourism, post and courier operations amounted to EUR 155 million, or 17% of the total added value of the aviation industry. 92% of the impact of the catalyst is made up of the tourism sector – consumption created by foreign arrivals.

TOTAL ADDED VALUE, MLN, EUR

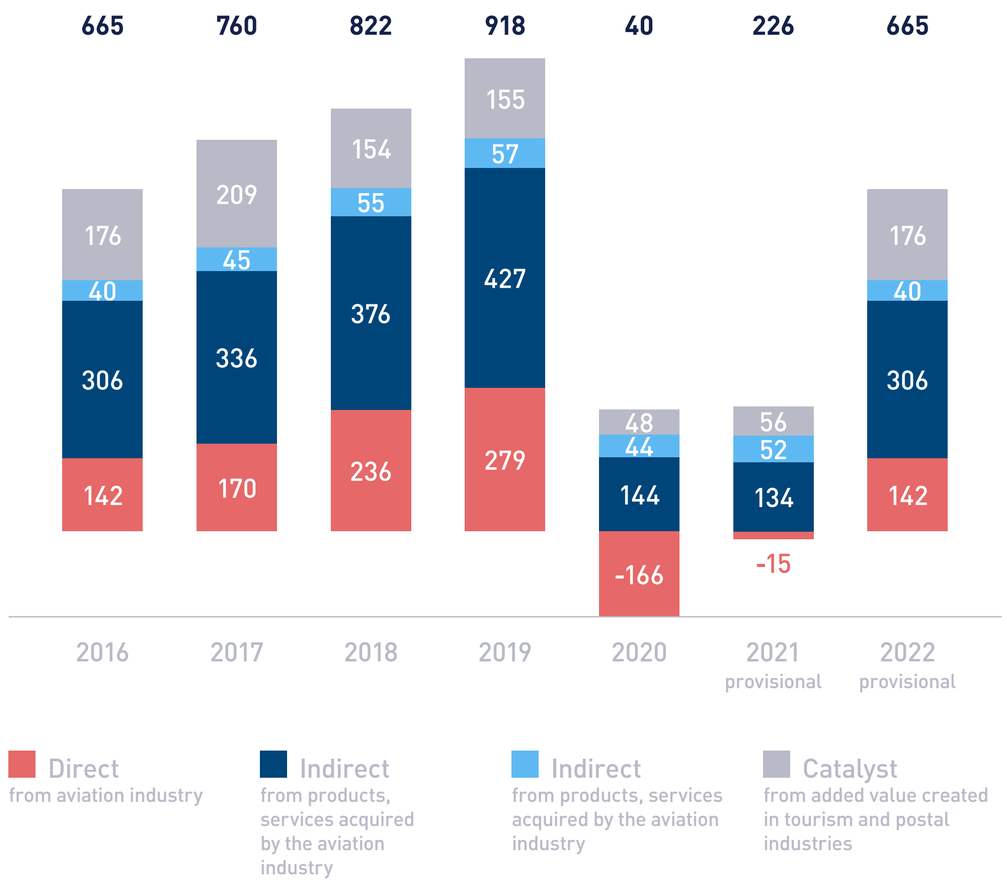
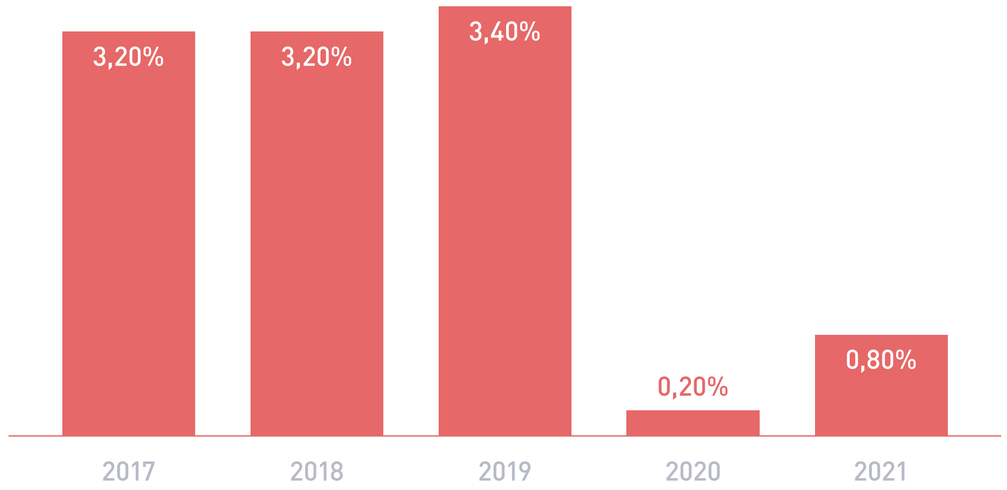


TABLE: RATIO OF THE TOTAL ADDED VALUE OF THE AVIATION INDUSTRY IN THE NATIONAL ECONOMY OF LATVIA, % OF GDP[24]



The total added value of the aviation industry fell to EUR 40 million under the influence of Covid-19 in 2020, but in 2022 it is tentatively estimated that the level of 2016 will be reached – EUR 665 million.

By 2019, the role of direct added value of the aviation industry in the national economy increased from 0.6% to 0.9%, but in 2020 it fell to -3%.

The turnover of the aviation industry is characterized by a double drop in 2020 – from EUR 1,362 million to EUR 700 million, followed by an increase in 2021 to EUR 825 million. Compared to 2020, a convincing increase in turnover of Riga Airport is not detected.

Since 2020, the aviation industry has seen a steady decrease in tax payments – in 2021, compared to 2019, tax payments have halved (from EUR 186 million to EUR 100 million).

The number of employed persons decreased by 15% in 2020, and the salary decreased by 8%. The data collected by the CSB in the air transport and air transport auxiliary sectors show 3,657 employed persons in 2020, while the data of the annual reports of the extended group of companies in the aviation sector – 6,073 employees.

The average gross wage in the country increased by 6% in 2020, while in the air transport sector it decreased by 8%, then in 2021 it almost reached the level of 2019.

[24] Methodology: share of total added value in the aviation sector (direct, indirect, induced, catalyst) from GDP (CSP data gross domestic product and added value – annual data).

IMPACT ON THE ECONOMY

Riga Airport is one of the largest taxpayers in Latvia, paying EUR 15,619,786 in taxes to the state budget in 2022.

Appreciating that

- the deadlines for the submission of reports and declarations have not been delayed for Riga Airport;
- during the last three reporting years, the net turnover in each reporting year exceeds EUR 4,000,000;
- during the last three years, the total amount of tax revenues administered by the State Revenue Service (SRS) per year exceeds EUR 700,000,
- and other criteria,

Riga Airport is included in the highest – Gold Level of the In-depth Cooperation Programme of the SRS [25].

CONNECTIVITY AND PROMOTION OF LATVIA AS AN ATTRACTIVE DESTINATION

One of the priorities of Riga Airport is the development of a wide network of routes, so the Airport is constantly negotiating with air carriers about the opening of new flight routes.

During 2022, individual negotiations were held with air carriers regarding the renewal and expansion of the route network, which resulted in a large number of direct destinations in the summer season – 98, and in the winter flight season – 87, ten destinations ahead of the number of destinations in 2019.

In 2022, flights to seven new destinations began – Girona, Veksi, Newcastle, Batumi, Trapani, Marrakesh, Gran Canaria. In total, 11 airlines offered regular flights in 2022. Charter flights were provided by SmartLynx Airlines, Freebird Airlines, Corendon, Tailwind, SkyUp, Heston, as well as GetJet Airlines, air carrier registered in Lithuania. The Dutch "Transavia" started operations at Riga Airport with flights to Amsterdam, as well as a new tour operator "JoinUp".

In order to promote the increase in the number of passengers and the volume of cargo, as well as to promote the expansion of the network of destinations, marketing support is provided to airlines.

In order to promote passenger transportation in 2022, Riga Airport participated in the route planning forums "Connect", "Routes Europe" and "World Routes", while for the development of cargo transportation, Riga Airport participated in the Uzbekistan Transport Working Group, the Vietnam Business Forum and the exhibition "TransKazakhstan/ Translogistica 2023". Individual meetings were also held to promote both segments. In order to promote passenger and cargo transportation on long-distance routes, Riga Airport participated in the visit of the Ministry of Economy and LIAA to Japan, meeting with air carriers, tour operators and logistics companies.

Aviation industry companies – Riga Airport, airBaltic, ATL, CAA, as well as LAA – continued to cooperate in order to create a joint dialogue with the government regarding the resumption of flights. There was also cooperation with the tourism industry – the Association of Latvian Tourism Agents and its members – on joint proposals for the restoration of tourism flows.

One of the growth pillars of Riga Airport is the development of aviation cargo. In order to promote the development of the cargo segment, Riga Airport has joined the national transit and logistics trademark "VIA Latvia", which has been developed under the supervision of the Ministry of Transport. The participation of the Airport in this project provides an opportunity to be involved in the development and presentation of multimodal transport and logistics solutions at international exhibitions and meetings of the country's foreign working groups.

Thanks to joint marketing activities of air, sea and rail transport companies, in cooperation with JSC "Latvijas Pasts", it was possible to implement an e-commerce air cargo programme from China (Hangzhou and Hong Kong) with further distribution to other countries

[25] Source: SRS, available: https://www.vid.gov.lv/lv/dalibnieku-registrs.

through the post office network by February 2022. It was also possible to ensure the flow of e-commerce transit courier mail for shipments from China to Ukraine, Lithuania and Estonia via Riga. The new cargo programmes led to an increase in freight traffic in 2020 and 2021, which continued until the Russian invasion of Ukraine on 24 February 2022. The hostilities initiated by Russia in Ukraine significantly reduced cargo transportation due to the closed markets and airspaces of Russia, Ukraine and Belarus. Before the start of hostilities, large volumes of cargo were provided from Asia to Latvia, crossing Russian airspace.

In 2022 in total 21,115 tons of air cargo were handled at Riga Airport (-24% compared to 2021), 54% of the volume of cargo, or 11.4 thousand tons were transported by cargo flights (by 43% less than in 2021), while 46% of cargo or 9.7 thousand tons was provided by passenger, etc. transportation (by 22% more than in 2021). Part of the lost cargo volume was offset by increased military activity in the region and related air cargo transhipment, as well as the successful operation of scheduled cargo carriers. In 2022 the largest cargo carriers were airBaltic (36%), DHL (23%) and FedEx (10%).

The most important cargo segment development projects in 2022:

- discussions with Chinese logistics companies about the possibilities of restoring the lost air cargo flows, which, due to the changed routes, are currently mostly delivered to Central Europe and by land to our region;
- search for new cargo markets – active actions for cooperation with Kazakhstan transporters and logistics companies, meetings were held on the possible development of cargo transportation with representatives of companies and organisations from Uzbekistan, Kyrgyzstan, India, Vietnam, Turkey;
- negotiations on the creation of a new route
  Riga – Jönköping – Birmingham;
- improvement of the infrastructure of the Airport for the cargo segment by building a pedestrian walkway to cargo warehouses, as well as improvement of cargo handling processes, in cooperation with customs, advising carriers on the entry into force of new requirements and looking for solutions for their implementation.

DIRECT ECONOMIC VALUE CREATED AND DISTRIBUTED

201-1

The year 2022 has marked the stabilization trend of aviation services at Riga Airport, with the volume of flights and passengers significantly increasing after the easing of restrictions related to Covid-19.

Although compared to the average indicator in European airports, the recovery after the Covid-19 pandemic has been slower, which is basically explained by the fact that the recovery of air traffic in other European countries was facilitated by the domestic flight market, which does not exist in Latvia, however, the most significant impact on the volume of services provided by Riga Airport, the rapid rise in resource prices and the result of economic activity in 2022 are due to the war in Ukraine, including the closure of airspace and several restrictive measures adopted by the EU in connection with Russia's war of aggression against Ukraine. Compared to 2019, the drop in passengers is 31%.

THe following have been served in 2022:

- 5.38 million passengers, which is by 350 thousand passengers, or 7% more than it was planned in the budget approved for 2022, 129% more than in 2021, but 31% less than in 2019;
- 54,818 flights, which is 11,404 flights or 17% less than it was planned in the budget approved for 2022, 40% more than in 2021, but 37% less than in 2019.

Taking into account the abovementioned, the net turnover of Riga Airport in 2022 was EUR 57,924 thousand, which is EUR 5,633 thousand, or 11% more than it was planned in the budget approved for 2022. Net turnover consisted of revenues from:

- aviation services in the amount of EUR 35,997 thousand, which is by EUR 1,778 thousand, or 5% more than it was planned in the budget approved for 2022;
- for non-aviation services in the amount of EUR 21,928, which is EUR 3,855 thousand or 21% more than it was planned in the budget approved for 2022.

Net turnover increase (by EUR 5,633 thousand more than in the budget) had a positive impact on:

- a higher than planned proportion of served direct passengers (71% in the budget, actually 81%), which, in contrast to transit passengers, ensures significantly higher revenues for the Airport;
- income from renting out premises in the terminal exceeded the income planned in the budget by 19%, reaching EUR 9,452 thousand, which can be explained by the fact that after Covid-19 some commercial areas resumed work faster than planned, as well as in 2022 they reached or even exceeded the indicators of 2019, for example catering establishments. During the summer period, due to regular flight delays, commercial areas had the opportunity to earn additional revenue, and in 2022, the proportion of all passengers who made purchases at one of the commercial areas increased by 2%;
- parking revenue significantly exceeded the budgeted revenue which was influenced by the price increase in the spring of 2022 and the launch of parking sales on the e-commerce platform and the very successful advertising campaign for the introduction of e-commerce, as well as changing the behavior of passengers using parking spaces (the average coefficient per direct passenger in 2022 was 0.025, which significantly exceeded the average coefficient in 2019 – 0.017);
- from 1 April 2022, a contract was concluded with a new advertising operator, ensuring higher sales results than planned in 2022.

Riga Airport closed the year 2022 with a profit in the amount of EUR 286 thousand, which is by EUR 3,791 thousand better result than planned in the budget (the planned losses EUR 3,505 thousand), mainly due to the increase in revenues.

Likewise, until 31 December 2022, fixed assets have been purchased, works have been performed and/or advance payments have been paid in the amount of EUR 14,716 thousand EUR.

Read more about investment projects in the section "Strategy and Investments".

Type of costs	Costs thousand EUR
Production costs	62 566
Personnel costs	34 199
Interest payments	390
Dividends	-
Funding for neighborhood activities	2.4

CONTRIBUTIONS TO PENSION FUNDS

201-3

Riga Airport, as an employer, is aware of the importance of financial savings for increasing pension capital and evaluates the possibilities of diverting a part of the wages of employees to contributions to the pension fund manager selected in the competition in the private pension funds offered thereby. Due to the dramatic impact of the Covid-19 pandemic and, since 2022, the geopolitical situation on the economic activity and financial indicators of the Airport, the company has postponed the further development of this approach until the economic activity and financial indicators of the Airport return to the required level.

Until then, in order to promote understanding of employees on the pension system as a whole, including the effective management of the 2nd pension level and other opportunities for savings, an online seminar was organised for employees on the pension issues relevant to everyone, regardless of age, in November 2022. The webinar was conducted by a representative of the association "Association of Participants of the Latvian Pension System".

FINANCIAL SUPPORT PROVIDED BY THE STATE

201-4

In 2022, Riga Airport received and used the following state grants for the specified purposes.

The field of aviation security

In accordance with the Cabinet Order No. 167 of 7 April 2020, Regarding the Use of the Funds Provided for in the State Budget Programme 44.00.00 "Funds for Ensuring Aviation Safety, Rescue and Civil-military Cooperation" and the Order of the Ministry of Transport No. 01-03/99 of 16 April 2020, Riga Airport was granted funding in the amount of EUR 42,418 for the purchase of two explosive detectors. On 20 November 2019, based on the results of an open tender "Purchase of Four Explosive Residue Detectors", a contract was concluded for the total transaction amount of EUR 134,877.16, and on 29 April 2020, an additional Agreement was signed, on the basis of which one explosive residue detector unit was purchased and installed. EUR 34,243.08 was used from the funds of the granted subsidy, but the unused part of the funding made EUR 8,174.92. Taking into account the impact of Covid-19 epidemic of the global coronavirus on the operations of Riga Airport and the limited availability of financial resources to co-finance the project, Riga Airport postponed the implementation of the project until additional funding is available for the purchase of the second explosives detector.

On 14 December 2021, the Ministry of Transport of the Republic of Latvia with Order No. 01-03/231, based on the Cabinet Order no. 916 of 7 December 2021, Regarding the Financing of Measures to Maintain Civil Aviation Safety in 2021 from the State Budget Programme 44.00.00 "Funds for Ensuring Aviation Safety, Rescue and Civil-military Cooperation", granted the subsidy in the amount of EUR 52,418 in order to partially cover expenses in relation to the purchase of two explosive residue detectors of national importance for the civil aviation aerodrome "Riga".

Therefore, as of 1 January 2022, a grant in the amount of EUR 60,592.92 was available for the implementation of the project in the programme 44.00.00 "Funds for Ensuring Aviation Safety, Rescue and Civil-military Cooperation".

Since the decision on awarding the subsidy of 2021 was considered in the Cabinet only at the end of the year, in order to ensure the purchase of explosive residue detectors, Riga Airport has already started the procurement "Supply of two ERDs" in July 2021 with an expected contract price of EUR 58,000.00 (without VAT). On 14 February 2022, a contract was concluded for the total transaction amount of EUR 76,951.44 (without VAT) for the supply of two ERD devices SH IONSCAN 600 with external printers, in conformity with the results of the open tender "Supply of two ERDs".

On 7 June 2022, the payment was made from the allocated funds in the amount of EUR 60,592.92. Thus, the project was concluded and the allocated funding – the balance from 2020 in the amount of EUR 8,174.92 and the allocated funding of 2021 in the amount of EUR 52,418, in conformity with the determined amount, was directed to the purchase of ERD.

According to the Cabinet Order No. 303 of 3 May 2022, Regarding the Financing of Measures to Maintain Civil Aviation Safety in 2022 from the State Budget Programme 44.00.00 "Funds for Ensuring Aviation Safety, Rescue and Civil-military Cooperation" and the Order of the Ministry of Transport No. 01-03/77 of 1 June 2022 7, Riga Airport was granted the funding in the amount of EUR 52,418 to partially cover ex penses related to the purchase of two explosive detectors.

Based on the results of the open tender "Purchase of two ERDs", a contract was concluded on 5 July 2022 for the total amount of EUR 76,751.44 (excluding VAT).

In conformity with the contract, the equipment was delivered on 21 December 2022. In accordance with the terms and conditions of the contract, on 27 December 2022, the payment in the amount of EUR 52,418 was made from the funding of allocated subsidy for the delivery of equipment. The project has ended and the funds allocated to the project have been used in full.

The Airport regularly informs the Ministry of Transport about the use of the subsidy.

NOISE

3.3., AO7, RIX3

Riga Airport is aware of the impact of noise on the surrounding inhabitants and the company's role in aircraft noise management, by conducting an aircraft assessment, participating in and promoting the optimization of flight procedures, as well as encouraging the affected parties to act together to reduce the impact of noise on the inhabitants living in the vicinity of the Airport.

The law "On Pollution" regulates the management of environmental noise at the national level, by setting the requirement for the transport infrastructure manager to ensure the development of strategic noise maps and action plans for noise reduction. Cabinet Regulation No. 16 of 7 January 2014, Procedures for the Noise Assessment and Management, in accordance with the law On Pollution, determines both noise thresholds and requirements for strategic noise mapping and the development of action plans for the noise reduction.

The Airport collects and analyses aircraft noise measurements at four stationary stations, aircraft radar data, and aircraft flight information. Aircraft noise monitoring was started in 2008. Riga Airport develops a strategic noise map and the Action Plan for the Noise Reduction every five years.

Currently, the noise strategic map developed in 2017 is relevant, which is based on the data of 2016, in which it was found that the area of L_{dvn} exceeding 55 dBA is 25.9 km², and 2 436 inhabitants are subject to excess of the threshold of L night. In December 2018, the Board of the Airport approved the Action Plan for the Noise Reduction of Riga Airport and its summary. It was developed by the Environmental Noise Management Working Group in collaboration with municipalities, state institutions, airlines and ATL.

Aircraft noise management requirements at the Airport are defined in the process description Ensuring Environmental Noise Management by identifying interactions with other processes and stakeholders. Cooperation with the affected parties is regulated by the Terms of Reference of the Working Group of Environmental

Noise Management of Riga Airport and the Subgroup of the Aviation Industry, in which the responsibilities of the parties, including the Airport, are determined.

By analysing noise monitoring, radar and flight plan data, the Airport provides comprehensive information on the aircraft noise situation and its influencing factors. The action plan for noise reduction is a tool to implement noise reduction or non-deterioration of the situation, where possible.

The action plan includes informational measures, for example, data on the aircraft noise index for 2022 and information on the frequency of overflights of certain territories is published on the website of the Airport. Riga Airport analyses the use of taxiways and the execution of "E" type flight procedures during the night, as well as the profile of aircraft arrivals. As a result, changes have been made to the Airport's publication of aeronautical information, and information on airline arrival performance has been published on the website of the Airport.

Laws and regulations require the development of a strategic noise map for airports where the number of aircraft movements exceeds 50,000 flights per year. Due to the Covid-19 pandemic, the number of aircraft movements in 2020 and 2021 did not reach 50,000 flights at Riga Airport. As the required number of flights was reached in 2022, the strategic noise map will be developed in 2023 based on the flight data of 2022. The development of the action plan will take place after the approval of the strategic noise map.

The aircraft noise situation, especially in the areas close to Riga Airport, is mainly determined by which aircraft and at what times the airlines operate flights. The Airport has limited ability to influence these factors. However, the replacement of the aircraft fleet that has taken place in the last ten years has ensured that the impact of the aircraft has decreased. For example, in 2022 and 2016, a similar number of passengers and volume of cargo were served, but the noise level L_{dvn} of aircraft recorded at the noise monitoring stations has decreased by 2.1 to 3.7 dBA at all stations. The results of aircraft noise monitoring indicate that in the new strategic noise map, in the territory, where L_{dvn} of aircraft exceeds 55 dBA, the noise will decrease compared to 2016.

In the summer of 2022, a survey of the inhabitants of the Mārupe Municipality regarding the impact of the economic activity of Riga Airport on the local community was held. 505 inhabitants of Mārupe from the age of 18 and over participated in the survey. 84% of respondents stated that living close to the Airport does not cause inconvenience. Also, the majority of inhabitants (67%) who live in areas directly flown over by aircraft turning quickly to the west said that living close to the Airport is not an inconvenience for them. Only 9% of the inhabitants indicated that the noise level seemed to them to be high or very high. This proportion was 22% among inhabitants living in the inhabited areas which are directly flown over by aircraft turning quickly to the west. A slightly higher proportion of the inhabitants (14%) is disturbed by aircraft noise, but among the inhabitants living in inhabited areas directly flown over by aircraft turning quickly to the west it reached 26%.

NOISE INDEX AT NOISE MONITORING STATIONS

The noise index at the noise monitoring stations is calculated according to the instructions approved at Riga Airport. In calculating the index, the measured aircraft noise level is taken into account. It is normalized by the number of passengers carried in the base year, the amount of cargo handled in cargo flights and the number of other flights. The base year for TMS2B is 2016, for TMS1 and TMS4 it is 2012. The index methodology significantly increases the impact of evening and night flights. One evening flight corresponds to about three day flights, and one night flight corresponds to ten day flights.

NOISE INDEX, dBA

Station/ year	2018	2019	2020	2021	2022
TMS1	51.2	50.0	50.4	49.7	48.9
TMS2B	56.2	55.4	54.8	54.0	54.4
TMS4[26]	55.5	53.9	53.5	54.1	53.2
Average value	54.3	53.1	52.9	52.6	52.2

Parameter	2022 vs. 2021			2022 vs. 2019		
	TMS1	TMS2B	TMS4	TMS1	TMS2B	TMS4
Effect of part of the day	0,3	0,5	0,2	-0,2	0,0	0,4
Effects of aircraft structure	0,3	0,4	-0,1	-0,6	-0,8	-0,7
The effect of the number of flights	1,5	1,5	1,4	-2,4	-1,9	-2
Effect of volume transported	-2,6	-2,8	-2,4	2,1	1,5	1,7
The sum of the number of flights and the volume carried	-1,1	-1,3	-1	-0,3	-0,4	-0,3
Aircraft volume changes	-0,2	0,6	0,0	-0,6	-0,8	-0,7
-including distance changes		0,4				
The influence of known factors	-0,7	0,3	-0,9	-1,7	-2	-1,3
Observed changes	-0,8	0,4	-1,1	-1,1	-1	-0,7

The average value of the noise index at the noise monitoring stations has decreased by 0.4 dBA and continued to decrease.

The noise index compared to 2021 has decreased by 0.8 dBA for TMS1, by 1.0 dBA for TMS4, but it has increased by 0.4 dBA for TMS2B. On the other hand, compared to 2019, a decrease can be observed in monitoring stations – TMS1 – 1.1 dBA, TMS2B – 1.0 dBA, TMS4 – 0.7 dBA.

At all stations, the time when aircraft were flying increased the noise index in relation to 2021. On the other hand, in relation to 2019, TMS1 reduced it, TMS4 increased it, and TMS2B had a neutral effect. The structure of aircraft types in relation to 2021 has increased the noise index for TMS2B, but for TMS1 it has decreased, which means that the aircraft performing type J flights have become significantly louder. Changes in the structure of TMS4 aircraft types in relation to 2021 did not result in changes. In relation to 2019, changes in the structure of aircraft types have reduced the noise index. In all stations, the total impact of the change in the number of flights and the volume transported has been reduced both compared to 2021 and compared to 2019.

On 16 June 2022, a change to Type J Flight Procedures came into effect which shifted the flight paths of type J aircraft to the north of TMS2B, where aircraft flights affect a smaller population. As a result of these changes, in 2022 aircraft performing type J flight procedures were on average 1,098 m from TMS2B, while in 2021 this distance was 1,188 m. This distance reduction increases the noise level of the type J aircraft by 0.7 dBA and has increased the noise index of the TMS2B by 0.4 dBA. It is expected that in 2023, the changes already made in 2022 will further increase the TMS2B noise index by 0.9 dBA. In 2022, the proportion of evening and night flights increased the most for aircraft performing the type J flight procedure which increased the value of the TMS2B index by 0.25 dBA.

The Aircraft Noise Index measures the loudness of the aircraft fleet. In 2022, the replacement of the aircraft fleet has continued. For the four airlines with the greatest impact, aircraft have remained significantly quieter. However, the volume of aircraft noise has not decreased, neither compared to 2021 nor to 2019. This is due to a greater increase in the number of flights for those airlines with larger and therefore noisier aircraft. However, when weighing the aircraft according to the noise level measured at their noise monitoring stations, the aircraft used at the airport have remained quieter compared to 2019. For 2021, the changes vary depending on the flight procedures used.

[26] On 23 August 2022, TMS4 was moved to another location in the same building in order to reduce the impact of residual noise, in order to ensure the possibility of comparing the results, the measurement results before the move should be reduced by 1.1 dBA.

AIRCRAFT NOISE INDEX

The aircraft noise index is calculated in conformity with the methodology approved in the Noise Reduction Action Plan. For less frequently used aircraft, the average certified noise level of the aircraft type is used. 2017 is the base year of the index, when the index value corresponds to the number of flights. In conformity with Clause 8 "Introduction of additional aircraft noise indicator" of the Action Plan of riga Airport for the noise reduction, the Airport must calculate and publish information on the previous year's noise index value on its website once a year (until the end of March).

Year	Aircraft Noise Index
2018	84 414
2019	83 821
2020	26 725
2021	34 063
2022	50 687

In 2022, the noise index of aircraft volume is higher than in 2021, but significantly lower than in 2019, which was determined mainly by a significant reduction in the number of flights, as well as a reduction in the proportion of evening and night flights. The increase towards 2021 was determined by the increase in the number of flights, the use of larger aircraft and the increase in the proportion of night flights. The certified noise levels of aircraft have increased by 0.8% in 2022, mainly due to a significant increase in the proportion of Boeing 737-800 flights. The increase in the proportion of night flights has increased the noise index by 5.2%, while the increase in the number of flights – by 40.3%.

In the medium-term strategy, the Airport has defined the objective to ensure that the value of the aircraft noise index does not exceed 75,439 points. The result of Riga Airport for 2022 is lower than the objective for 2027. In the following years, the Strategy foresees a large increase in the number of flights, which will increase the aircraft noise index, however, Riga Airport is on the way to achieving the objective for 2027.

NOISE COMPLAINTS

In 2022, one complaint was received about aircraft noise. It was about the flights of aircraft performing type J procedures. The complaint was received from the Buļļuciems neighbourhood of the state city of Jūrmala. Along with the changes in procedures, aircraft flight trajectories approached the vicinity of Buļļuciems. In the noise strategic map for 2016, no noise level was found in this neighbourhood that is close to or exceeds the night noise limit for the area of construction of detached houses. It is expected that the noise level in the noise strategic map for 2022, which will be prepared in 2023, will also be significantly lower than the noise limit values. This is evidenced by the results of the measurements in TMS1, which is located at a similar distance to the type J procedures as the Buļļuciems neighbourhood of the city of Jūrmala. In 2022, the closest to the noise limit was the night indicator there, which was 40.9 dBA, but the impact of type J flights is only 30.6 dBA, or 9%.

PROPORTION OF CDA

The CDA (continuous descent approach) proportion of Riga Airport is calculated according to the methodology approved in the Action Plan for the Noise Reduction. In 2022, 89% (83% in 2021) of incoming flights took place in accordance with the CDA criteria of Riga Airport. The criteria used by the Airport is an aircraft flying at an altitude of less than 10 km with a gradient of less than 1% below 10,000 feet (about 3,000 m).

In 2022, as in 2021, passenger carriers – airBaltic, Ryanair, Finnair, Norwegian Air Shuttle and Lot Polish Airlines – have shown a good indicator, more than 90% of aircraft have arrived, continuously decreasing height. Cargo carriers, on the other hand, have shown a weaker performance, Swiftair with 80% had the highest proportion. Business aviation aircraft and carriers with less than 120 flights have a significantly lower figure, below 65%.

COMMUNITY SUPPORT

3.3., RIX5

CSR is the voluntary activities of companies for the improvement of public welfare and the surrounding environment in cooperation with interested parties. In order to support the good practice of corporate social responsibility, the Airport implements its CSR activities in several directions and forms in conformity with the principles and criteria defined in the CSR guidelines.

In order to determine the CSR priorities and tactical level activities of Riga Airport, as well as to ensure a balanced development of the organisation in the long term, the CSR guidelines of Riga Airport were developed in 2016. Aware of the place and role of Riga Airport in the overall development of Latvia and the dimensions of responsibility, the company has defined the following areas of CSR and public investment policy or support:

- the well-being of the local community;
- environment protection;
- human resource development;
- business and tourism development in Latvia.

The abovementioned areas of support were chosen taking into account the impact of the operation of the Airport on the well-being of the local community and the environment, as well as based on the strategic objectives of the Airport, which, among other things, envisage the promotion of business in Latvia and the development of the aviation industry, retaining and attracting high-quality specialists, ensuring growth opportunities and work environment supporting success.

According to the CSR guidelines of the Airport, the subjects of support can be organisations and institutions whose activities or implemented projects correspond to the priority areas of support defined in the company's public investment policy, while religious organisations and persons and organisations related to political processes are not supported.

Public support projects are implemented by Riga Airport as voluntary work and financial support, ensuring the transparency of this process.

To apply for support, the applicant must fill out the form on the website of the Airport and send it to the e-mail address pr@riga-airport.com. All received applications that meet the priority support areas and criteria defined in the society's investment policy of the Airport are evaluated by the Sustainability Committee every six months. In 2022, no project application was received in accordance with the procedures laid down in the CSR guidelines.

Information about the financial support provided by the company is published on the website of Riga Airport in the section "Overview of donations and gifts given by the airport".

The implementation of CSR is coordinated by the Communication Unit of Riga Airport, e-mail: pr@riga-airport.com.

It should be noted that Paragraph 10 of the Law on the Prevention of Waste of Financial Resources and Property of a Public Entity provides that state capital companies may donate (donate) financial resources or property if the company has worked with profit in the previous reporting year. Taking into account the financial impact of the Covid-19 pandemic and the war started by Russia in Ukraine on the economic activity of Riga Airport and the need for state support, which the company applied for in 2020 and received in 2021, in accordance with the law, further donations or gifts is not impossible, until Riga Airport will start working profitably and the aviation industry will recover from the crisis.

However, as far as possible, the Airport is looking for other ways to support charities by organising joint activities. Thus, for example, in support of the association "Latvijas Kustība par neatkarīgu dzīvi", the exhibition "Miljons sveču grupu mājai" was opened in the terminal of Riga Airport from December 2022, which calls for support for the construction of a group home for young people with severe developmental disabilities. The exhibition tells about the social project "Sveču darbnīcas" of the association "Latvijas Kustība par neatkarīgu dzīvi" the objective of which is

to give young people with severe developmental disabilities the opportunity to be not only the recipients of day care center service, but at the same time also people who are able to contribute to society. The objective of the project is to create a group home for 16 young people with severe developmental disabilities. In order to collect funds for the implementation of this project, the young people of the day center of the association work every day in the Candle Workshop, depending on their abilities, making candles and then selling them. However, the funds obtained in this way alone are not enough to implement the large-scale plan, therefore the association, in cooperation with the charity organisation "Ziedot.lv", also attracts donations for the project.

The exhibition will be at the Airport until January 2023, and the Airport passengers can donate to the project by reading the square code embedded in the exhibition display on their smart device.

Implementing the CSR priority "Human Resources Development", Riga Airport is actively involved in various educational projects. One of them is the joint project "School goes to life – life comes to school" of the association "Mārupes uzņēmēji" and Mārupe elementary school, within the framework of which specialised lessons are prepared which are led by entrepreneurs of the Mārupe Municipality, giving students the opportunity to learn the subject matter in the practical conditions of a real business environment. Within the framework of this project, Riga Airport works in cooperation with educators on the training programmes for the grades 4-9 in English (interpreting profession, customer service), social studies (applying for a job, preparing for a job interview, cover letter and CV), in the field of IT (cyber security) and biology (birds, animals, plants). Employees of Riga Airport contribute their volunteer work to the preparation of programmes and teaching lessons. The training programmes developed by Riga Airport were implemented in the spring of 2022. In total, the employees of the Airport developed four training programmes and gave 17 lessons: Mareks Arbidāns, the senior bird and animal control specialist of the Airport, led biology lessons for the students of the 7th grade in the aerodrome, Rolands Bruģis, the information security manager, told the 5th and 9th grade students about cyber security, while Mārtiņš Lācis, the Aerodrome Client Service Manager, introduced with the principles of client service to the students of the 7th and 8th grade, and Sanita Šaitere, the HR Project Manager, told the students of the 7th, 8th and 9th grade about applying for a job and preparing for a job interview. Preparation for the training sessions and their management were carried out voluntarily by the employees of the Airport, devoting a total of 34 working hours to it within their working hours, which were paid from the funds of the Airport in accordance with the salary of each employee.

The airport is an active participant of the "Shadow Day" organized by the organisation "Junior Achievement Latvia". After a two-year break caused by the Covid-19 pandemic, the "Shadow Day" took place in April 2022, and the Airport offered children and young people the opportunity to familiarise themselves with 13 different positions at the Airport. 21 "shadowers" got to know professions of the Airport on this day.

Outside of the areas of support defined in the CSR guidelines, in 2022 Riga Airport, as a socially responsible company, engaged in various activities in order to contribute to solving the current needs related to the war started by Russia in Ukraine.

For example, on 15 April 2022, Vincent Lyn, the actor and musician, UN envoy for refugee children, performed an impromptu concert in support of the refugees of the Ukrainian war at the Riga Airport terminal. Vincent Lyn, the actor and musician, is currently better known as a representative of the UN Economic and Social Council, and his focus is mainly on the issues of refugee children. In Riga, he returned from Ukraine, where he delivered humanitarian aid cargoes collected by charitable organizations to the foundation "Wings of the Revival of Ukraine" ("Крила Видроднежный України").

On the other hand, in December 2022, informative materials of the charitable project "Stopify" were placed on the monitors of the Airport terminal free of charge. The purpose of this project is to collect a donation to support the Ukrainian army.

In December 2022, in cooperation with the local community charity organization "Labdarības lapa", Riga Airport

organized a donation collection campaign among employees with the aim of providing the necessary food products for the organisation's warehouse in the Mārupe Municipality. This warehouse provides support to Ukrainian refugees in Latvia.

By implementing various infrastructure projects, providing as well as expanding the range of services, the benefit is not only for the passengers of Riga Airport, but also for the wider society. For example, everyone has the opportunity to use publicly available electric car charging points, use the shared ride service, medical laboratories and other services available in the public part of the terminal. In 2022, Riga Airport continued negotiations with Rīgas Satiksme Ltd. in order to evaluate changes in the public transport route, covering a larger area, and to evaluate the possibility of supplementing public transport flights. As a result, an agreement was reached that, from 6 February 2023, the bus route 22 will run to the Airport more often, thus not only facilitating getting to and from the Airport for passengers, but also benefiting other passengers of this route bus.

In connection with the construction of the "Rail Baltica" station in the territory of the Airport, significant changes affected the road network around the Airport in 2022 – a new access road L1 was built and traffic organisation changes were made at the intersection of highway P133 and Ziemeļu Street. Although these construction works are not under the direct control of the Airport, nevertheless, in order to reduce the inconvenience to motorists and employees, which could be caused by the regular changes in the organisation of road traffic around the Airport, the company, in cooperation with the implementers of the "Rail Baltica" project, implemented communication on social networks, the website and internal information channels.

When evaluating the Airport's performance in the implementation of CSR guidelines, it can be concluded that although the abovementioned guidelines sufficiently accurately reflect the principles and priorities of the company's public support, it would be necessary to update them, including by improving and making the project submission mechanism more convenient, as well as by setting achievable goals. Taking into account the circumstances described above, due to which the Airport's opportunities to provide financial support or donate are currently limited, it is planned to focus on updating the guidelines in 2024, including this task in the Action Plan of the Communication Unit.

SUPPORT FOR THE LOCAL COMMUNITY

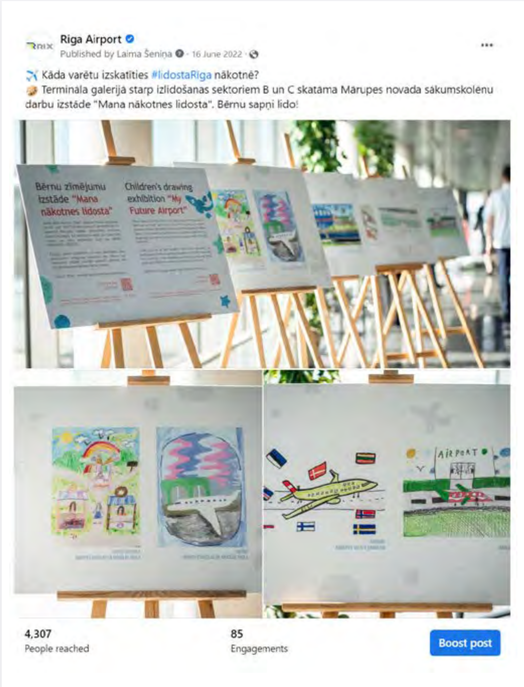
413-1

Aware of the dimensions of its responsibility, the impact of the company and the quality of life of the inhabitants of the neighbourhood, Riga Airport has defined the well-being of the local community as one of its CSR priorities. By realising the range of its influence and taking into account the planned development projects, the Airport currently recognises the Mārupe Municipality, where the Airport infrastructure is located and whose inhabitants are most affected by the Airport and airline operations, to be the local community. However, in the future, as the operation of the Airport expands and new development projects are implemented, such as the establishment of "RIX Airport City", the impact of the Airport may expand and more significantly affect the residents of Jūrmala and Riga.

The framework of cooperation between the airport and the local community is defined in the memorandum of cooperation entered into on 5 September 2022 with the Mārupe municipality, which continues the principles and priorities of cooperation that the Airport has implemented since 2018 in Mārupe and Babīte Municipalities before the administrative territorial reform. The memorandum envisages the cooperation between the Airport and the local government in projects to support children and young people of the municipality, persons with disabilities and seniors, including the volunteer work of the Airport employees. Also, the memorandum envisages supporting events organised by the Mārupe Municipality in the cultural, sports, educational, tourism and social fields. Areas of support and priorities have been selected by evaluating the wishes and needs of inhabitants in cooperation with the specialists of the Municipality.

Although the memorandum of cooperation with the united local government was concluded only in September 2022, in order to ensure the continuity of cooperation and support, Riga Airport, in cooperation with the regional authorities, developed an action plan for 2022 based on previous memorandums, which includes the activities intended for the above-mentioned target groups. The implementation of the plan was affected by the epidemiological restrictions that lasted until March 2022, however, several activities were implemented:

- In September, as a part of the Entrepreneurs' Days of Mārupe, four free excursions were organised for the educatees of educational institutions the Mārupe municipality (Mārupe Primary School; Mārupe State Gymnasium; Babītes Middle School; Jaunmārupe Primary School). A total of 160 students participated in the excursions.
- The Airport was also actively involved in other events of the Entrepreneurs' Days of Mārupe, giving a presentation on the development of the Airport at the opening event of Entrepreneurs' Days, as well as participating in the organising and running of the first Mārupe Entrepreneurs' Festival as a member of the association "Mārupes uzņēmēji" association.
- In October, the Airport traditionally supported the organisation of the event of Seniors' Day of the Mārupe Municipality in Pinki, Babīte Municipality. 110 seniors attended the event and received treats and gifts prepared by the Airport.
- In the spring of 2022, Riga Airport, in cooperation with regional preschool and primary school educational institutions, organised a children's drawing competition "My Future Airport". The purpose of the competition was to familiarize the children of the Municipality with the development plans provided for in the Riga Airport Strategy, thus involving and informing not only the children, but also their parents. 34 children participated in the competition, and the best of the works, determined by the Competition Commission in conformity with the Terms of Reference of the competition, were



exhibited at the Airport terminal. All participants of the competition received letters of gratitude from the Airport, while eight winners of the competition also received prizes.

In order to evaluate the contribution of the measures implemented by the Airport to support the local community, in July 2022 the Airport, in cooperation with the public opinion research center SKDS, conducted a survey of the inhabitants of Mārupe. When describing the positive aspects and the benefits that Riga Airport brings to the Mārupe Municipality, almost half of the respondents (48%) mention that the Airport is close and you can get there quickly and easily. Almost ⅓ of respondents (31%) mention that the Airport pays taxes to the state and local government, provides financial benefits to the local government and develops entrepreneurship.

The majority of surveyed inhabitants of Mārupe (77%) believe that Riga Airport should support and cooperate with the local community – that is, with the inhabitants of Mārupe Municipality.

When describing various possible support measures provided by Riga Airport, support to Mārupe educational institutions is mentioned as the most useful support measure for Mārupe Municipality and its residents (mentioned by 32% of respondents). In the opinion of the respondents, the promotion of start-ups and entrepreneurship in the Municipality is also a quite useful measure (mentioned by 29% of the respondents). 20% of respondents mentioned support measures for socially disadvantaged groups as the most useful support measures, and 9% – support for cultural events in Mārupe. Riga Airport conducts such a survey every two years.

Representatives of the local community receive information on social and environmental issues through the website of Riga Airport website, for example on environmental and noise issues, as well as by communicating directly, for example, meeting with job seekers at the Mārupe social service, participating in joint educational activities for students, or meeting with the representatives of the Mārupe council to discuss issues important to citizens. More detailed see in the chapter "Support to Society". In 2023, in the form of consultations, representatives of the local community will be involved in the development of the new Action Plan for the noise reduction.

As mentioned in the chapter "Support to Society", by taking into account the limited ability of Riga Airport to provide financial support, which includes the implementation of community development programs, the Sustainability Strategy 2024 includes an activity to consider the possibility of introducing a social entrepreneurship fund with the aim of providing funding to local organizations for such projects the implementation of which will improve the quality of life of the local community, promote education and introduce innovation.

Riga Airport is also active in the Business Consultative Council of the Mārupe City Council and the association "Mārupes uzņēmēji", read more in the section "Membership in Organisations".

Inhabitants of the local community can submit a feedback about Riga Airport (including a complaint) in accordance with exactly the same procedure as anyone else. The mechanism for the submission of a feedback is described in the section "Customer Feedback" section.

COOPERATION WITH STUDENTS AND START-UPS

In the second hackathon "Mobility City Challenge 2022" organized by the Faculty of Business, Administration and Economics of the University of Latvia (BAEF) and Riga Airport, which took place 23-25 September 2022, 105 students from six Latvian universities participated, offering ideas and solutions in the tasks set by the Airport. Riga Airport had prepared three tasks for the participants of the hackathon related to the Airport's future development plans, including urban mobility of the future airport city RIX Airport City, the airport city as a unique destination and new passenger experience opportunities at the Airport.

"Mobility City Challenge 2022" is an urban hackathon that, for the second year, invited to look at our city from a different point of view and participate in shaping its future. As a part of the hackathon, during the weekend, students worked on the challenges offered by Riga Airport under the guidance of professional trainers.

On the other hand, in support of start-ups, the green wall of the start-up company "Elpo" was placed in the VIP center of Riga Airport for two months – an ecological indoor air purification and climate improvement system, which simultaneously fulfils the functions of both a movable green wall and an interior object.

DONATION OF FOUND PROPERTY TO CHARITY

The property found in the passenger terminal of the airport, the owner of which has not been claimed within a month, is handed over to charity by Riga Airport. Since 2018, a contract has been entered into with the foundation "Ideju partneru fonds", which maintains the "Otrā elpa" charity shops, on the transfer of property left unattended.

A part of the belongings is placed in the organization's stores for sale, and the obtained funds are donated to social charity projects, while another part of the belongings is donated by "Ideju partneru fonds" to cooperation organizations, which they distribute to socially disadvantaged groups of people as needed.

Other charities can also apply to receive items found at the Airport. In accordance with the rules of Riga Airport, the organization must have the status of public benefit.

DONATION AND GIVING

The principles of donation and charity are a part of the CSR and public investment policy of Riga Airport. Charity can take the form of gratuitous assistance in various public activities in conformity with the current laws and regulations of the Republic of Latvia, for which a donation (gift) contract shall be entered into.

In conformity with the current regulatory enactments of the Republic of Latvia and the available financial resources, all received applications that correspond to the support areas defined by the company are evaluated by the Sustainability Commission every six months. Riga Airport personally informs the recipients of the supported projects. Allocation of donations (gifts) or projects are:

- component of corporate social responsibility and public investment policy;
- charity which can take the form of gratuitous assistance in various public activities in accordance with the current regulatory enactments of the Republic of Latvia for which a donation (donation) contract is concluded.

An overview of the donations and gifts made by Riga Airport is available on the company's website. In 2022, by taking into account the financial situation of the company and the restrictions set by the laws and regulations, no donations/gifts have been made.

DONATION STANDS

In the registration sector of the passenger terminal of Riga Airport, as well as in the B and C sectors, which are located in the passenger area behind the security control, there are donation stands created and maintained by Riga Airport. The right to place a donation box in it can be claimed by any charity whose activities correspond to the areas of corporate social responsibility support of Airport Riga. The rotation of organizations at the stands takes place twice a year.

In 2022, 15 organizations had the right to place a donation box at the donation stands of Riga Airport. The amount donated in 2022 is EUR 1,900.80[27].

An overview of the use of the funds obtained at the donation stands is available on the website of Riga Airport.

In order to improve donation options and reduce the bureaucratic burden, in 2023 Riga Airport plans to replace the current donation stands in the Airport terminal with digital donation stands in cooperation with the charity organization "Ziedot.lv".

[27] At the time of preparing the report, one organization had not emptied the donation box and, accordingly, had not submitted a report on the use of donations.

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INDEPENDENT LIMITED ASSURANCE REPORT

TO THE BOARD OF VAS STARPTAUTISKĀ LIDOSTA ”RĪGA”

This limited assurance report has been prepared based on contract with VAS “Starptautiskā lidosta “Rīga”” (hereafter - Riga International Airport) dated 7 February 2023, and it is addressed to the Board of Riga International Airport in relation to the accompanying sustainability report of Riga International Airport for the year 2022 (hereafter – Sustainability report) prepared in accordance with the global standards for sustainability reporting issued by non-profit organisation Global Reporting Initiative (GRI) (hereafter - GRI Standards).

Objective

This report, including our conclusion expressed herein, has been addressed exclusively to the Board of Riga International Airport to assist the Board in complying with the responsibility to report on the sustainability measures and activities undertaken by Riga International Airport.

Responsibilities of the management of Riga International Airport

The management of Riga International Airport is responsible for preparation and presentation of the Sustainability Report in accordance with the GRI Standards, including information and assumptions included therein, as well as for determining the Riga International Airport objectives in respect of sustainable development performance and reporting, including identification of stakeholders and material topics, and for establishing and maintaining appropriate performance management and internal control systems which ensure that information included in the Sustainability Report is not materially misstated.

The management is responsible for prevention and identification of fraud as well as for compliance with the requirements of laws and regulations applicable to the operations of Riga International Airport.

Our responsibilities

Our responsibility is to carry out a limited assurance engagement and based on the review procedures to express a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the Riga International Airport Sustainability Report for the year 2022 has not been prepared, in all material respects, according to the GRI Standards. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. That Standard requires that we comply with applicable ethical requirements, including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the Sustainability Report is free from material misstatement.

We apply International Standard on Quality Management 1 which requires us to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of Riga International Airport in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (hereafter – the IESBA Code), together with the ethical requirements that are relevant to our review, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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Document classification: KPMG Confidential

Reg.No.40003235171

Summary of procedures

A limited assurance engagement on the Sustainability report consists of making inquiries, primarily of persons responsible for preparation of information presented in the Sustainability report, and applying analytical and other evidence gathering procedures, as appropriate. The scope of our engagement was limited and included the following procedures:

a) *Inquiries of Riga International Airport representatives to gain an understanding of Riga International Airport processes for determining the material issues for Riga International Airport key stakeholder groups.*

b) *Interviews with Riga International Airport representatives concerning sustainability strategy and policies for material issues, and the implementation of these across the business.*

c) *Interviews with Riga International Airport representatives to assess whether the qualitative and quantitative information presented in the Sustainability Report is complete, reasonable, accurate and sufficient, as well as review of documents selected on a sample basis to obtain confirmation of the representations made by the members of management.*

d) *Reconciliation of the qualitative and quantitative information presented in the Sustainability Report against the audited financial statements of Riga International Airport for the year 2022, data from the management and accounting systems and publicly available information to assess whether the qualitative and quantitative information presented in the Sustainability Report is complete, reasonable, accurate and sufficient.*

e) *Review of GRI Standards indicators disclosed in the Sustainability Report for completeness against the GRI Standards.*

f) *Reading the information presented in the Sustainability Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of Riga International Airport.*

We have not performed any procedures with regard to data for previous periods or future periods and objectives disclosed in the Sustainability Report.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is provided.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

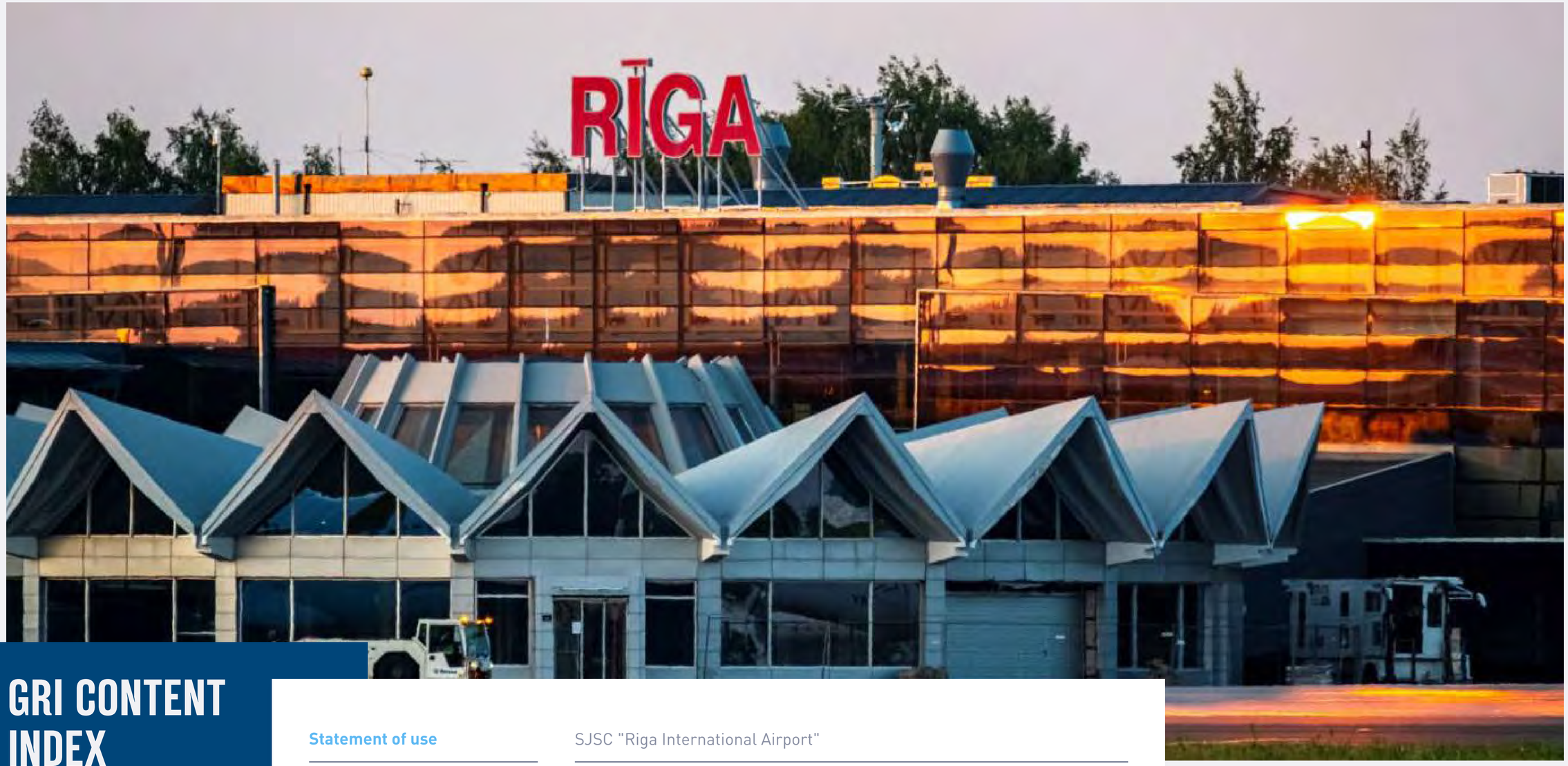
Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report of VAS “Starptautiskā lidosta “Rīga”” has not been prepared, in all material respects, in accordance with the GRI Standards.

KPMG Baltics SIA
Licence No. 55

Rainers Vilāns
Board member
Certified Auditor
Certificate No. 200
Riga, Latvia

This report is an English translation of the original Latvian. In the event of discrepancies between the two reports, the Latvian version prevails.

Document classification: **KPMG Confidential**



GRI CONTENT INDEX

Statement of use	SJSC "Riga International Airport"
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	n/a

GENERAL DISCLOSURES

Gri standard/ other source	Disclosure	Location	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation	GRI sector standard Ref. No.
GRI 2: General Disclosures 2021	2-1 Organizational details	3.p.				
	2-2 Entities included in the organization's sustainability reporting	3.p.				
	2-3 Reporting period, frequency and contact point	3.p.				
	2-4 Restatements of information	3.p.				
	2-5 External assurance	3.p.				
	2-6 Activities, value chain and other business relationships	16.p.				
	2-7 Employees	112.p.	v	Not applicable	The company operates in one region	
	2-8 Workers who are not employees	114.p.				
	2-9 Governance structure and composition	38.p.				
	2-10 Nomination and selection of the highest governance body	44.p.				
	2-11 Chair of the highest governance body	38.p.				
	2-12 Role of the highest governance body in overseeing the management of impacts	49.p.				
	2-13 Delegation of responsibility for managing impacts	50.p.				
	2-14 Role of the highest governance body in sustainability reporting	50.p.				
	2-15 Conflicts of interest	60.p.				
	2-16 Communication of critical concerns	62.p.				
	2-17 Collective knowledge of the highest governance body	55.p.				
	2-18 Evaluation of the performance of the highest governance body	51.p.				
	2-19 Remuneration policies	45.p.				
	2-20 Process to determine remuneration	45.p.				
	2-21 Annual total compensation ratio	45.p.	ii	Confidentiality constraints	According to the list of commercial secrets, information about the amount of salaries cannot be made public	
	2-22 Statement on sustainable development strategy	5.p.				
	2-23 Policy commitments	51.p.				
	2-24 Embedding policy commitments	51.p.				
	2-25 Processes to remediate negative impacts	69.p.				
	2-26 Mechanisms for seeking advice and raising concerns	60.p., 62.p.				
	2-27 Compliance with laws and regulations	62.p.				
	2-28 Membership associations	70.p.				
	2-29 Approach to stakeholder engagement	22.p.				
	2-30 Collective bargaining agreements	116.p.				

MATERIAL TOPICS

Gri standard/ other source	Disclosure	Location	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation	GRI sector standard Ref. No.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	23.p.				
	3-2 List of material topics	23.p.				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	146.p.				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	150.p.	a) (ii)	Information unavailable/incomplete	Complete information is not available here for indicator reflection	
	201-2 Financial implications and other risks and opportunities due to climate change	89.p.				
	201-3 Defined benefit plan obligations and other retirement plans	152.p.				
	201-4 Financial assistance received from government	152.p.				
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	146.p.				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	31.p.				
	203-2 Significant indirect economic impacts	146.p.				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	63.p.				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	63.p.				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	60.p.				
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	60.p.				
	205-3 Confirmed incidents of corruption and actions taken	60.p.				
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	89.p.				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	96.p.				
	302-3 Energy intensity	97.p.				
	302-4 Reduction of energy consumption	97.p.				

Gri standard/ other source	Disclosure	Location	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation	GRI sector standard Ref. No.
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	98.p.				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	99.p.				
	303-2 Management of water discharge-related impacts	101.p.				
	303-5 Water consumption	99.p.				
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	106.p.				
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	106.p.				
	304-3 Habitats protected or restored	106.p.				
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	89.p.				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	91.p.				
	305-2 Energy indirect (Scope 2) GHG emissions	91.p.				
	305-3 Other indirect (Scope 3) GHG emissions	91.p.	b.	Not applicabe	The airport does not emit PFCs, SF6 and NF3	
	305-4 GHG emissions intensity	91.p.				
	305-5 Reduction of GHG emissions	92.p.				
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	103.p.				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	103.p.				
	306-2 Management of significant waste-related impacts	103.p.				
	306-3 Waste generated	103.p.				
	306-4 Waste diverted from disposal	106.p.				
	306-5 Waste directed to disposal	106.p.				
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	63.p.				
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	63.p.				

Gri standard/ other source	Disclosure	Location	Omission			GRI sector standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	110.p.				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	140.p.				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	142.p.				
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	135.p.				
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	142.p.				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	118.p.				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	119.p.				
	403-2 Hazard identification, risk assessment, and incident investigation	119.p.				
	403-3 Occupational health services	120.p.				
	403-4 Worker participation, consultation, and communication on occupational health and safety	125.p.				
	403-5 Worker training on occupational health and safety	126.p.				
	403-6 Promotion of worker health	120.p.				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	119.p.				
	403-8 Workers covered by an occupational health and safety management system	123.p.	b) (v)	Information unavailable/incomplete	It is not possible to obtain such data	
	403-9 Work-related injuries	120.p.				
	403-10 Work-related ill health					

Gri standard/ other source	Disclosure	Location	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation	GRI sector standard Ref. No.
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	130.p.				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	130.p.	a) (i), (ii)	Information unavailable/incomplete	Technical solutions are being sought for providing such data	
	404-2 Programs for upgrading employee skills and transition assistance programs	131.p.				
	404-3 Percentage of employees receiving regular performance and career development reviews	139.p.				
GRI 3: Material Topics 2021	3-3 Management of material topics	117.p.				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	112.p.				
	405-2 Ratio of basic salary and remuneration of women to men	117.p.				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	117.p.				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	117.p.				
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	157.p.				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	160.p.				
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	78.p.				
GRI 412: Human rights assessment 2016	412-1 Company activities pertaining to human rights	54.p.				
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	81.p.				
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	82.p., 83.p.				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	84.p.				

ADDITIONS TO THE AIRPORT OPERATORS SECTOR G4 AND RIGA AIRPORT INDICATORS

Disclosure	Location	Name
A01 (except 2.4., 2.5.)	16. p.	Number of passengers served
A02 (except 2.1., 2.2..)	16. p.	Number of flights served
A03	16. p.	Cargo served
A06	102. p.	Use of anti-icing liquid for aircraft and airfield surfaces
A07	153. p.	Changes of people living in areas affected by noise
A09	81. p.	Birdstrikes
LA6	123. p.	Accidents at the workplace by their type and occupational diseases by their type
RIX1	73. p.	Punctuality
RIX2	86. p.	Access for people with reduced mobility
RIX3	153. p.	Environmental noise
RIX4	74. p.	Passenger and customer experience and satisfaction
RIX5	157. p.	Support for society

RIX

Non-Financial Statement
2022